
Generally Accepted Accounting Practice (GAAP) Series Tables

Forecast Financial Statements

These forecasts have been prepared in accordance with the Public Finance Act 1989.

They are based on the accounting policies and assumptions that follow. As with all such assumptions, there is a degree of uncertainty surrounding them. This uncertainty increases as the forecast horizon extends.

The forecasts have been prepared in accordance with the Statement of Responsibility and reflect the judgements and information known at the time they were prepared. They reflect all Government decisions and circumstances communicated to 5 December 2007.

Finalisation dates and key assumptions that underpin the preparation of the GAAP tables are outlined in the Executive Summary on page 15.

Statement of Accounting Policies and Forecast Assumptions

Significant Accounting Policies

These Forecast Financial Statements have been prepared in accordance with the accounting policies expected to be used in the comparable audited actual Financial Statements of the Government.

These Forecast Financial Statements comply with generally accepted accounting policies (GAAP) as required by the Public Finance Act 1989 and have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), as appropriate for public benefit entities.

All forecasts use the accrual basis of accounting. Forecasts have been prepared for the consolidated financial statements of the government reporting entity, including all entities controlled by the Government (as defined by applicable financial reporting standards).

Changes in Accounting Policies

All policies have been applied on a consistent basis during the forecast period. There have been no changes in accounting policies during the period.

Forecast Policies

These Forecast Financial Statements have been prepared on the basis of Treasury's best professional judgment. Key assumptions used are set out on page 17.

For the purposes of the Forecast Financial Statements, no revaluations of property, plant and equipment are projected beyond the current year.

Detailed Accounting Policies and Forecast Assumptions

The specific accounting and forecasting policies are reproduced in full on Treasury's website at <http://www.treasury.govt.nz/budget/forecasts/hyefu2007/>.

Government Reporting Entity as at 5 December 2007

These forecast financial statements are for the Government reporting entity as specified in section 26Q(4) of the Public Finance Act 1989. This comprises Ministers of the Crown and the following entities:

Core Crown segment		
<p>Departments</p> <p>Agriculture and Forestry Archives New Zealand Building and Housing Conservation Corrections Crown Law Culture and Heritage Customs Defence Economic Development Education Education Review Office Environment Fisheries Food Safety Authority Foreign Affairs and Trade Government Communications Security Bureau Health Inland Revenue Internal Affairs Justice Labour</p>	<p>Departments</p> <p>Land Information New Zealand Māori Development National Library New Zealand Defence Force Office of the Clerk Pacific Island Affairs Parliamentary Counsel Office Parliamentary Service Police Prime Minister and Cabinet Research, Science and Technology Security Intelligence Service Serious Fraud Office Social Development State Services Commission Statistics Transport Treasury Women's Affairs</p>	<p>State-owned enterprises</p> <p>Airways Corporation of New Zealand Limited Animal Control Products Limited AsureQuality Limited Electricity Corporation of New Zealand Limited Genesis Power Limited Kordia Group Limited Landcorp Farming Limited Learning Media Limited Meridian Energy Limited Meteorological Service of New Zealand Limited Mighty River Power Limited New Zealand Post Limited New Zealand Railways Corporation Quotable Value Limited Solid Energy New Zealand Limited Terralink Limited (in liquidation) Timberlands West Coast Limited Transpower New Zealand Limited</p>
<p>Others</p> <p>Government Superannuation Fund New Zealand Superannuation Fund Reserve Bank of New Zealand</p>	<p>Offices of Parliament</p> <p>Office of the Controller and Auditor-General Office of the Ombudsmen Parliamentary Commissioner for the Environment</p>	<p>Air New Zealand Limited (included for disclosure purposes as if it were a SOE)</p>

Crown entities

Accident Compensation Corporation	New Zealand Film Commission
Accounting Standards Review Board	New Zealand Fire Service Commission
Alcohol Advisory Council of New Zealand	New Zealand Historic Places Trust (Pouhere Taonga)
Arts Council of New Zealand Toi Aotearoa	New Zealand Lotteries Commission
Broadcasting Commission	New Zealand Qualifications Authority
Broadcasting Standards Authority	New Zealand Symphony Orchestra
Career Services	New Zealand Teachers Council
Charities Commission	New Zealand Tourism Board
Children's Commissioner	New Zealand Trade and Enterprise
Civil Aviation Authority of New Zealand	New Zealand Venture Investment Fund Limited
Commerce Commission	Office of Film and Literature Classification
Crown Health Financing Agency	Pharmaceutical Management Agency
Crown research institutes (9)	Police Complaints Authority
District health boards (21)	Privacy Commissioner
Drug Free Sport New Zealand	Public Trust
Earthquake Commission	Radio New Zealand Limited
Electoral Commission	Retirement Commissioner
Electricity Commission	School boards of trustees (2,463)
Energy Efficiency and Conservation Authority	Securities Commission
Environmental Risk Management Authority	Social Workers Registration Board
Families Commission	Sport and Recreation New Zealand
Foundation for Research, Science and Technology	Standards Council
Government Superannuation Fund Authority	Takeovers Panel
Guardians of New Zealand Superannuation	Te Reo Whakapuaki Irirangi (Te Māngai Pāho)
Health and Disability Commissioner	Te Taura Whiri i te Reo Māori (Māori Language Commission)
Health Research Council of New Zealand	Television New Zealand Limited
Health Sponsorship Council	Tertiary Education Commission
Housing New Zealand Corporation	Tertiary education institutions (31)
Human Rights Commission	Testing Laboratory Registration Council
Land Transport New Zealand	Transit New Zealand
Law Commission	Transport Accident Investigation Commission
Legal Services Agency	
Maritime New Zealand	
Mental Health Commission	
Museum of New Zealand Te Papa Tongarewa Board	
New Zealand Antarctic Institute	
New Zealand Artificial Limb Board	
New Zealand Blood Service	

Crown entity subsidiaries are consolidated by their parents and not listed separately in this table

Organisations named or described in Schedule 4 to the Public Finance Act 1989

Agriculture and Marketing Research and Development Trust	New Zealand Lottery Grants Board
Asia New Zealand Foundation	Ngāi Tahu Ancillary Claims Trust
Fish and game councils (12)	Pacific Co-operation Foundation
Leadership Development Centre Trust	Pacific Islands Business Development Trust
New Zealand Fish and Game Council	Research and Education Advanced Network New Zealand Limited
New Zealand Game Bird Habitat Trust Board	Reserves boards (24)
New Zealand Government Property Corporation	Road Safety Trust
	Sentencing Council

