

VOTE *Finance*

Finance

Overview

Departmental Appropriations

Departmental output expense appropriations for Vote Finance in 2007/08 total \$56.534 million. This sum is intended to be spent as follows:

- \$7.255 million (13% of departmental output expense appropriations in this Vote) on debt and related financial asset management.
- \$11.439million (20% of departmental output expense appropriations in this Vote) on purchasing policy advice and management of macroeconomic issues.
- \$5.665 million (10% of departmental output expense appropriations in this Vote) on management of claims against the Crown, contractual liabilities and Crown properties.
- \$1.265 million (2% of departmental output expense appropriations in this Vote) on management of the New Zealand Export Credit Office.
- \$13.320 million (24% of departmental output expense appropriations in this Vote) on purchasing advice on economic performance.
- \$17.590 million (31% of departmental output expense appropriations in this Vote) on purchasing advice on State sector performance.

Details of how the appropriations are to be applied appear in Parts B and C.

Multi-Year Non-Departmental Appropriations

Vote Finance includes multi-year non-departmental expense appropriations of:

- \$200 million (GST inclusive) for upgrading the national rail network
- \$596.314 million for Auckland rail development
- \$550 million for urban rail development.

Other Non-Departmental Appropriations

Other non-departmental appropriations sought for Vote Finance in 2007/08 total \$5,586.769 million. This is intended to be spent as follows:

- \$2.688 million on non-departmental output expenses.
- \$2,131 million on borrowing expenses.
- \$1,006.247 million on other expenses to be incurred by the Crown.
- \$2,446.834 million on capital expenditure.

Crown Revenue and Receipts

- \$2,957.990 million of current revenue from interest, dividends and other revenue.
- \$255.912 million of capital revenue from capital withdrawals and loan repayments by Crown entities.

Details of how the appropriations are to be applied appear in Parts B and C of this Vote. Details of Crown revenue appear in Part F.

Terms and Definitions Used

CEL	Contact Energy Ltd
CRI	Crown research institute
EQC	Earthquake Commission
GAAP	Generally accepted accounting practice
GSF	Government Superannuation Fund
GSF Schemes	The Government Service Superannuation Scheme, the New Government Service Superannuation Scheme, Superannuation of Members of the Armed Forces, the Judges' and Solicitor-General Scheme, and the Masters', Parliamentary, Police and Prison Service Schemes, all constituted under the Government Superannuation Fund Act 1956 and the Superannuation Schemes Act 1989
GSFA	GSF Authority (a Crown entity formed to manage the GSF)
HNZC	Housing New Zealand Corporation
IMF	International Monetary Fund
MFAT	Ministry of Foreign Affairs and Trade
NPF	National Provident Fund
NZRC	New Zealand Railways Corporation (now known as ONTRACK)
NZSF	New Zealand Superannuation Fund
PLA	Permanently legislated authority
SOE	State-owned enterprise

Footnotes

Note 1	Prior to 2006/07 expenses were incurred pursuant to sections 61(1), 65E(1), 65H(2) and 65J(1) of the Public Finance Act 1989
Note 2	Expenses incurred pursuant to sections 15, 74, 81, 88 and 95 of the GSF Act 1956, and section 33 of the Superannuation Schemes Act 1989
Note 3	Expenses incurred pursuant to sections 60(1) and 61(1), 65D(1), 65E and 65H of the Public Finance Act 1989
Note 4	Expenses incurred pursuant to section 74(5) of the Public Finance Act 1989
Note 5	Expenses incurred pursuant to section 5 of the International Finance Agreements Act 1961

Minister Portfolio Table

31	Minister of Finance
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Finance

ADMINISTERING DEPARTMENT: The Treasury
The Minister of Finance is the Responsible Minister for the Treasury

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote

Related Government Outcomes

The appropriations in Vote Finance fund analysis, advice and services that contribute to the following three overarching outcomes that the Treasury works (with others) to achieve:

- Improving New Zealand's overall economic performance.
- Improving state sector performance.
- A stable and sustainable macroeconomic environment.

These outcomes contribute strongly to the Government's objectives expressed through its three themes of Economic Transformation, Families - Young and Old and National Identity.

As the Government's key economic and fiscal advisor, the Treasury contributes most directly to the goal of economic transformation, which seeks to progress New Zealand to being a high-income, knowledge-based market economy, providing a unique quality of life to all New Zealanders. Improved economic growth, supported by a stable macroeconomic environment, is also fundamental to sustaining and enhancing family and community living standards. The Treasury's State sector performance outcome helps ensure that government services to families and communities are effective and of a high quality. Ensuring efficiency in the provision of these services in turn supports economic growth.

Output Expenses

To achieve these objectives, the appropriations are intended to fund a wide range of activities, including policy advice and/or other services relating to:

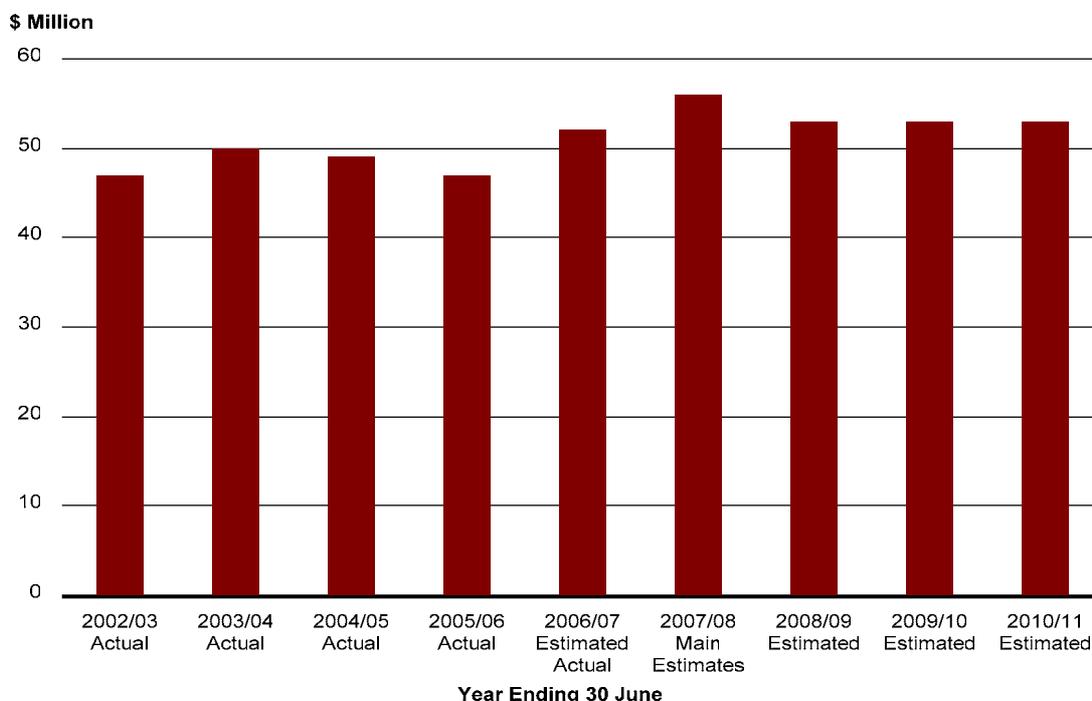
- debt and related financial asset management
- the macroeconomic environment
- New Zealand Export Credit Office
- management of claims against the Crown, contractual liabilities and Crown properties
- economic performance
- State sector performance.

