



# Summary Financial Statements of the Government of New Zealand for the year ended 30 June 2008

## Fiscal Summary

for the year ended 30 June 2008

Forecast		Fiscal Strategy	Fiscal Indicators/Financial Statements	Actual	
Original Estimated Budget	Actuals			30 June 2008	30 June 2007
\$ billion	\$ billion		\$ billion	\$ billion	
31.6%	31.5%				
54.7	56.7	Taxes ...			
			Taxation as % of GDP	31.5% 31.7%	
5.8	4.5	... combined with other revenue ...	Core Crown taxation	56.7 53.5	
			Other Core Crown operating items	4.2 7.0	
(56.1)	(57.4)	... fund core Crown expenses ...	Core Crown expenses	(57.0) (54.0)	
2.0	(1.2)	... and with the results of entities outside the budget process ...	Net surpluses/(deficits) of SOEs and Crown entities	(1.5) 1.5	
<b>6.4</b>	<b>2.6</b>	... results in a surplus or deficit...	<b>Operating balance</b>	<b>2.4 8.0</b>	
(1.4)	2.6	...part of which is gains or losses set aside for fiscal strategy purposes...	Other (gains)/losses	3.2 (2.1)	
<b>5.0</b>	<b>5.2</b>	... and so we have developed an operating indicator excluding these items.	<b>OBEGAL</b>	<b>5.6 5.9</b>	
(0.1)	-	Some of this is income retained that is not available for fiscal purposes	Net return on NZS Fund (excl. revaluations)	(0.1) 0.4	
(1.7)	(0.6)		Net retained surpluses of SOEs and Crown entities	(0.8) (1.7)	
1.8	2.4	... and some is income and expenses not impacting cash	Non-cash items and working capital movements	2.6 4.0	
<b>5.0</b>	<b>7.0</b>	The operating cash flow that results, needs to provide sufficient funds for	<b>Core Crown Cash flow from Operations</b>	<b>7.3 8.6</b>	
(2.1)	(2.1)	... building up assets in NZ Superannuation	Contribution to NZS Fund	(2.1) (2.0)	
(1.8)	(1.5)	...meeting the capital expenditure budget, and	Purchase of physical assets	(1.4) (1.8)	
(2.1)	(2.5)	...making advances (eg, to students and DHBs)	Advances and capital injections	(1.7) (2.0)	
<b>(1.0)</b>	<b>0.9</b>	with a residual impact on debt	<b>Residual Cash</b>	<b>2.1 2.8</b>	
<b>-0.6%</b>	<b>0.5%</b>	consistent with fiscal strategy	<b>... and as a percentage of GDP</b>	<b>1.1% 1.7%</b>	

## Summary Statement of Financial Performance

for the year ended 30 June 2008

Forecast			Actual	
Original Budget	Estimated Actuals		30 June 2008	30 June 2007
\$ billion	\$ billion		\$ billion	\$ billion
		<b>Revenue</b>		
54.2	56.2	Taxation revenue	56.4	53.1
3.7	3.9	Other sovereign revenue	3.9	3.5
<b>57.9</b>	<b>60.0</b>	<b>Total revenue levied through the Crown's sovereign power</b>	<b>60.3</b>	<b>56.6</b>
13.3	13.7	Sales of goods and services	15.4	12.6
3.4	3.2	Interest revenue and dividends	3.2	3.0
2.4	2.9	Other revenue	2.6	2.4
<b>19.0</b>	<b>19.8</b>	<b>Total revenue earned through operations</b>	<b>21.2</b>	<b>18.0</b>
<b>76.9</b>	<b>79.8</b>	<b>Total revenue (excluding gains)</b>	<b>81.5</b>	<b>74.6</b>
		<b>Expenses</b>		
21.3	22.3	Social security and welfare	21.5	19.8
11.7	10.8	Health	10.8	10.0
10.3	10.8	Education	10.4	9.9
7.7	7.2	Transport and communications	7.4	6.9
17.9	20.7	Other functional expenses	22.6	19.2
2.7	3.0	Finance costs	3.1	2.9
0.3	(0.2)	Forecasting adjustments	-	-
<b>71.9</b>	<b>74.6</b>	<b>Total expenses (excluding losses)</b>	<b>75.8</b>	<b>68.7</b>
<b>5.0</b>	<b>5.2</b>	<b>Operating balance before gains and losses (OBEGAL)</b>	<b>5.6</b>	<b>5.9</b>
1.4	(0.8)	Net gains/(losses) on financial instruments	(0.6)	1.6
-	(2.0)	Net gains/(losses) on non-financial instruments	(2.9)	0.5
<b>1.4</b>	<b>(2.8)</b>	<b>Total gains/(losses)</b>	<b>(3.5)</b>	<b>2.1</b>
0.1	0.2	Net surplus/(deficit) from associates and joint ventures	0.3	0.2
<b>6.4</b>	<b>2.6</b>	<b>Operating balance from continuing activities</b>	<b>2.4</b>	<b>8.1</b>
-	-	Gain/(loss) from discontinued operations	-	(0.1)
<b>6.4</b>	<b>2.6</b>	<b>Operating balance (including minority interest)</b>	<b>2.5</b>	<b>8.0</b>
-	-	Operating balance attributable to minority interest in Air NZ	(0.1)	-
<b>6.4</b>	<b>2.6</b>	<b>Operating Balance</b>	<b>2.4</b>	<b>8.0</b>
0.1	-	Total income/(expense) recognised directly in Net Worth	6.3	4.8
<b>6.5</b>	<b>2.6</b>	<b>Total recognised income and expense</b>	<b>8.7</b>	<b>12.8</b>