Forecast Statement of Financial Performance

for the years ending 30 June

		2007	2008	2008	2009	2010	2011	2012
			Previous					
	Note	Actual \$m	Budget \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m
Revenue								
Taxation revenue	1	53,023	54,173	56,639	57,492	60,498	63,407	66,495
Other sovereign revenue	1	3,701	3,693	3,774	3,825	4,343	4,809	4,904
Forecast revenue reduction contingency	1	-	-	-	(375)	(1,500)	(1,600)	(1,700)
Total Revenue Levied through the Crown's Sovereign Power		56,724	57,866	60,413	60,942	63,341	66,616	69,699
Sales of goods and services		12,357	13,253	13,004	13,859	14,566	15,216	15,876
Interest revenue and dividends	2	2,984	3,366	3,716	3,939	3,951	4,224	4,345
Other revenue		2,362	2,387	2,475	2,540	2,624	2,654	2,692
Total Revenue Earned through the Crown's Operations		17,703	19,006	19,195	20,338	21,141	22,094	22,913
Total Revenue (excluding gains)		74,427	76,872	79,608	81,280	84,482	88,710	92,612
Expenses								
Social assistance and official development assistance	3	16,346	17,892	18,352	18,923	19,607	20,677	21,706
Personnel expenses	4	15,281	15,657	16,271	16,394	16,505	16,600	16,677
Depreciation and amortisation	5	3,338	3,296	3,459	3,643	3,818	4,010	4,199
Other operating expenses	5	27,517	28,997	28,665	29,527	29,865	30,408	30,859
Interest expenses	6	2,893	2,748	3,255	2,842	2,768	2,942	2,973
Insurance expenses	7	3,713	3,010	3,581	3,842	4,092	4,333	4,572
Forecast new operating spending	8	-	314	201	2,057	4,015	5,956	7,926
Top-down expense adjustment	8	-	-	(750)	(275)	(250)	(200)	(150)
Total Expenses (excluding losses)		69,088	71,914	73,034	76,953	80,420	84,726	88,762
Operating Balance before gains/(losses)		5,339	4,958	6,574	4,327	4,062	3,984	3,850
Net gains/(losses) on financial instruments	9	1,569	1,377	1,873	1,431	1,539	1,781	1,984
Net gains/(losses) on non-financial instruments		985	-	(1,237)	96	105	102	135
Total Gains/(losses)		2,554	1,377	636	1,527	1,644	1,883	2,119
Net surplus/(deficit) from associates and joint ventures		186	96	178	199	218	227	259
Operating Balance from continuing activities		8,079	6,431	7,388	6,053	5,924	6,094	6,228
Gain/(loss) from discontinued operations		(92)	-	-	-	-	-	-
Operating Balance (including minority interest)		7,987	6,431	7,388	6,053	5,924	6,094	6,228
Attributable to minority interest		12	-	-	-	-	-	-
Operating Balance	10	7,999	6,431	7,388	6,053	5,924	6,094	6,228

The accompanying Notes and Accounting policies are an integral part of these Statements.

Forecast Statement of Financial Performance (continued) – Functional Expense Analysis

for the years ending 30 June

	2007	2008	2008	2009	2010	2011	2012
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m
		\$m					
Total Crown expenses							
By functional classification							
Social security and welfare	20,947	21,271	21,568	22,226	22,910	23,965	25,082
GSF pension expenses	648	629	629	603	568	558	545
Health	10,511	11,699	11,589	11,642	11,729	11,722	11,748
Education	9,887	10,321	10,550	10,578	10,590	10,701	10,796
Core government services	4,329	2,132	2,680	2,585	2,623	3,018	3,037
Law and order	2,840	3,076	3,126	3,137	3,146	3,146	3,158
Defence	1,449	1,597	1,598	1,638	1,727	1,836	1,905
Transport and communications	6,872	7,671	7,632	7,803	8,061	8,113	8,455
Economic and industrial services	4,601	5,879	6,277	6,985	7,473	7,792	8,046
Primary services	1,247	1,319	1,363	1,335	1,334	1,338	1,343
Heritage, culture and recreation	1,941	2,218	2,266	2,754	2,676	2,778	2,824
Housing and community development	902	961	968	961	968	979	992
Other	20	79	82	82	82	82	82
Finance costs	2,893	2,748	3,255	2,842	2,768	2,942	2,973
Forecast for future new spending	-	314	201	2,057	4,015	5,956	7,926
Top-down expense adjustment	-	-	(750)	(275)	(250)	(200)	(150)
Total Crown Expenses excluding losses	69,087	71,914	73,034	76,953	80,420	84,726	88,762

Below is an analysis of core Crown expenses by functional classification. Core Crown expenses include expenses incurred by the Crown, Departments, Reserve Bank and the NZS Fund, but not Crown entities and SOEs.

Core Crown expenses							
By functional classification							
Social security and welfare	17,214	17,698	17,914	18,315	18,744	19,554	20,426
GSF pension expenses	648	629	629	603	568	558	545
Health	10,357	11,613	11,480	11,552	11,622	11,623	11,642
Education	9,261	9,719	9,863	9,945	10,009	10,103	10,171
Core government services	4,469	2,479	2,957	2,955	3,042	3,243	3,270
Law and order	2,748	2,836	2,910	2,913	2,904	2,901	2,903
Defence	1,529	1,641	1,641	1,683	1,771	1,880	1,950
Transport and communications	2,275	2,792	2,784	2,849	2,726	2,717	2,946
Economic and industrial services	1,548	2,276	2,710	2,876	3,109	3,273	3,415
Primary services	457	494	527	493	484	480	484
Heritage, culture and recreation	798	977	1,072	1,482	1,366	1,371	1,352
Housing and community development	275	304	313	283	268	266	265
Other	68	80	82	82	82	82	82
Finance costs	2,330	2,244	2,804	2,724	2,646	2,825	2,807
Forecast for future new spending	-	314	201	2,057	4,015	5,956	7,926
Top-down expense adjustment	-	-	(750)	(275)	(250)	(200)	(150)
Total Core Crown Expenses excluding losses	53,977	56,096	57,137	60,537	63,106	66,632	70,034

The accompanying Notes and Accounting policies are an integral part of these Statements.