Part A2 - Trends in Vote

Departmental Output Trends

The chart below shows the trend in total departmental output expense appropriations over time.

Figure 1 - Trends in departmental output expenses



Source: The Treasury

The increase in the 2007/08 baseline is largely due to an expense transfer from the previous year for unused Building Industry Authority litigation management funding totalling \$3 million. The additional funding for Building Industry Authority litigation management was transferred to the Treasury from the Department of Building and Housing. In addition \$350,000 was provided to the New Zealand Export Credit Office to extend the range of services provided in 2007/08 and outyears.

During 2006/07 \$3 million of funding was provided for Debt and Related Financial Asset Management costs. These costs had previously been recorded as a non-departmental expense and the increase in the Departmental funding was via a fiscally neutral transfer within Vote Finance. Partly offsetting this increase was a \$0.5 million fiscally neutral transfer to Vote Prime Minister and Cabinet to fund central agency work.

During 2005/06, baseline savings of \$632,000 were made and returned as surplus funds to the Crown. In addition, in 2005/06 and 2006/07 baseline reductions have been made of \$1.4 million and \$800,000, respectively, to repay previous baseline increases for the Treasury accommodation project.

Baselines for 2004/05 were increased for the accommodation project and various expense transfers from 2003/04, which were partly offset by a baseline reduction of \$1.6 million to return surplus funds to the Crown.

Additional funding was provided in 2003/04 for the national rail project and the Treasury's accommodation fitout, which was partly offset by expense transfers to 2004/05 and baseline savings.

At the request of the Minister, the Treasury reduced its departmental baseline by \$1 million in 2000/01 and the outyears.

Non-Departmental Expenditure and Revenue Trends

Marked variations in non-departmental expenses tend to reflect one-off rather than ongoing transactions.

Non-departmental output expenses

From 2007/08, the GSF Authority will be funded via the other expenses to be incurred by the Crown appropriation - GSF Authority - Crown's Share of Expenses.

From 2002/03, a non-departmental output expense funded the Guardians of New Zealand Superannuation.

In 2003/04 and part of 2004/05, a non-departmental output expense funded the management of the Auckland rail corridor infrastructure. Responsibility for this expenditure transferred to the New Zealand Railways Corporation (now ONTRACK) on 1 September 2004, and the appropriation ceased.

Benefits and other unrequited expenses

The GSF Authority (GFSA) - Subsidies to GSF Schemes has been reclassified as an other expenses to be incurred by the Crown appropriation from 2007/08. This new classification reflects the movement in the GSF unfunded liability.

Borrowing expenses

Debt servicing costs trend downwards over the forecast period.

Other Crown expenses

The largest item in this category is the movement in the GSF Unfunded Liability. Other significant items are the cost of purchasing Maui gas (revenue from the sale of the gas is reported in Part F), operating costs of the Crown's overseas properties, the custodial and investment management expenses of the GSF, and various one-off costs.

One-off costs have included:

- in 2002/03, the cost of maintaining a guaranteed minimum earnings rate on certain National Provident Fund (NPF) schemes,
- in 2003/04 and 2004/05, costs arising from the establishment of the entity to manage the national rail corridor on behalf of the Crown; and the costs of deferred maintenance work on Wellington Railway Station.

From 2005/06, the Public Finance Amendment Act 2004 requires that all expenses other than re-measurements be appropriated. This resulted in changes to appropriations as follows:

- A new appropriation was created for the amortisation of goodwill in Air New Zealand. However, under NZ IFRS goodwill is no longer amortised but is assessed regularly for impairment. Therefore, this appropriation ceased on 30 June 2007.
- The cost of Maui prepaid gas sold was added to the appropriation "Maui Gas Contracts".
- Depreciation was added to the appropriation "Crown Overseas Properties".
- Depreciation was added to the appropriation "Wellington Railway Station Expenses".

From 1 July 2007 International Financial Reporting Standards require loans to be valued at fair value. As a consequence of this technical accounting change, the write downs in the value of interest free loans to Invercargill Airport and Wellington Regional Council are appropriated in 2007/08.

Capital expenditure

This comprises purchases of debt and equity by the Crown in various Crown entities, and capital additions to the Crown's physical assets.

Significant transactions since 2002/03 include:

- debt and equity financing to HNZC. These appropriations transferred to Vote Housing from 2003/04
- in 2004/05, equity injections into Air New Zealand
- in 2002/03 and 2003/04, equity injections into the University of Auckland to assist in funding a proposed business school
- in 2002/03 and 2003/04, appropriations to re-capitalise Television New Zealand as a Crown company under its own legislation, and subsequently to capitalise its subsidiary company Transmission Holdings Ltd as a stand-alone State-owned enterprise (SOE)
- contributions to international financial institutions, primarily the International Monetary Fund (IMF)
- the government's annual contribution to the NZSF
- from 2003/04, equity investment in ONTRACK
- in 2004/05, a capital injection into the Reserve Bank
- from 2004/05, debt funding to ONTRACK, Taitokerau Forests, and the Auckland and Wellington regional councils
- up to 2004/05, additions to the Crown's geothermal steam-generating assets
- additions to the Crown's overseas property portfolio (this item transferred to the Ministry of Foreign Affairs and Trade (MFAT) on 1 July 2005)
- purchase of, and additions to, the national rail corridor infrastructure
- in 2003/04, purchase of Westhaven and Hobson West Marinas in Auckland.