## Summary Statement of Cash Flows

for the year ended 30 June 2008

Forecast			Actual	
Original Budget	Estimated Actuals		30 June 2008	30 June 2007
\$ billion	\$ billion		\$ billion	\$ billion
		<b>Cash Flows From Operations</b>		
		<b>Cash was provided from</b>		
54.3	55.7	Taxation receipts	55.2	52.2
21.9	22.7	Other operating receipts	23.4	20.9
		<b>Cash was disbursed to</b>		
(19.5)	(18.2)	Social assistance and official development assistance	(18.0)	(16.3)
(44.4)	(46.5)	Personnel and operating payments	(46.0)	(41.9)
(2.5)	(2.7)	Interest payments	(2.8)	(2.4)
<b>9.8</b>	<b>11.1</b>	<b>Net cash flows from operations</b>	<b>11.8</b>	<b>12.5</b>
		<b>Cash Flows From Investing Activities</b>		
		<b>Cash was provided from</b>		
9.2	23.1	Sale of shares and other securities	26.2	20.0
1.4	2.5	Other capital receipts	1.7	2.6
		<b>Cash was disbursed to</b>		
(6.9)	(6.2)	Purchase of physical assets	(5.3)	(5.6)
(13.7)	(28.0)	Purchase of shares and other securities	(32.3)	(28.6)
(2.7)	(3.3)	Issue of advances	(3.8)	(2.9)
(0.3)	(1.3)	Purchase of other assets	(0.8)	(0.6)
(0.2)	(0.7)	Forecast adjustments	-	-
<b>(13.2)</b>	<b>(13.9)</b>	<b>Net cash flows from investing activities</b>	<b>(14.3)</b>	<b>(15.0)</b>
<b>(3.4)</b>	<b>(2.9)</b>	<b>Net cash flows from operating and investing activities</b>	<b>(2.6)</b>	<b>(2.6)</b>
		<b>Cash Flows From Financing Activities</b>		
		<b>Cash was provided from</b>		
0.2	0.3	Issues of circulating currency	0.1	0.1
3.9	3.3	Issue of Government stock and treasury bills	2.8	2.9
2.2	2.7	Issue of other borrowing	3.4	8.5
		<b>Cash was disbursed to</b>		
(1.6)	(1.0)	Repayment of Government stock and treasury bills	(1.1)	(6.6)
(1.2)	(1.3)	Repayment of other borrowing	(3.0)	(1.8)
<b>3.5</b>	<b>3.9</b>	<b>Net cash flows from financing activities</b>	<b>2.2</b>	<b>3.1</b>
<b>0.1</b>	<b>1.1</b>	<b>Net movement in cash</b>	<b>(0.4)</b>	<b>0.5</b>
3.1	4.2	<b>Opening Cash Balance</b>	4.2	3.7
<b>3.2</b>	<b>5.2</b>	<b>Closing Cash Balance</b>	<b>3.8</b>	<b>4.2</b>

## Summary Statement of Financial Position

as at 30 June 2008

Forecast			Actual	
Original Budget	Estimated Actuals		30 June 2008	30 June 2007
\$ billion	\$ billion		\$ billion	\$ billion
		<b>Assets</b>		
3.2	5.2	Cash and cash equivalents	3.8	4.2
12.5	12.3	Receivables	14.2	12.1
35.1	36.4	Marketable securities, deposits and derivatives in gain	41.2	33.2
17.0	12.5	Share investments	13.0	13.6
12.8	13.9	Advances	12.9	10.7
96.0	98.4	Property, plant & equipment	103.3	95.6
10.7	11.6	Other assets	12.4	10.9
-	0.7	Forecast Adjustments	-	-
<b>187.3</b>	<b>191.0</b>	<b>Total assets</b>	<b>200.8</b>	<b>180.3</b>
		<b>Liabilities</b>		
3.7	3.7	Issued currency	3.5	3.4
9.0	8.4	Payables	10.9	8.1
0.8	1.0	Deferred revenue	1.3	1.0
46.4	45.5	Borrowings	46.1	41.9
19.0	20.8	Insurance liabilities	20.5	17.4
8.4	8.1	Retirement plan liabilities	8.3	7.2
3.9	4.0	Provisions	4.8	4.6
<b>91.3</b>	<b>91.7</b>	<b>Total liabilities</b>	<b>95.3</b>	<b>83.5</b>
<b>96.1</b>	<b>99.4</b>	<b>Total assets less total liabilities</b>	<b>105.5</b>	<b>96.8</b>
		<b>Net Worth</b>		
89.6	96.8	Net worth at start of year	96.8	84.0
6.4	2.6	Operating Balance excluding minority interest	2.4	8.0
0.1	-	Net revaluations and other movements	6.3	4.8
<b>96.1</b>	<b>99.4</b>	<b>Total net worth</b>	<b>105.5</b>	<b>96.8</b>

These summary financial statements comply with generally accepted accounting practice as it relates to summary financial statements.

The information in these summary statements is drawn from and is consistent with information presented in the full financial statements of the Government for the year ended 30 June 2008, which were the first NZ IFRS full financial statements. These were authorised for issue on 30 September 2008.

The Government is a public benefit entity and the full financial statements of the Government have been prepared in accordance with generally accepted accounting practice as it applies to such entities. The recognition and measurement disclosure changes resulting from the change to NZ IFRS were not significant in the context of this summary information. The full financial statements received an unqualified audit opinion.

These summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements, which can be obtained from [www.treasury.govt.nz/government/financialstatements/](http://www.treasury.govt.nz/government/financialstatements/).