Forecast Statement of Cash Flows

for the years ending 30 June

	2007	2008	2008	2009	2010	2011	2012
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Cash Flows From Operations							
Cash was provided from							
Taxation receipts	52,150	54,266	55,316	56,858	59,932	62,903	65,831
Other sovereign receipts	3,418	3,472	3,571	3,991	3,913	4,026	4,113
Forecast revenue reduction contingency	-	-	-	(375)	(1,500)	(1,600)	(1,700)
Sales of goods and services	12,777	13,394	13,127	14,032	14,690	15,374	16,082
Interest and dividends	2,533	2,760	3,467	3,610	3,599	3,849	3,958
Other operating receipts	2,294	2,302	2,420	2,461	2,516	2,535	2,556
Total cash provided from operations	73,172	76,194	77,901	80,577	83,150	87,087	90,840
Cash was disbursed to							
Social assistance and official development assistance	18,436	19,529	17,294	17,935	18,445	19,381	20,260
Personnel and operating payments	39,838	44,025	47,316	48,247	48,920	50,041	50,834
Interest payments	2,442	2,530	3,052	2,730	2,742	2,820	2,912
Forecast for future new spending	-	314	201	2,057	4,015	5,956	7,926
Top-down expense adjustment	-	-	(750)	(275)	(250)	(200)	(150)
Total cash disbursed to operations	60,716	66,398	67,113	70,694	73,872	77,998	81,782
Net Cash Flows From Operations	12,456	9,796	10,788	9,883	9,278	9,089	9,058
Cash Flows From Investing Activities							
Cash was provided from/(disbursed to)							
Net purchase of physical assets	(5,213)	(6,661)	(6,799)	(5,852)	(6,355)	(6,364)	(5,944)
Net purchase of shares and other securities	(8,157)	(4,491)	(6,535)	(1,973)	(1,000)	(4,565)	(84)
Net purchase of intangible assets	(206)	(144)	(258)	(178)	(150)	(128)	(139)
Net issue/(repayment) of advances	(1,014)	(1,628)	(458)	(762)	(717)	(698)	(666)
Net acquisition of investments in associates	(288)	(95)	(335)	(211)	(2)	(20)	(20)
Capital contingency provision	-	(184)	-	(1,003)	(773)	(924)	(1,110)
Top-down capital adjustment	-	-	250	100	100	100	100
Net Cash Flows From Investing Activities	(14,878)	(13,203)	(14,135)	(9,879)	(8,897)	(12,599)	(7,863)
Net Cash Flows From Operating and Investing Activities	(2,422)	(3,407)	(3,347)	4	381	(3,510)	1,195
Cash Flows From Financing Activities							
Cash was provided from/(disbursed to)							
Issues of circulating currency	81	178	182	177	186	195	205
Net repayment/(issues) of Government stock ¹	(3,758)	2,223	2,875	(739)	(1,809)	2,168	(1,836)
Net repayment of foreign-currency borrowing	1,780	(1,130)	(1,624)	(801)	(370)	366	111
Net repayment/(issues) of other New Zealand dollar borrowing	4,893	2,225	1,896	1,718	1,730	1,120	1,015
Net Cash Flows From Financing Activities	2,996	3,496	3,329	355	(263)	3,849	(505)
Net Movement in Cash	574	89	(18)	359	118	339	690
Opening Cash Balance	3,676	3,107	4,208	4,232	4,591	4,709	5,048
Foreign-exchange (losses)/gains on opening cash	(42)	-	42	-	-	-	-
Closing Cash Balance	4,208	3,196	4,232	4,591	4,709	5,048	5,738

¹ Net issues of Government stock include movements within government stock holdings of entities such as NZS Fund, ACC and EQC. The Bonds reconciliation at the end of these accounts outlines proceeds and repayments of domestic bonds.

The accompanying Notes and Accounting policies are an integral part of these Statements.

Forecast Statement of Cash Flows (continued)

for the years ending 30 June

	2007	2008	2008	2009	2010	2011	2012
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Reconciliation Between the Net Cash Flows from Operations and the Operating Balance							
Net Cash Flows from Operations	12,456	9,796	10,788	9,883	9,278	9,089	9,058
<i>Items included in the operating balance but not in net cash flows from operations.</i>							
Gains/(losses)							
Gains/(losses) on financial instruments	1,569	1,377	1,873	1,431	1,539	1,781	1,984
Gains/(losses) on non-financial instruments	985	-	(1,237)	96	105	102	135
Total Gains/(losses)	2,554	1,377	636	1,527	1,644	1,883	2,119
Movements in Working Capital							
Increase/(decrease) in receivables	60	218	1,322	96	296	291	208
Increase/(decrease) in inventories	79	41	91	94	32	(46)	(31)
Increase/(decrease) in prepayments	(77)	(2)	(80)	40	(9)	(3)	2
Decrease/(increase) in deferred revenue	(85)	-	110	(8)	(1)	3	2
Decrease/(increase) in payables	(1,168)	(569)	(151)	(634)	(251)	258	359
	(1,191)	(312)	1,292	(412)	67	503	540
Other Non-cash Items in Operating Balance							
Depreciation and amortisation	(3,338)	(3,296)	(3,459)	(3,643)	(3,818)	(4,010)	(4,199)
Write-down on initial recognition of loans	(2,141)	(518)	(616)	(625)	(646)	(679)	(690)
Impairment on financial assets (excl receivables)	37	(38)	3	1	1	1	1
Net interest revenue	(131)	389	47	217	326	253	327
Decrease/(increase) in defined benefit retirement plan liabilities	1,147	(51)	(55)	7	54	75	102
Decrease/(increase) in insurance liabilities	(1,580)	(1,013)	(1,426)	(1,101)	(1,200)	(1,248)	(1,289)
Other	186	97	178	199	218	227	259
Total Other Non-cash Items	(5,820)	(4,430)	(5,328)	(4,945)	(5,065)	(5,381)	(5,489)
Operating Balance	7,999	6,431	7,388	6,053	5,924	6,094	6,228

The accompanying Notes and Accounting policies are an integral part of these Statements.

Forecast Statement of Recognised Income and Expense

for the years ending 30 June

	2007	2008	2008	2009	2010	2011	2012
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Revaluation of physical assets	5,163	-	58	-	(1)	-	-
Effective portion of changes in value of fair-value hedges	(384)	39	173	4	14	5	6
Net change in fair value of cash flow hedges transferred to the operating statement	(18)	74	5	(1)	-	-	-
Net change in fair value of cash flow hedges transferred to the hedged item	(4)	-	(23)	-	-	-	-
Foreign currency translation differences for foreign operations	(62)	-	3	-	-	-	-
Valuation gain/(losses) on investments available for sale taken to reserves	10	-	8	-	-	-	-
Other movements	11	-	(1)	1	4	5	1
Total income/(expense) recognised directly in Net Worth	4,716	113	223	4	17	10	7
Operating Balance (including minority interest)	7,987	6,431	7,388	6,053	5,924	6,094	6,228
Total recognised income and expense	12,703	6,544	7,611	6,057	5,941	6,104	6,235
Attributable to:							
- minority interest	(12)	-	-	-	-	-	-
- the Crown	12,715	6,544	7,611	6,057	5,941	6,104	6,235
Total recognised income and expense	12,703	6,544	7,611	6,057	5,941	6,104	6,235

This statement reports changes in net worth due to the operating balance, items of income or expense that are recognised directly in net worth, the effect of certain accounting changes and corrections of errors .

The accompanying Notes and Accounting policies are an integral part of these Statements.