Crown revenue and capital receipts

The level of current revenue varies with movements in interest rates and the level of Crown investments (for interest receipts), and the profitability of SOEs and Crown entities (for dividends).

From 2002/03, following full line-by-line consolidation, SOE and Crown entity net surpluses are reported directly into the Crown accounts by the individual companies, rather than through Vote Finance.

From 2003/04, dividends paid by HNZC, together with interest paid by HNZC on Crown debt, are reported in Vote Housing.

Capital revenue arises from net borrowing by the Crown, the sale of Crown assets, the repayment of Crown loans, capital withdrawals from Crown companies, and transactions arising from the corporatisation of Crown entities.

One-off items are the main reasons for changes between years, but from 2005/06, because of the changes to the Public Finance Act 1989, net borrowing receipts are no longer recorded.

New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11
Urban Rail Development	Other Expenses to be Incurred by the Crown (Multi-Year Appropriation) - Urban Rail Development	-	75,000	125,000	125,000	125,000
National Rail Network Improvements	Other Expenses to be Incurred by the Crown - National Rail Network Improvements	-	-	25,000	25,000	-
GSF Authority	Non-Departmental Output Expenses - GSF Authority	302	-	-	-	-
ONTRACK Operating and Maintenance Costs	Other Expenses to be Incurred by the Crown - ONTRACK Operating and Maintenance Costs	12,900	12,800	-	-	-
New Zealand Cricket Settlement for Cancellation of the Zimbabwe Tour	Other Expenses to be Incurred by the Crown - New Zealand Cricket Compensation	406	-	-	-	-
Overlander Support	Other Expenses to be Incurred by the Crown - Overlander Support	650	-	-	-	-
Equity Injection to Upgrade AgResearch Facilities	Capital Expenditure - AgResearch Equity Injection	-	195	-	-	-
Wellington Regional Council Loan to Upgrade Rail Passenger Services	Other Expenses to be Incurred by the Crown and Capital Expenditure - Wellington Regional Council Loan	-	18,000	-	-	-
New Zealand Export Credit Office	Departmental Output Expenses - New Zealand Export Credit Office	-	350	350	350	350
Kaingaroa Forest Road Easements	Other Expenses to be Incurred by the Crown - Kaingaroa Forest Road Easements	-	400	-	-	-

Part B - Statement of Appropriations

Summary of Financial Activity

	2002/03	2003/04	2004/05	2005/06	2006/07		2007/08 Appropriations to be Used				2008/09	2009/10	2010/11	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Appropriations														
Output Expenses	54,888	60,819	58,357	54,554	59,615	59,615	56,534	-	2,688	-	59,222	56,329	56,360	56,360
Benefits and Other Unrequited Expenses	2,479,379	242,561	827,384	1,091,367	929,397	929,397	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	2,616,011	2,549,901	2,588,917	2,674,921	2,414,000	2,414,000	N/A	N/A	-	2,131,000	2,131,000	2,054,000	1,958,000	2,131,000
Other Expenses	317,802	229,166	196,745	230,307	151,983	151,983	-	-	82,060	924,187	1,006,247	956,803	907,317	863,762
Capital Expenditure	807,321	4,143,642	3,322,259	2,501,434	2,399,248	2,399,248	N/A	N/A	2,246,834	200,000	2,446,834	2,394,000	2,512,000	2,658,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	6,275,401	7,226,089	6,993,662	6,552,583	5,954,243	5,954,243	56,534	-	2,331,582	3,255,187	5,643,303	5,461,132	5,433,677	5,709,122
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	2,539,488	2,561,499	2,731,373	3,891,778	3,823,472	3,823,472	N/A	N/A	N/A	N/A	2,957,990	3,033,733	2,884,969	2,863,161
Capital Receipts	1,894,283	446,462	292,684	405,500	258,742	258,742	N/A	N/A	N/A	N/A	255,912	226,673	200,500	200,500
Total Crown Revenue and Receipts	4,433,771	3,007,961	3,024,057	4,297,278	4,082,214	4,082,214	N/A	N/A	N/A	N/A	3,213,902	3,260,406	3,085,469	3,063,661

Part B1 - Details of Appropriations

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Budget Management (M31)	2,202	-	2,202	-	-	-	- Development of the Budget strategy and the operational activities of the Budget process. Reason for Change: Departmental output classes have been restructured. Refer to Part G - Statement of Reconciliations.
Debt and Related Financial Asset Management (M31)	7,290	-	7,290	-	7,255	-	- 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. Reason for Change: Movement reflects minor changes in operating costs (see Note 1).
Economic and Fiscal Forecasting and Reporting (M31)	6,181	-	6,181	-	-	-	- Preparation of macroeconomic and fiscal forecasts, and monitoring and reporting on economic and fiscal conditions. Advice on the application and development of generally accepted accounting practice (GAAP) as it applies to the Crown, and the adequacy of departmental financial management controls. Reason for Change: Departmental output classes have been restructured. Refer to Part G - Statement of Reconciliations.
Management of Claims Against the Crown, Contractual Liabilities and Crown Properties (M31)	3,013	-	3,013	-	-	-	- Management of commercial, contractual or Treaty of Waitangi-related claims against the Crown; and the management of New Zealand House, London. Reason for Change: Funding for managing the potential liabilities of the former Building Industry Authority was not required in 2006/07 and was transferred to 2007/08. In addition, departmental output classes have been restructured (refer to Part G - Statement of Reconciliations).
Policy Advice - Financial and Public Sector Management Systems (M31)	2,201	-	2,201	-	-	-	- Policy advice to maintain and develop financial and performance management systems in use across the Crown. Reason for Change: Departmental output classes have been restructured. Refer to Part G - Statement of Reconciliations.
Policy Advice - General Economic and Fiscal Strategies (M31)	4,366	-	4,366	-	-	-	- Policy advice on the Government's broad economic strategy and macroeconomic policy settings, and their effect on the welfare of New Zealanders. Reason for Change: Departmental output classes have been restructured. Refer to Part G - Statement of Reconciliations.

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General) - cont'd							
Policy Advice - Ownership and Performance of Crown Companies and Financial Institutions (M31)	2,286	-	2,286	-	-	-	- Policy advice on the Crown's financial position and the ownership interest in SOEs, Crown research institutes (CRIs) and other Crown entities; and on the Crown's ownership, guarantee and indemnity obligations in respect of Crown financial institutions. Reason for Change: Departmental output classes have been restructured. Refer to Part G - Statement of Reconciliations.
Policy Advice - Regulation and Vote Purchase, Ownership and Performance Issues (M31)	22,071	-	22,071	-	-	-	- Policy advice on the cost, quality and quantity of outputs sought by the Government, and the financial performance and capability of departments and Crown entities; monitoring of payments for outputs and advice on the non-departmental revenue and expenditure administered by departments and Crown entities; and identification and assessment of opportunities for the Government to achieve its goals. Reason for Change: Departmental output classes have been restructured. Refer to Part G - Statement of Reconciliations.
Policy Advice - Tax (M31)	2,858	-	2,858	-	-	-	- Policy advice on tax policy with Inland Revenue and other relevant collection agencies and advice on purchase, ownership and performance issues for Votes Revenue and Customs. Reason for Change: Departmental output classes have been restructured. Refer to Part G - Statement of Reconciliations.
Policy Advice and Management: Macroeconomic (M31)	-	-	-	-	11,439	-	- 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. Reason for Change: This is a new departmental output class following the restructuring of departmental output classes. Refer to Part G - Statement of Reconciliations.
State Sector and Economic Performance Policy Advice and Management MCOA							Basis: These output classes all contribute to the outcomes of improving New Zealand's overall economic performance and improving state sector performance. Reason for Change: This is a new departmental multi-class output appropriation following the restructuring of departmental output classes. Refer to Part G - Statement of Reconciliations.

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Management of Liabilities, Claims Against the Crown and Crown Properties	-	-	-	-	5,665	-	- Management of contractual or Treaty of Waitangi related claims against the Crown and the management of New Zealand House, London. Reason for Change: This is a new departmental output class following the restructuring of departmental output classes. Refer to Part G - Statement of Reconciliations.
New Zealand Export Credit Office	-	-	-	-	1,265	-	- Implementation of the Government's Export Credit Guarantees policy and operation of the New Zealand Export Credit Office. Reason for Change: This is a new departmental output class following the restructuring of departmental output classes. Refer to Part G - Statement of Reconciliations.
Policy Advice: Economic Performance	-	-	-	-	13,320	-	- Policy advice on the Government's economic strategy and policy settings and their effect on New Zealand's economic growth. Reason for Change: This is a new departmental output class following the restructuring of departmental output classes. Refer to Part G - Statement of Reconciliations.
Policy Advice: State Sector Performance	-	-	-	-	17,590	-	- 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. Reason for Change: This is a new departmental output class following the restructuring of departmental output classes. Refer to Part G - Statement of Reconciliations.
State Sector and Economic Performance Policy Advice and Management (M31)	-	-	-	-	37,840	-	
Total Departmental Output Expenses (General)	52,468	-	52,468	-	56,534	-	
Non-Departmental Output Expenses							
GSF Authority (M31)	4,459	-	4,459	-	-	-	- The Crown's share of expenses incurred by the GSFA in managing the GSF assets and administering the GSF Schemes. Reason for Change: This appropriation is no longer required because the Crown's share of the GSF Authority's costs are appropriated under the GSF Authority - Crown's Share of Expenses appropriation.
Guardians of New Zealand Superannuation (M31)	1,537	-	1,537	-	1,537	-	- Costs of managing the NZSF on behalf of the Crown.
Management of Crown Overseas Properties (M31)	1,000	-	1,000	-	1,000	-	- Property management costs for New Zealand House, London.

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Non-Departmental Output Expenses - cont'd							
Management of Residual Geothermal Liabilities (M31)	151	-	151	-	151	-	- Fees payable for managing the Crown's residual geothermal liabilities. This appropriation was previously known as "Management of Geothermal Trading".
Total Non-Departmental Output Expenses	7,147	-	7,147	-	2,688	-	
Benefits and Other Unrequited Expenses							
GSFA - Subsidies to GSF Schemes (M31)	-	929,397	-	929,397	-	-	- Payment of the shortfall in benefits (including withholding tax) paid to beneficiaries of the GSF Schemes (see Note 2). Reason for Change: The GSF unfunded liability expense is appropriated under other expenses to be incurred by the Crown - GSF Unfunded Liability.
Total Benefits and Other Unrequited Expenses	-	929,397	-	929,397	-	-	
Borrowing Expenses							
Debt Servicing (M31)	-	2,414,000	-	2,414,000	-	2,131,000	- Payment of interest and other finance costs relating to the Crown's New Zealand-dollar and foreign-currency debt (see Note 3). Reason for Change: The amount varies with interest rates and the amount of debt outstanding.
Total Borrowing Expenses	-	2,414,000	-	2,414,000	-	2,131,000	
Other Expenses to be Incurred by the Crown							
Amortisation of Goodwill in Air New Zealand (M31)	46,900	-	46,900	-	-	-	- Amortisation of goodwill in Air New Zealand. Reason for Change: The appropriation is not required owing to a technical accounting change.
Crown Overseas Properties (M31)	15,898	-	15,898	-	15,800	-	- Operational costs of New Zealand House, London. Reason for Change: Decrease owing to lower than anticipated operating costs.
Crown Residual Liabilities (M31)	656	-	656	-	230	-	- 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. Reason for Change: The amount required is reducing over time.
Geothermal Liabilities (M31)	500	-	500	-	500	-	- Costs arising from managing the Crown's residual geothermal liabilities. The appropriation was previously known as "Geothermal Trading".
Government Superannuation Appeals Board (M31)	50	-	50	-	50	-	- Expenses and fees of members of the Government Superannuation Appeals Board, and expenses associated with hearing appeals.