Forecast Statement of Financial Position

as at 30 June

		2007	2008	2008	2009	2010	2011	2012
	Note	Actual \$m	Previous Budget \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m
Assets								
Cash and cash equivalents	11	4,208	3,196	4,232	4,591	4,709	5,048	5,738
Receivables	11	12,029	12,547	13,352	13,447	13,744	14,034	14,242
Marketable securities and derivatives in gain	11	29,831	32,885	35,601	36,759	37,465	42,166	41,956
Share investments	11	13,827	17,273	15,601	17,284	18,787	20,117	22,213
Advances	11	14,031	15,087	16,424	18,899	21,404	21,957	22,453
Inventory		823	982	914	1,008	1,040	994	963
Prepayments and other assets		1,309	1,205	1,338	1,547	1,640	1,739	1,865
Property, plant & equipment	13	95,613	95,950	98,662	100,884	103,537	106,081	108,138
Equity accounted investments ¹		6,921	6,647	7,518	7,899	8,155	8,427	8,715
Intangible assets and goodwill		1,653	1,555	1,794	1,786	1,776	1,717	1,915
Forecast for new capital spending		-	184	-	1,003	1,756	2,680	3,790
Top-down capital adjustment		-	(200)	(250)	(350)	(450)	(550)	(650)
Total Assets		180,245	187,311	195,186	204,757	213,563	224,410	231,338
Liabilities								
Issued currency		3,444	3,730	3,625	3,802	3,988	4,184	4,389
Payables	15	8,103	9,036	8,334	8,492	8,557	8,535	8,492
Deferred revenue		978	845	868	876	877	874	872
Borrowings		41,914	46,364	46,363	47,956	49,351	53,106	52,434
Insurance liabilities	16	17,419	19,011	19,677	20,777	21,977	23,225	24,514
Retirement plan liabilities	17	7,160	8,414	7,479	7,497	7,475	7,424	7,328
Provisions	18	4,523	3,850	4,525	4,985	5,025	4,645	4,657
Total Liabilities		83,541	91,250	90,871	94,385	97,250	101,993	102,686
Total Assets less Total Liabilities		96,704	96,061	104,315	110,372	116,313	122,417	128,652
Net Worth								
Taxpayer funds	19	44,169	48,239	51,555	57,609	63,538	69,637	75,866
Revaluation reserve	19	52,371	47,402	52,429	52,429	52,428	52,428	52,428
Other reserves	19	(132)	127	35	38	51	56	62
Total Net Worth attributable to the Crown		96,408	95,768	104,019	110,076	116,017	122,121	128,356
Net worth attributable to minority interest		296	293	296	296	296	296	296
Total Net Worth		96,704	96,061	104,315	110,372	116,313	122,417	128,652

¹ Tertiary education institutions constitute most equity accounted investments.

The accompanying Notes and Accounting policies are an integral part of these Statements.

Forecast Statement of Borrowings

for the years ending 30 June

	2007 Actual \$m	2008 Previous Budget \$m	2008 Forecast \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m
Borrowings							
Government stock	15,778	17,732	18,240	17,737	16,004	18,379	16,765
Treasury bills	2,098	2,786	2,776	2,578	2,578	2,578	2,578
Government retail stock	364	358	379	377	377	377	377
Settlement Cash with Reserve Bank	7,507	7,523	7,894	7,894	7,894	7,894	7,894
Derivatives in loss ¹	1,126	300	422	311	341	368	397
Finance lease liabilities	954	958	959	950	942	938	933
Other borrowings	14,087	16,707	15,693	18,109	21,215	22,572	23,490
Total Borrowings²	41,914	46,364	46,363	47,956	49,351	53,106	52,434
Total Sovereign-Guaranteed Debt ³	31,174	33,167	33,682	32,881	31,145	33,409	31,534
Total Non-Sovereign Debt	10,740	13,197	12,681	15,075	18,206	19,697	20,900
Total Borrowings²	41,914	46,364	46,363	47,956	49,351	53,106	52,434
Gross and Net Debt analysis:							
Total Borrowings ²	41,914	46,364	46,363	47,956	49,351	53,106	52,434
Core Crown borrowings	35,885	38,876	38,845	38,435	37,020	39,611	38,053
Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	912	1,524	752	893	1,053	1,249	1,413
Gross sovereign-issued debt⁴	36,797	40,400	39,597	39,328	38,073	40,860	39,466
Less Reserve Bank Settlement Cash	(7,507)	(7,523)	(7,894)	(7,894)	(7,894)	(7,894)	(7,894)
Add back changes to DMO borrowing due to settlement cash ⁵	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Gross sovereign-issued debt excluding Reserve Bank Settlement Cash	30,890	34,477	33,303	33,034	31,779	34,566	33,172
Less core Crown financial assets ⁶	44,909	51,184	52,699	55,552	57,618	63,850	65,880
Net Core Crown debt (incl. NZS Fund)⁷	(8,112)	(10,784)	(13,102)	(16,224)	(19,545)	(22,990)	(26,414)
Add back NZS Fund financial assets	12,523	15,439	15,085	17,980	21,250	24,782	28,519
Net Core Crown Debt (excl. NZS Fund)⁸	4,411	4,655	1,983	1,756	1,705	1,792	2,105

Notes on Borrowings

- Derivatives are included in either borrowings or marketable securities, deposits and equity investments depending on their value at balance date. This treatment leads to fluctuations in individual items within the Statement of Borrowings, primarily due to exchange rate movements.
- Total Borrowings (Gross Debt) is the total borrowings (both sovereign-guaranteed and non-sovereign guaranteed) of the total Crown. This equates to the amount in the total Crown balance sheet and represents the complete picture of whole-of-Crown debt obligations to external parties.
- Total Borrowings (Gross Debt) can be split into sovereign-guaranteed and non-sovereign-guaranteed debt. This split reflects the fact that borrowings by SOEs and Crown entities is not explicitly guaranteed by the Crown. No debt of SOEs and Crown entities is currently guaranteed by the Crown.
- Gross sovereign-issued debt is debt issued by the sovereign (i.e., core Crown) and includes Government stock held by the NZS Fund, ACC or EQC for example. In other words, the total sovereign-issued debt does not eliminate any internal cross-holdings held by these entities.
- The Reserve Bank has used \$1.6b of settlement cash to purchase reserves that were to have been funded by DMO borrowing. Therefore the impact of Settlement Cash on GSID is adjusted by this amount.
- Core Crown financial assets exclude receivables.
- Net core Crown debt is the Government Sovereign issued debt less financial assets. This can provide information about the sustainability of the Government's accounts, and is used by some international agencies when determining the credit-worthiness of a country. However, as some financial assets are not easily converted into cash, and some are restricted, it is important to view net debt alongside gross sovereign-issued debt.
- Adding back the NZ Superannuation Fund Assets provides the financial liabilities less financial assets of the Core Crown, excluding those assets set aside to meet part of the future cost of New Zealand superannuation.

The accompanying Notes and Accounting policies are an integral part of these Statements.

Statement of Actual Commitments

as at 31 October

	As at 31 Oct 2007 \$m	As at 30 June 2007 \$m
Capital Commitments		
Specialist military equipment	590	823
Land and buildings	721	605
Other property, plant and equipment	2,707	2,617
Other capital commitments	190	184
Tertiary Education Institutions	90	90
Total Capital Commitments	4,298	4,319
Operating Commitments		
Non-cancellable accommodation leases	2,250	2,296
Other non-cancellable leases	2,320	2,355
Non-cancellable contracts for the supply of goods and services	1,650	1,626
Other operating commitments	7,586	7,278
Tertiary Education Institutions	303	303
Total Operating Commitments	14,109	13,858
Total Commitments	18,407	18,177
Total Commitments by Institutional Segment		
Core Crown	16,701	19,944
Crown entities	10,115	9,835
State-owned enterprises	3,526	3,508
Inter-segment eliminations	(11,935)	(15,110)
Total Commitments	18,407	18,177

Statement of Actual Contingent Liabilities and Assets

as at 31 October

	As at 31 Oct 2007 \$m	As at 30 June 2007 \$m
Quantifiable Contingent Liabilities		
Guarantees and indemnities	171	171
Uncalled capital	2,114	2,076
Legal proceedings and disputes	484	1,170
Other contingent liabilities	2,014	1,829
Total Quantifiable Contingent Liabilities	4,783	5,246
Total Quantifiable Contingent Liabilities by Institutional Segment		
Core Crown	4,575	5,071
Crown entities	44	45
State-owned enterprises	184	150
Inter-segment eliminations	(20)	(20)
Total Quantifiable Contingent Liabilities	4,783	5,246
Quantifiable Contingent Assets		
Core Crown	89	86
Crown entities	5	-
Total Quantifiable Contingent Assets	94	86

The accompanying Notes and Accounting policies are an integral part of these Statements.