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
GSF Authority - Crown's Share of Expenses (M31)	-	6,361	-	6,361	-	10,108	Reimbursement to the GSF Authority of the Crown's share of custodial, investment and administration expenses incurred by the GSF Authority (see Note 2). Reason for Change: This appropriation now includes all of the Crown's share of GSF Authority expenses.
GSF Unfunded Liability (M31)	-	-	-	-	-	913,579	Increased cost of the GSF liability (see Note 2). Reason for Change: This appropriation was previously recorded under Benefits and Other Unrequited Expenses - GSFA - Subsidies to GSF Schemes but has been amended following the adoption of International Financial Reporting Standards.
Invercargill Airport Suspensory Loan (M31)	-	-	-	-	300	-	Expense of interest foregone on suspensory loan. Reason for Change: No appropriation is likely to be required in 2006/07 and therefore will be transferred to 2007/08. Initial recognition of the fair valued interest foregone, required under the International Financial Reporting Standards has been appropriated.
Kaingaroa Forest Road Easements (M31)	-	-	-	-	400	-	Expenditure to establish Kaingaroa Forest road easements to provide access to forest owners and their licensees. Reason for Change: This is a one-off payment in 2007/08.
Maui Gas Contracts (M31)	66,000	-	66,000	-	37,368	-	Payments made in relation to the Crown's participation in the Maui gas field and related contracts (revenue from the on-sale of gas is recorded in Part F). Reason for Change: Gas purchases are forecast to reduce as the field starts to run down.
New Zealand Cricket Compensation (M31)	406	-	406	-	-	-	This appropriation will compensate New Zealand Cricket for the direct costs of the cancellation of the 2005/06 tour of New Zealand by the Zimbabwean cricket team. Reason for Change: This was a one-off payment in 2006/07.
ONTRACK Operating and Maintenance Costs (M31)	12,900	-	12,900	-	12,800	-	Operating and maintenance costs of ONTRACK (previously known as New Zealand Railways Corporation) not recoverable through the National Rail Access Agreement. Reason for Change: Changes reflect movements in forecast costs.
Overlander Support (M31)	650	-	650	-	-	-	Support to Toll Holdings Limited to ensure the Overlander train service continued while the Government considered options for the service. Reason for Change: This was a one-off payment in 2006/07.
Unclaimed Money (M31)	-	500	-	500	-	500	Provision for repayment of unclaimed money deposited with the Crown (see Note 4).

	2006/07				2007/08		
	Budget		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	Scope of 2007/08 Appropriations
Other Expenses to be Incurred by the Crown - cont'd							
Wellington Railway Station Expenses (M31)	1,162	-	1,162	-	562	-	- 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". Reason for Change: The change between years reflects a reforecast of the expected expense.
Wellington Regional Council Loan (M31)	-	-	-	-	14,050	-	- Expense of interest foregone on suspensory loan. Reason for Change: The loan was extended to increase capacity of passenger rail services in the Wellington region and the fair value of the interest free loan is required under International Financial Reporting Standards.
Total Other Expenses to be Incurred by the Crown	145,122	6,861	145,122	6,861	82,060	924,187	
Capital Expenditure							
AgResearch Equity Injection (M31)	-	-	-	-	195	-	- Equity injection to upgrade AgResearch facilities. Reason for Change: This is a one-off payment in 2007/08.
Equity Injection to ONTRACK (M31)	10,600	-	10,600	-	38,550	-	- Provision of working capital to ONTRACK (previously known as New Zealand Railways Corporation). Reason for Change: The funding in 2007/08 will cover the cost of funding the purchase of Wellington Railway Station by ONTRACK and other capital requirements.
International Financial Institutions (M31)	-	200,000	-	200,000	-	200,000	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 (see Note 5).
Loans to ONTRACK (M31)	102,005	-	102,005	-	86,000	-	- 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. Reason for Change: The change between years reflects the forecast timing of projects.
NZ Superannuation Fund - Contributions (M31)	2,049,000	-	2,049,000	-	2,103,000	-	- Capital contributions by the Crown to the NZSF. Reason for Change: The amount varies according to a formula in the New Zealand Superannuation Act 2001.
Rugby World Cup (M31)	20,000	-	20,000	-	-	-	- Capital component of the Crown's contribution to the 2011 Rugby World Cup Tournament Management Vehicle. Reason for Change: No appropriation is required in 2007/08.

Appropriations	2006/07				2007/08		Scope of 2007/08 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Suspensory Loan to Invercargill Airport (M31)	1,500	-	1,500	-	-	-	- This appropriation provides a loan facility to Invercargill Airport to fund border security equipment. Reason for Change: This is a one-off item but any unspent balance from 2006/07 will be transferred to 2007/08.
Taitokerau Forests (M31)	871	-	871	-	1,089	-	- Advances to Taitokerau Forests Ltd to meet the company's ongoing forest management and development costs. Reason for Change: The change between years reflects the drawdown profile of the loans.
Wellington Railway Station Upgrade (M31)	4,672	-	4,672	-	-	-	- Costs of upgrading Wellington Railway Station. In 2005/06, this appropriation was called "Track Co - Purchase of Wellington Railway Station". Reason for Change: No appropriation is required in 2007/08.
Wellington Regional Council Loan (M31)	10,600	-	10,600	-	18,000	-	- This appropriation provides a loan facility to the Wellington Regional Council to assist in the purchase and upgrade of passenger rail carriages. Reason for Change: The loan was extended to increase capacity of passenger rail services in the Wellington region.
Total Capital Expenditure	2,199,248	200,000	2,199,248	200,000	2,246,834	200,000	
Total Appropriations	2,403,985	3,550,258	2,403,985	3,550,258	2,388,116	3,255,187	

Part B2 - Details of Multi-Year Appropriations

Appropriations	Current Appropriation \$000	Scope of Appropriations	
Other Expenses to be Incurred by the Crown			
Auckland Rail Development (M31)			
Original Appropriation	575,000	<p>This appropriation provides a total of \$575 million (GST exclusive) to provide funding to ONTRACK for renewals and upgrades of the Auckland rail network 'below track' infrastructure. It replaces an annual appropriation for the same purpose in 2005/06.</p> <p>Reason for Change: This appropriation is to be revoked with effect from 1 July 2007. This appropriation will be replaced by a new multi year appropriation Auckland Rail Development commencing from 1 July 2007.</p>	
Commences	1 July 2006		
Expires	30 June 2010		
Adjustments 2006/07	(400,000)		
Appropriation	175,000		
Estimated Actual to 2006/07 Year End	175,000		
Estimated Actual to 2007/08 Year End	175,000		
Auckland Rail Development (M31)			
Original Appropriation	421,314		<p>Renewals and upgrades of the Auckland rail network 'below track' infrastructure.</p> <p>Reason for Change: This multi-year appropriation replaces the previous Auckland Rail Development appropriation that is to be 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. Any unspent balance from 2006/07 will also be transferred to this new Auckland Rail Development appropriation.</p>
Commences	1 July 2007		
Expires	30 June 2010		
Adjustments 2006/07	-		
Appropriation	421,314		
Estimated Actual to 2006/07 Year End	-		
Estimated Actual to 2007/08 Year End	150,000		
Upgrade of Rail Network (M31)			
Original Appropriation	200,000	<p>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.</p> <p>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.</p>	
Commences	1 July 2004		
Expires	30 June 2008		
Adjustments 2006/07	-		
Appropriation	200,000		
Estimated Actual to 2006/07 Year End	131,425		
Estimated Actual to 2007/08 Year End	200,000		
Urban Rail Development (M31)			
Original Appropriation	550,000	<p>Funding for electrification, upgrades and maintenance of the Auckland and Wellington metropolitan rail networks.</p>	
Commences	1 July 2007		
Expires	30 June 2012		
Adjustments 2006/07	-		
Appropriation	550,000		
Estimated Actual to 2006/07 Year End	-		
Estimated Actual to 2007/08 Year End	75,000		