A detailed Statement of Contingent Liabilities and Assets (quantified and unquantified) is outlined on pages 108 to 110 of the Specific Fiscal Risk chapter.

The Statement of Specific Risks (quantified and unquantified) is outlined on pages 93 to 107 of the Specific Fiscal Risk chapter.

Notes to the Forecast Financial Statements

	2007	2008	2008	2009	2010	2011	2012
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 1: Revenue Collected Through the Crown's Sovereign Power							
Taxation Revenue (accrual)							
Individuals							
PAYE	20,987	22,334	22,578	23,978	25,409	27,086	28,733
Other persons	4,440	4,553	5,120	5,360	5,535	5,788	6,014
Refunds	(1,080)	(1,102)	(1,175)	(1,180)	(1,282)	(1,289)	(1,323)
Fringe benefit tax	468	474	519	523	547	574	598
Total Individuals	24,815	26,259	27,042	28,681	30,209	32,159	34,022
Corporate Tax							
Gross companies tax	8,808	8,222	9,174	7,587	8,298	8,499	8,957
Refunds	(296)	(255)	(310)	(300)	(300)	(300)	(300)
Non-resident withholding tax	1,189	1,005	1,268	1,311	1,290	1,211	1,266
Foreign-source dividend w/holding payments	149	102	93	77	77	77	77
Total Corporate Tax	9,850	9,074	10,225	8,675	9,365	9,487	10,000
Other Income Tax							
Resident w/holding tax on interest income	2,227	2,340	2,554	2,809	2,873	2,904	2,988
Resident w/holding tax on dividend income	89	92	87	100	234	280	282
Estate and gift duties	2	2	3	3	3	3	3
Total Other Income Tax	2,318	2,434	2,644	2,912	3,110	3,187	3,273
Total Income Tax	36,983	37,767	39,911	40,268	42,684	44,833	47,295
Goods and Services Tax							
Gross goods and services tax	19,533	19,726	20,174	21,295	22,244	23,313	24,195
Refunds	(8,325)	(8,231)	(8,390)	(9,201)	(9,714)	(10,208)	(10,649)
Total Goods and Services Tax	11,208	11,495	11,784	12,094	12,530	13,105	13,546
Other Indirect Taxation							
Petroleum fuels excise	819	903	885	904	908	910	953
Tobacco excise	238	148	138	148	150	153	155
Customs duty	1,836	1,865	1,870	1,902	1,950	2,027	2,121
Road user charges	786	877	875	964	1,021	1,081	1,086
Alcohol excise	553	586	579	609	639	669	700
Gaming duties	230	215	238	245	252	258	266
Motor vehicle fees	222	219	219	221	226	232	233
Energy resources levies	54	34	48	44	44	44	44
Approved issuer levy and cheque duty	94	64	92	93	94	95	96
Total Other Indirect Taxation	4,832	4,911	4,944	5,130	5,284	5,469	5,654
Total Indirect Taxation	16,040	16,406	16,728	17,224	17,814	18,574	19,200
Total Taxation Revenue	53,023	54,173	56,639	57,492	60,498	63,407	66,495
Other Sovereign Revenue (accrual)							
ACC levies	2,667	2,654	2,712	2,722	2,803	2,876	2,956
Fire Service levies	265	261	283	248	281	283	285
EQC levies	84	86	85	87	89	91	93
Other miscellaneous items	685	692	694	768	1,170	1,559	1,570
Total Other Sovereign Revenue	3,701	3,693	3,774	3,825	4,343	4,809	4,904
Forecast revenue reduction contingency	-	-	-	(375)	(1,500)	(1,600)	(1,700)
Total Sovereign Revenue	56,724	57,866	60,413	60,942	63,341	66,616	69,699

Notes to the Forecast Financial Statements

	2007 Actual \$m	2008 Previous Budget \$m	2008 Forecast \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m
NOTE 1 (continued): Receipts Collected Through the Crown's Sovereign Power							
Income Tax Receipts (cash)							
Individuals							
PAYE	21,012	22,334	22,527	23,924	25,354	27,031	28,678
Other persons	5,121	5,430	5,905	6,268	6,559	6,771	7,025
Refunds	(1,850)	(2,017)	(2,217)	(2,325)	(2,405)	(2,430)	(2,494)
Fringe benefit tax	482	470	490	515	540	566	590
Total Individuals	24,765	26,217	26,705	28,382	30,048	31,938	33,799
Corporate Tax							
Gross companies tax	9,120	9,184	9,619	8,213	8,817	8,974	9,195
Refunds	(1,153)	(1,041)	(1,211)	(1,057)	(1,023)	(925)	(834)
Non-resident withholding tax	1,135	981	1,229	1,276	1,257	1,241	1,280
Foreign-source dividend w/holding payments	141	102	93	77	77	77	77
Total Corporate Tax	9,243	9,226	9,730	8,509	9,128	9,367	9,718
Other Income Tax							
Resident w/holding tax on interest income	2,192	2,340	2,558	2,811	2,875	2,906	2,990
Resident w/holding tax on dividend income	90	92	84	100	234	280	282
Estate and gift duties	3	2	3	3	3	3	3
Total Other Income Tax	2,285	2,434	2,645	2,914	3,112	3,189	3,275
Total Income Tax	36,293	37,877	39,080	39,805	42,288	44,494	46,792
Goods and Services Tax							
Gross goods and services tax	18,691	19,354	19,443	20,731	21,681	22,755	23,641
Refunds	(7,625)	(7,877)	(8,156)	(8,808)	(9,321)	(9,815)	(10,256)
Total Goods and Services Tax	11,066	11,477	11,287	11,923	12,360	12,940	13,385
Other Indirect Taxation							
Petroleum fuels excise	835	903	885	904	908	910	953
Tobacco excise	265	148	138	148	150	153	155
Customs duty	1,778	1,865	1,870	1,902	1,950	2,027	2,121
Road user charges	791	877	875	964	1,021	1,081	1,086
Alcohol excise	549	586	579	609	639	669	700
Gaming duties	236	215	238	245	252	258	266
Motor vehicle fees	208	219	219	221	226	232	233
Energy resources levies	55	35	53	44	44	44	44
Approved issuer levy and cheque duty	74	64	92	93	94	95	96
Total Other Indirect Taxation	4,791	4,912	4,949	5,130	5,284	5,469	5,654
Total Indirect Taxation	15,857	16,389	16,236	17,053	17,644	18,409	19,039
Total Tax Receipts Collected	52,150	54,266	55,316	56,858	59,932	62,903	65,831
Other Sovereign Receipts (cash)							
ACC levies	2,607	2,561	2,610	2,989	2,888	2,984	3,055
Fire Service levies	268	263	271	278	283	285	287
EQC levies	84	86	86	88	90	91	93
Other miscellaneous items	459	562	604	636	652	666	678
Total Other Sovereign Receipts	3,418	3,472	3,571	3,991	3,913	4,026	4,113
Forecast revenue reduction contingency	-	-	-	(375)	(1,500)	(1,600)	(1,700)
Total Sovereign Receipts	55,568	57,738	58,887	60,474	62,345	65,329	68,244

Notes to the Forecast Financial Statements

	2007	2008	2008	2009	2010	2011	2012
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 2: Interest Revenue and Dividends							
<i>By type</i>							
Interest revenue	2,540	2,865	3,201	3,328	3,245	3,422	3,440
Dividends	444	501	515	611	706	802	905
Total Interest Revenue and Dividends	2,984	3,366	3,716	3,939	3,951	4,224	4,345
<i>By source</i>							
NZ Superannuation Fund	396	425	504	611	725	849	981
Other core Crown	2,184	2,162	2,486	2,848	2,725	2,890	3,017
Crown entities	746	880	920	952	999	1,043	1,099
State-owned enterprises	484	481	493	236	266	264	272
Inter-segment eliminations	(826)	(582)	(687)	(708)	(764)	(822)	(1,024)
Total Interest Revenue and Dividends	2,984	3,366	3,716	3,939	3,951	4,224	4,345

NOTE 3: Social Assistance and Official Development Assistance

New Zealand superannuation	6,810	7,292	7,343	7,719	8,178	8,712	9,378
Domestic purposes benefit	1,468	1,456	1,466	1,482	1,508	1,537	1,575
Unemployment benefit	613	497	458	437	449	450	471
Invalids benefit	1,132	1,201	1,195	1,250	1,306	1,357	1,406
Family support	1,699	1,964	2,023	1,934	1,930	2,032	2,016
Accommodation supplement	877	909	885	906	927	946	972
Sickness benefit	573	608	600	607	610	608	608
Student allowances	382	402	397	409	417	424	430
Disability allowances	270	279	279	290	303	315	330
KiwiSaver	-	501	834	981	1,155	1,290	1,440
Other social assistance benefits	2,192	2,382	2,460	2,482	2,331	2,443	2,518
Total Social assistance	16,016	17,491	17,939	18,496	19,114	20,114	21,143
Official development assistance	330	401	413	427	493	563	563
Total Social Assistance and Official Development Assistance	16,346	17,892	18,352	18,923	19,607	20,677	21,706

ACC payments are now classified as insurance expenses under NZ IFRS (refer note 7).

NOTE 4: Personnel Expenses

Core Crown	5,113	5,434	5,579	5,558	5,476	5,528	5,542
Crown entities	8,160	8,213	8,579	8,646	8,774	8,760	8,769
State-owned enterprises	2,012	2,011	2,117	2,194	2,259	2,317	2,371
Inter-segment eliminations	(4)	(1)	(4)	(4)	(4)	(5)	(5)
Total Personnel Expenses	15,281	15,657	16,271	16,394	16,505	16,600	16,677

NOTE 5: Operating Expenses

Core Crown	30,079	30,102	30,847	31,441	31,500	31,733	32,092
Crown entities	13,480	15,291	14,396	14,285	14,188	14,326	14,382
State-owned enterprises	8,283	9,180	9,012	9,704	10,248	10,568	10,871
Inter-segment eliminations	(20,987)	(22,280)	(22,131)	(22,260)	(22,253)	(22,209)	(22,287)
Total operating expenses	30,855	32,293	32,124	33,170	33,683	34,418	35,058

Notes to the Forecast Financial Statements

	2007 Actual \$m	2008 Previous Budget \$m	2008 Forecast \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m
NOTE 6: Interest Expenses							
<i>By type</i>							
Interest on financial liabilities	2,876	2,335	3,125	2,717	2,646	2,814	2,796
Interest unwind on provisions	17	413	130	125	122	128	177
Total interest expenses	2,893	2,748	3,255	2,842	2,768	2,942	2,973
<i>By source</i>							
Core Crown	2,330	2,245	2,804	2,723	2,646	2,825	2,807
Crown entities	274	306	296	303	302	296	308
State-owned Enterprises	685	704	724	422	449	472	529
Inter-segment eliminations	(396)	(507)	(569)	(606)	(629)	(651)	(671)
Total interest expenses	2,893	2,748	3,255	2,842	2,768	2,942	2,973
NOTE 7: Insurance Expenses							
<i>By type</i>							
ACC payments	1,967	2,016	2,216	2,447	2,593	2,771	2,966
Other insurance expenses	1,746	994	1,365	1,395	1,499	1,562	1,606
Total insurance expenses	3,713	3,010	3,581	3,842	4,092	4,333	4,572
NOTE 8: Forecast New Operating Spending							
New operating spending up to Budget 2008	-	314	201	240	340	397	397
Forecast for future new spending	-	-	-	1,817	3,675	5,559	7,529
Total forecast new operating spending	-	314	201	2,057	4,015	5,956	7,926
Top-down expense adjustment	-	-	(750)	(275)	(250)	(200)	(150)
New operating spending up to Budget 2008 represents expenses included in Budget 2007 that have yet to be allocated.							
Forecast new operating spending indicates in broad terms the potential spending increases that could be introduced in each future remaining budget round. As some of this spending has already been allocated to the Defence funding package, this line represents the unallocated portion. Total potential spending increases included in the forecasts are \$2 billion for the next four Budgets.							
NOTE 9: Gains and losses on financial instruments							
<i>By source</i>							
Core Crown	1,180	1,155	1,424	1,188	1,324	1,533	1,687
Crown entities	369	485	633	558	544	592	640
State-owned enterprises	62	18	75	(52)	(62)	(73)	(71)
Inter-segment eliminations	(42)	(281)	(259)	(263)	(267)	(271)	(272)
Net gains/(losses) on financial instruments	1,569	1,377	1,873	1,431	1,539	1,781	1,984
NOTE 10: Source of Operating Balance							
Core Crown	6,498	4,464	6,206	4,166	4,089	4,395	4,489
Crown entities	1,006	1,242	580	1,135	968	938	901
State-owned enterprises	821	1,068	986	1,125	1,251	1,173	1,368
Inter-segment eliminations	(326)	(343)	(384)	(373)	(384)	(412)	(530)
Total Operating Balance	7,999	6,431	7,388	6,053	5,924	6,094	6,228