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Debt and Related Financial Asset Management

Management of Crown debt and related financial assets contributes to the Treasury's macroeconomic performance outcome by maximising the long-term net return on the Crown's financial asset and debt portfolios, within an appropriate risk management framework. Specific activities include:

- developing and maintaining an appropriate framework for efficiently managing the portfolio and the risks associated with it
- issuing domestic-currency debt to meet the Government's funding requirements
- disbursing cash to departments and facilitating departmental cash management
- advancing funds to government entities in accordance with Government policy
- providing capital market services and derivative transactions for departments and government entities
- funding the Reserve Bank's foreign-exchange reserves
- managing foreign-currency assets required to meet net foreign-currency interest and principal payments
- maintaining hedges of foreign-currency debt that cannot be bought back from investors.

Policy Advice and Management: Macroeconomic

This class of outputs involves the provision of policy advice and services related to helping the Government maintain a stable and sustainable macroeconomic environment. This includes advice on:

- budget management, including management and delivery of the Budget process
- forecasting, including macroeconomic, tax and fiscal forecasting
- fiscal policy and strategy
- long-term fiscal sustainability
- macroeconomic stabilisation
- fiscal reporting, including the application and development of Generally Accepted Accounting Practice (GAAP), as it applies to the Crown.

Empirical and analytical research will also be undertaken to inform advice in the above areas.

Management of Claims Against the Crown, Contractual Liabilities and Crown Properties

This class of outputs involves managing a range of commercial, contractual, legal and Treaty of Waitangi-related claims against the Crown. Outputs contribute to minimising Crown financial risk within the bounds of Government objectives. Specific outputs include:

- management of commercial and contractual risks associated with the 1973 Maui Gas Contract, including the operation of the gas notification system with downstream gas users

- management of contractual and commercial issues arising from completed asset sales and wind-up of the Crown's previous ownership interests in SOEs, Crown companies and other entities
- advice on the management of historical claims under the Treaty of Waitangi and assistance with the Crown's negotiation of specific settlements
- provision of legal title to land sold to SOEs and other Crown companies as a part of their sale and purchase agreements with the Crown
- management of litigation against the former Building Industry Authority relating to weather-tight homes
- management of New Zealand House, London.

Specific outputs often depend on the actions of third parties.

New Zealand Export Credit Office

This class of outputs involves the provision of export credit insurance and managing and operating the New Zealand Export Credit Office (NZECO) in accordance with the delegated authority from the Minister of Finance. Outputs contribute to greater export activity within the bounds of the Government's financial risk parameters set out in the delegation agreement. Specific outputs include:

- provision of medium to long-term export credit insurance via the NZECO in accordance with the delegation agreement with the Minister of Finance
- management of the ongoing operation of the NZECO in accordance with the delegation agreement with the Minister of Finance
- advice to the Secretary via the NZECO Advisory Board on proposed transactions
- review of the NZECO during 2007/08 to evaluate the NZECO's statutory form, and in particular to assess the merits of establishing NZECO as a separate Crown entity and also to reconsider the NZECO's product suite.

Policy Advice - Economic Performance

This class of outputs involves the provision of policy advice and services relating to helping the Government to improve New Zealand's economic performance. This includes helping Ministers, the Government and State agencies understand policies that are important for economic growth and the connections between overall economic performance and other desired outcomes when developing strategies and evaluating intervention options.

The advice the Treasury will provide includes:

- analysis and advice to Ministers on broad economic strategies to promote economic growth and their impact on living standards
- analysing the drivers of productivity growth and advising Ministers on the policies, regulations and institutional arrangements that best achieve improved overall economic performance
- advice on trade-offs between these and other government outcomes.

The Treasury's advice will concentrate on those policy areas which are most significant and pervasive for New Zealand's economic performance. These are:

- financial markets, investment and savings
- competition and regulatory frameworks

- sustainable environment, particularly climate change
- skills acquisition and schooling outcomes
- taxation
- international connections
- infrastructure: energy, telecommunications, transport
- innovation
- Auckland
- labour market performance
- social mobility.

In addition, the Treasury will:

- continue to measure and monitor New Zealand's economic performance
- undertake empirical and analytical research to inform policy advice.

Policy Advice - State Sector Performance

This class of outputs involves the provision of policy advice related to ensuring the work of the State sector represents value for money in achieving the Government's aims and objectives. This includes advice on:

- fiscal and financial management of all government agencies
- specific agency or entity performance (including Crown entities, Crown companies, Crown financial institutions and State-owned enterprises)
- in-depth performance analysis of priority agencies or sectors
- the overall performance of the public management system, including thematic and cross-cutting analysis, eg, capital asset management.

Treasury is seeking to differentiate the level of advice and service routinely provided on, or to, different government agencies and sectors. Those agencies and sectors judged priorities will be a focus for Treasury advice and services. Priority agencies and sectors will be significant for State sector performance, fiscal management, or economic performance.

For all departments and votes, Treasury advice and services will include:

- management of core Government Budget processes
- efficient support of good financial management and probity within agencies
- maintaining an informed overview to foresee significant emerging financial or performance risks.

For priority sectors and agencies, Treasury advice will extend to in-depth performance analysis, including a focus on the most efficient and effective policies, regulation, administration and delivery to achieve the Government's aims and objectives.

Empirical and analytical research will also be undertaken as required to inform the above policy advice.