Notes to the Forecast Financial Statements

	2007	2008	2008	2009	2010	2011	2012
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 11: Financial Assets							
Cash and cash equivalents	4,208	3,196	4,232	4,591	4,709	5,048	5,738
Tax receivables	6,371	7,078	7,226	7,369	7,441	7,452	7,606
Trade and other receivables	5,658	5,469	6,126	6,078	6,303	6,582	6,636
Student loans (refer note 12)	6,011	6,252	6,478	6,989	7,489	7,967	8,407
Kiwibank mortgages	3,637	5,127	5,751	7,622	9,552	9,552	9,552
Long-term deposits	2,052	2,037	2,260	2,375	2,468	2,565	2,630
Reserve position at the IMF	183	212	166	156	146	135	124
Other loans	2,148	1,459	1,769	1,757	1,749	1,738	1,740
Share investments	13,827	17,273	15,601	17,284	18,787	20,117	22,213
Derivatives in gain	2,349	464	785	559	469	392	333
Other marketable securities	27,482	32,421	34,816	36,200	36,996	41,774	41,623
Total Financial Assets	73,926	80,988	85,210	90,980	96,109	103,322	106,602
Financial assets by portfolio							
Reserve Bank and DMO managed funds	22,577	26,013	27,488	26,672	25,001	27,087	24,926
NZ Superannuation Fund	12,576	15,439	15,169	18,289	21,715	25,400	29,258
Other core Crown	14,622	14,311	14,928	15,528	16,027	16,471	16,993
Intra-segment eliminations	(952)	(1,536)	(781)	(1,018)	(1,398)	(1,752)	(2,007)
Total Core Crown	48,823	54,227	56,804	59,471	61,345	67,206	69,170
ACC portfolio	10,588	11,695	12,071	12,892	13,710	14,486	15,186
EQC portfolio	1,920	2,174	2,075	2,266	2,474	2,702	2,954
Other Crown entities	4,064	3,670	4,145	4,275	4,494	4,670	4,763
Total Crown Entities	16,572	17,539	18,291	19,433	20,678	21,858	22,903
Total State-Owned Enterprises	8,531	9,222	10,115	12,076	14,086	14,258	14,529
Total Financial Assets by portfolio	73,926	80,988	85,210	90,980	96,109	103,322	106,602
NOTE 12: Student Loans							
Nominal value (including accrued interest)	9,413	9,983	10,078	10,785	11,477	12,143	12,771
Opening book value	5,298	5,761	6,011	6,478	6,989	7,489	7,967
Fair value writedown on new borrowings	(538)	(526)	(507)	(534)	(557)	(581)	(603)
Amount borrowed in the year	1,176	1,278	1,250	1,317	1,375	1,433	1,489
Repayments made during the year	(555)	(621)	(594)	(620)	(693)	(776)	(872)
Interest unwind	774	391	394	425	454	482	508
Impairment	(151)	(31)	(85)	(87)	(89)	(90)	(92)
Other movements	7	-	9	10	10	10	10
Closing book value	6,011	6,252	6,478	6,989	7,489	7,967	8,407

Notes to the Forecast Financial Statements

	2007 Actual \$m	2008 Previous Budget \$m	2008 Forecast \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m
NOTE 13: Property, Plant and Equipment							
By Class of asset							
Net Carrying Value							
Land (valuation)	21,138	18,963	20,793	21,050	21,333	21,340	21,297
Buildings (valuation)	20,824	21,349	21,841	21,941	21,914	22,026	21,992
Electricity distribution network (cost)	1,972	2,219	2,085	2,384	2,864	3,521	4,059
Electricity generation assets (valuation)	10,401	10,057	11,177	12,155	13,259	14,047	14,706
Aircraft (ex SME) (valuation)	2,092	2,064	1,890	1,772	1,614	2,174	2,898
State highways (valuation)	19,417	19,415	20,137	20,841	21,387	21,938	22,565
Rail network (valuation)	10,570	10,804	10,783	11,112	11,560	11,873	12,073
Specialist military equipment (valuation)	3,116	3,628	3,197	3,152	3,169	2,955	2,566
Other plant and equipment (cost)	3,691	5,882	4,425	4,120	4,058	3,805	3,557
Specified cultural and heritage assets (valuation)	2,392	1,569	2,334	2,357	2,379	2,402	2,425
Total Property, Plant & Equipment	95,613	95,950	98,662	100,884	103,537	106,081	108,138
NOTE 14: NZ Superannuation Fund							
Revenue	434	447	555	685	819	963	1,117
Other expenses	127	110	123	154	185	216	249
Tax expenses	733	349	276	336	399	470	545
Gains/(losses)	1,520	867	761	923	1,097	1,283	1,482
Operating Balance	1,094	855	917	1,118	1,332	1,560	1,805
Opening net worth	9,855	12,910	12,973	15,993	19,488	23,140	27,016
Gross contribution from the Crown	2,049	2,103	2,103	2,376	2,321	2,316	2,281
Income after tax	1,094	964	917	1,118	1,332	1,560	1,805
Other movements in reserves	(25)	-	-	1	(1)	-	-
Closing Net Worth	12,973	15,977	15,993	19,488	23,140	27,016	31,102
comprising:							
Financial assets	12,576	15,439	15,169	18,289	21,715	25,400	29,258
Net other assets	397	538	824	1,199	1,425	1,616	1,844
Closing Net Worth	12,973	15,977	15,993	19,488	23,140	27,016	31,102
Reconciliation Core Crown to Core Crown excluding NZSF							
Core Crown revenue	58,174	59,402	62,409	63,496	65,832	69,458	72,740
Less NZSF revenue	434	447	555	685	819	963	1,117
Add back NZSF tax	733	349	276	336	399	470	545
Core Crown revenue excluding NZSF	58,473	59,304	62,130	63,147	65,412	68,965	72,168
Core Crown expenses	53,977	56,095	57,137	60,537	63,106	66,632	70,034
Less NZSF expenses	119	110	110	138	167	197	229
Core Crown expenses excluding NZSF	53,858	55,985	57,027	60,399	62,939	66,435	69,805
Core Crown OBEGAL (excluding net NZSF revenue)	4,615	3,319	5,103	2,748	2,473	2,530	2,363
NOTE 15: Payables							
Accounts payable	4,924	5,556	5,177	5,335	5,400	5,378	5,335
Taxes repayable	3,179	3,480	3,157	3,157	3,157	3,157	3,157
Total Payables	8,103	9,036	8,334	8,492	8,557	8,535	8,492

Notes to the Forecast Financial Statements

	2007	2008	2008	2009	2010	2011	2012
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m

NOTE 16: Insurance liabilities

ACC liability	17,328	18,949	19,594	20,694	21,892	23,139	24,427
EQC liability	68	42	69	70	71	72	73
Other insurance liabilities	23	20	14	13	14	14	14
Total Insurance Liabilities	17,419	19,011	19,677	20,777	21,977	23,225	24,514

ACC liability

Calculation information

PricewaterhouseCoopers Actuarial Pty Ltd have prepared an independent actuarial estimate of the ACC outstanding claims liability as at 30 June 2007. This estimate includes the expected future payments relating to accidents that occurred prior to balance date (whether or not the associated claims have been reported to, or accepted by, ACC) and also the expected future administrative expenses of managing these claims.

The key economic variables that impact on changes to the valuation are the long-term Labour Cost Index (LCI), average weekly earnings and the discount rate of 6.10% (6.61% at 30 June 2007). Other key variables in each valuation are the forecast increases in claim costs over and above the economic variables above, and the assumed rate at which long-term claimants will leave the scheme over the period. This assessment is largely based on scheme history.