Part C2 - Non-Departmental Output Expenses

Guardians of New Zealand Superannuation

Legislation was passed in 2001 setting up both the NZSF and a Crown entity, “The Guardians of New Zealand Superannuation”, which is responsible for managing the Fund on behalf of the Crown. The Guardians commenced activities in 2002/03, and took responsibility for managing the Fund in September 2003.

This output covers the cost of managing the NZSF on behalf of the Crown.

Performance measures

The Minister will expect outputs to be delivered according to the New Zealand Superannuation Act 2001. The Act requires the Guardians to produce a statement of intent and a statement of investment policies, standards and procedures. These documents include performance measures.

Cost

This output will be provided within the appropriated sum of \$1.537 million.

	2006/07 \$000	2007/08 \$000
Total output class expenses	1,537	1,537
Total output class revenues	-	-

Provider

The Guardians of New Zealand Superannuation.

Management of Crown Overseas Properties

This output covers the cost of purchasing management services from a professional property manager in respect of New Zealand House in London.

The range of services includes:

- professional management of tenancies, including rent collection, reviews and arbitrations, lease renewals and new lettings
- building management, including maintenance
- strategic advice, including identification of immediate and medium-term management options and financial risk inherent in the London commercial real estate market.

Performance measures

The Minister will expect outputs to be delivered according to the management contract with the property manager. In particular:

- management and marketing issues will be reported by the property manager on a monthly basis
- management of tenancies in New Zealand House will optimise revenue and occupancy for the Crown

- the property manager will provide effective delivery of tenancy management, maintenance, budgetary and related requirements as specified in the manager's contract with the Crown.

Cost

This output will be provided within the appropriated sum of \$1 million. The cost of this output is fully funded from third-party revenue.

	2006/07 \$000	2007/08 \$000
Total output class expenses	1,000	1,000
Total output class revenues	-	-

Provider

King Sturge International Property Consultants, London.

Management of Residual Geothermal Liabilities

This output covers the cost of purchasing management services for the Crown's residual geothermal liabilities.

The range of services includes:

- maintenance of remaining geothermal wells and associated structures
- closure of non-producing wells.

Performance measures

The Minister will expect outputs to be delivered according to the management contract. In particular:

- management and contract issues will be reported by the manager on a quarterly basis
- the manager will provide effective delivery of well management, maintenance, budgetary and related requirements as specified in the manager's contract with the Crown.

Cost

This output will be provided within the appropriated sum of \$151,000.

	2006/07 \$000	2007/08 \$000
Total output class expenses	151	151
Total output class revenues	-	-

Provider

Connell Wagner Ltd.

Part E - Explanation of Capital Flows

Part E1 - Explanation of Movements in Departmental Net Asset Schedules

Details of Net Asset Schedule for The Treasury	Estimated Actual 2006/07 \$000	Projected 2007/08 \$000	Explanation of Projected Movements in 2007/08
Opening Balance	8,387	7,787	
Capital Injections	-	-	
Capital Withdrawals	(600)	(600)	Repayment of surplus capital following completion of the Treasury accommodation project.
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	7,787	7,187	

Part E2 - Statement of Estimated and Forecast Net Worth of Entities Owned

	Balance Date	Estimated Net Worth 2007 \$000	Forecast Net Worth 2008 \$000
Crown Entities:			
Earthquake Commission	30 June	5,618,095	6,019,456
Government Superannuation Fund Authority	30 June	-	-
Guardians of New Zealand Superannuation	30 June	728	582

The Minister of Finance is a shareholder in SOEs, CRIs and certain Crown entities. The estimated net worth (total assets less total liabilities) of these entities is listed in the Votes of the Responsible Ministers for those entities.

The Minister of Finance is the responsible Minister for the EQC, the GSFA and the Guardians of New Zealand Superannuation.

Changes in net worth result from the net effects of profit (after tax), dividends paid and capital injections or withdrawals. Data for those organisations comes from forecasts provided for inclusion in the 2007 Budget.

Part E3 - Explanation of Appropriations for Capital Expenditure

Significant capital expenditure appropriations are:

International Financial Institutions

This appropriation provides for capital contributions to the IMF, the Asian Development Bank, and the World Bank and its subsidiaries, as required by the rules of the respective organisations. In particular, New Zealand contributes funds towards the IMF's lending programme by way of providing additional capital. Over time, the capital is repaid as loans are repaid by borrower countries, and is reported in Part F - Crown Revenue and Capital Receipts.

Loans to ONTRACK

This appropriation provides for a loan facility to ONTRACK to fund a range of infrastructure projects. The cost of these projects is recovered from users. The revenue earned is used to repay the loans, plus interest, over the life of each project.

ONTRACK Equity Injections

This appropriation provides for equity injections to ONTRACK to fund the reconfiguration costs of land released by Toll NZ Ltd.

New Zealand Superannuation Fund Contributions

This appropriation provides for an annual contribution to the NZSF, as required by the New Zealand Superannuation Act 2001. The amount is calculated according to a formula contained within the Act.

Taitokerau Forests

This appropriation provides a loan facility to Taitokerau Forests Ltd to meet forest management and development costs prior to the forests coming into production and generating revenue.

Wellington Regional Council Loan

This appropriation provides for a loan facility to the Wellington Regional Council to assist in the purchase and upgrade of passenger rail transport. The facility is part of a wider package of measures to improve public transport for the Wellington region.

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Capital Receipts

	2006/07		2007/08	Description of 2007/08 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Non-Tax Revenue				
Capital Charge - Departments	1,413,481	1,413,481	1,483,892	A charge on the Crown's investment in government departments and some Crown entities. Reason for Change: The movement reflects increased investment in departments.
Contact Energy Ltd Crown Margin	2,295	2,295	4,405	Income from the Maui take-or-pay agreement with Contact Energy Ltd (CEL) for the supply of gas. Reason for Change: The change reflects revised forecasting assumptions.
Dividends - Other	2,681	2,681	2,400	Dividends from regional airport companies and other investments. Reason for Change: The amount varies with company profitability.
Dividends from Crown Entities	14,525	14,525	12,900	Dividends from Crown entities. Reason for Change: The amount varies with company profitability.
Dividends from SOEs	674,303	674,303	347,257	Dividends from SOEs. Reason for Change: The amount varies with company profitability.
Earthquake Commission Guarantee Fee	10,000	10,000	10,000	Guarantee fee paid by the EQC to the Crown.
Employers' Superannuation Contributions	58,484	58,484	55,560	The subsidy payable by employers on the superable salary of staff who are members of the GSF. Reason for Change: The change between years reflects revised actuarial forecasting assumptions.
Export Credit Office	117	117	517	Premium revenue from export credit insurance policies written by the Export Credit Office. Reason for Change: The change between years reflects revised forecasting assumptions.
Interest from Securities and Deposits	1,136,000	1,136,000	641,000	Interest earned on the Crown's official overseas reserves, bank accounts and domestic bond assets. Reason for Change: The change between years reflects revised forecasting assumptions.
Maui Gas Contracts	60,000	60,000	34,000	Revenue received from the sale of Maui gas (the cost of purchasing the gas is included in Part B). Reason for Change: Sales of gas are expected to decline as the field starts to run down.
Other Current Revenue	600	600	600	Miscellaneous revenue.
Other Interest	13,000	13,000	22,000	Miscellaneous interest receipts. Reason for Change: The change between years reflects revised forecasting assumptions.

	2006/07		2007/08	Description of 2007/08 Crown Revenue
	Budgeted \$000	Estimated Actual \$000	Budget \$000	
Rentals from Crown Overseas Properties	16,200	16,200	17,000	Revenue from New Zealand House, London. Reason for Change: The change between years reflects revised forecasting assumptions.
Reserve Bank Surplus	410,000	410,000	319,659	Surplus funds transferred to the Crown under the Reserve Bank Act 1989. Reason for Change: The change between years reflects the Bank's forecasts.
Sale of Goods and Services	10,786	10,786	6,300	Revenue from the sale of prepaid Maui gas. Reason for Change: The change between years reflects revised forecasting assumptions.
Unclaimed Money	1,000	1,000	500	Unclaimed money deposited with the Crown.
Total Non-Tax Revenue	3,823,472	3,823,472	2,957,990	
Capital Receipts				
Contact Energy Limited Crown Margin	58,242	58,242	35,412	Capital portion of the revenue from the Maui take-or-pay agreement with CEL for the supply of gas. Reason for Change: The change between years reflects revised forecasting assumptions.
Loan Repayments by ONTRACK	500	500	500	Loan repayments by NZRC. Reason for Change: Repayments commenced part-way through 2006/07.
Return of Capital by the IMF	200,000	200,000	200,000	New Zealand contributes to the IMF's medium-term lending programme (see Part B1, Capital Expenditure) by increasing its capital investment in the IMF. When the loans are repaid, the funds are returned to contributing countries. Reason for Change: The timing and quantum of repayments is highly variable.
Sale of Physical Assets	-	-	20,000	Revenue from the sale of physical assets. Reason for Change: Increase due largely to the forecast transfer of Wellington Railway Station to ONTRACK.
Total Capital Receipts	258,742	258,742	255,912	
Total Crown Revenue and Receipts	4,082,214	4,082,214	3,213,902	

Part G - Statement of Reconciliations

Part G1 - Changes in Appropriation Categories

The departmental output class structure has been significantly changed, moving from nine output classes to six. This change will better support the delivery of the Treasury's three outcomes and provide an enhanced accountability framework for its output delivery and results focus. It will also help the Treasury to manage its business more efficiently and effectively.

A change has also been made to the GSF Authority appropriations, which have been amalgamated into a single appropriation. The Crown will fund the GSF Authority for its share of operational, investment and custodial expenses by an Other Expenses to be Incurred by the Crown appropriation. These GSF Authority expenses are appropriated under permanent legislative authority.

2006/07 Cumulative Vote in Old (2006/07) Structure	\$000	Structure Changes	\$000	Cumulative Vote in New (2007/08) Structure	2006/07 \$000	2007/08 \$000
Departmental Output Expenses						
Debt and Related Financial Asset Management	7,290	No change	7,290	Debt and Related Financial Asset Management	7,290	7,255
Budget Management	2,202	Transferred to Policy Advice and Management - Macroeconomic	2,202	Policy Advice and Management - Macroeconomic	11,003	11,439
Economic and Fiscal Forecasting and Reporting	6,181	Transferred to Policy Advice and Management - Macroeconomic	6,181			
Management of Claims Against the Crown, Contractual Liabilities and Crown Properties	3,013	Transferred to Management of Claims Against the Crown, Contractual Liabilities and Crown Properties	2,068	Management of Claims Against the Crown, Contractual Liabilities and Crown Properties	2,068	5,665
		Transferred to New Zealand Export Credit Office	945	New Zealand Export Credit Office	945	1,265
Policy Advice - Tax	2,858	Transferred to Policy Advice - Economic Performance	2,858	Policy Advice - Economic Performance	13,731	13,320
Policy Advice - General Economic and Fiscal Strategies	4,366	Transferred to Policy Advice - State Sector Performance	1,347			
		Transferred to Policy Advice - Economic Performance	412			
		Transferred to Policy Advice and Management - Macroeconomic	2,607			
Policy Advice - Financial and Public Sector Management Systems	2,201	Transferred to Policy Advice - State Sector Performance	2,189	Policy Advice - State Sector Performance	17,431	17,590
		Transferred to Policy Advice and Management - Macroeconomic	12			

2006/07 Cumulative Vote in Old (2006/07) Structure	\$000	Structure Changes	\$000	Cumulative Vote in New (2007/08) Structure	2006/07 \$000	2007/08 \$000
Policy Advice - Regulation and Vote Purchase, Ownership and Performance Issues	22,071	Transferred to Policy Advice - State Sector Performance	11,636			
		Transferred to Policy Advice - Economic Performance	10,435			
Policy Advice - Ownership and Performance of Crown Companies and Financial Institutions	2,286	Transferred to Policy Advice - State Sector Performance	2,259			
		Transferred to Policy Advice - Economic Performance	27			
Total Departmental Output Expenses	52,468		52,468		52,468	56,534
Non-Departmental Output Expenses						
GSF Authority	4,459	Transferred to other expenses to be incurred by the Crown, GSF Authority - Crown's Share of Expenses.	4,459			
Other Expenses to be incurred by the Crown						
GSF - Crown Share of Custodial and Investment Management Expenses	6,361	Transferred to GSF Authority - Crown's Share of Expenses	6,361	GSF Authority - Crown's Share of Expenses	10,820	10,108