Presentation approach

The projected outstanding claims liability is included within total liabilities. ACC has available to it a portfolio of assets that partially offset the claims liability. The assets (less cross holdings of NZ Government stock) are included in the asset portion of the Crown's overall Statement of Financial Position.

Gross ACC liability

Opening gross liability	15,761	17,924	17,328	19,594	20,694	21,892	23,139
Net change	1,567	1,025	2,266	1,100	1,198	1,247	1,288
Closing gross liability	17,328	18,949	19,594	20,694	21,892	23,139	24,427

Less net assets available to ACC

Opening net asset value	10,298	11,724	11,757	13,362	14,327	15,254	16,136
Net change	1,459	1,024	1,605	965	927	882	800
Closing net asset value	11,757	12,748	13,362	14,327	15,254	16,136	16,936

Net ACC reserves (net liability)

Opening reserves position	(5,463)	(6,200)	(5,571)	(6,232)	(6,367)	(6,638)	(7,003)
Net change	(108)	(1)	(661)	(135)	(271)	(365)	(488)
Closing reserves position (net liability)	(5,571)	(6,201)	(6,232)	(6,367)	(6,638)	(7,003)	(7,491)

Notes to the Forecast Financial Statements

	2007 Actual \$m	2008 Previous Budget \$m	2008 Forecast \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m
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NOTE 17: Retirement Plan Liabilities

Government Superannuation Fund	7,160	8,402	7,204	7,197	7,143	7,068	6,966
Other funds	-	12	275	300	332	356	362
Total Retirement Plan Liabilities	7,160	8,414	7,479	7,497	7,475	7,424	7,328

The net liability of the Government Superannuation Fund (GSF), as at 31 October (the valuation date), has been calculated by the Government Actuary for inclusion within the 2007 Half Year Update. The GSF net liability arises from closed schemes for past and present public sector employees (set out in the GSF Act 1956). The Projected Unit Credit Method, based on 31 October 2007 membership data, was used for the valuation. This method requires the benefits payable from the GSF in respect of past service to be calculated and then discounted back to the valuation date.

The projected GSF net liability included in the 2007 Half Year Update was calculated using discount rates derived from the market yield curve as at 31 October 2007. This resulted in long-term before-tax discount rates ranging from 7.19% in 2008 to 6.10% in 2016 and beyond. The principal long-term financial assumptions used in the calculation were an inflation rate of 2.25% and an annual salary increases rate, before any promotional effects, of 3.0%.

The 2007/08 projected movement in the net liability is \$44 million, reflecting an increase in the GSF liability of \$126 million offset by an increase in the GSF assets of \$82 million.

The increase in the projected GSF liability of \$126 million includes an actuarial loss of \$326 million at 31 October 2007, of which \$21 million resulted from experience adjustments with the balance due to a change in discount rate assumptions on valuation date. The remainder of the increase in the GSF liability is the net of the current service cost, interest cost and benefits paid to members.

The increase in the projected GSF assets of \$82 million includes an actuarial gain of \$33 million at 31 October 2007. The increase in GSF assets is due to the net of expected investments returns, contributions received by the GSF and benefits paid to members.

The changes in the projected GSF net liability from 2007/08 onwards reflects the net of the expected current service cost, interest cost, investment returns and contributions.

GSF net defined benefit retirement liability

GSF liability

Opening GSF liability	12,098	12,365	11,167	11,293	11,359	11,373	11,362
Net projected change	(931)	158	126	66	14	(11)	(44)
Closing GSF liability	11,167	12,523	11,293	11,359	11,373	11,362	11,318

Less net assets available to GSF

Opening net asset value	3,799	4,014	4,007	4,089	4,162	4,230	4,294
Investment valuation changes	354	225	227	230	235	239	242
Contribution and other income less membership payments	(146)	(118)	(145)	(157)	(167)	(175)	(184)
Closing net asset value	4,007	4,121	4,089	4,162	4,230	4,294	4,352

Net GSF liability

Opening unfunded liability	8,299	8,351	7,160	7,204	7,197	7,143	7,068
Net projected change	(1,139)	51	44	(7)	(54)	(75)	(102)
Net liability	7,160	8,402	7,204	7,197	7,143	7,068	6,966

Notes to the Forecast Financial Statements

	2007	2008	2008	2009	2010	2011	2012
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 18: Provisions							
Provision for Kyoto	704	557	956	956	956	956	956
Provision for National Provident Fund guarantee	771	805	771	771	771	771	771
Provision for employee entitlements	1,819	1,621	1,668	1,658	1,674	1,660	1,666
Other provisions	1,229	867	1,130	1,600	1,624	1,258	1,264
Total Provisions	4,523	3,850	4,525	4,985	5,025	4,645	4,657
Analysis of Provision for Kyoto							
Opening balance	656	557	704	956	956	956	956
Additional provisions made in the year	48	-	252	-	-	-	-
Closing balance	704	557	956	956	956	956	956
NOTE 19: Changes in Net Worth							
Opening taxpayers funds	36,214	42,219	44,169	51,555	57,609	63,538	69,637
Operating balance excluding minority interest	7,999	6,431	7,388	6,053	5,924	6,094	6,228
Transfers from/(to) other reserves	(44)	(411)	(2)	1	5	5	1
Closing Taxpayers Funds	44,169	48,239	51,555	57,609	63,538	69,637	75,866
Opening revaluation reserve	47,153	47,459	52,371	52,429	52,429	52,428	52,428
Net revaluations	5,163	2	58	-	(1)	-	-
Transfers from/(to) other reserves	55	(59)	-	-	-	-	-
Closing Revaluation Reserve	52,371	47,402	52,429	52,429	52,428	52,428	52,428
Opening other reserves	326	93	(132)	35	38	51	56
Net movements	(458)	34	167	3	13	5	6
Closing Other Reserves	(132)	127	35	38	51	56	62

Notes to the Forecast Financial Statements

	2007 Actual \$m	2008 Previous Budget \$m	2008 Forecast \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m
NOTE 20: Reconciliation of core Crown operating cash flows to residual core Crown cash							
Core Crown Cash Flows from Operations							
Total tax receipts	53,271	55,120	56,212	57,764	61,072	64,105	67,232
Total other sovereign receipts	391	477	514	544	561	574	586
Forecast revenue reduction contingency	-	-	-	(375)	(1,500)	(1,600)	(1,700)
Interest, profits and dividends	1,896	1,857	2,351	2,713	2,567	2,725	2,842
Sale of goods & services and other receipts	1,461	1,472	1,566	1,543	1,515	1,526	1,542
Subsidies and transfer payments	(17,317)	(18,789)	(18,930)	(19,613)	(20,305)	(21,302)	(22,208)
Personnel and operating costs	(28,912)	(32,611)	(33,119)	(33,156)	(33,087)	(33,297)	(33,712)
Finance costs	(2,220)	(2,176)	(2,647)	(2,709)	(2,691)	(2,747)	(2,772)
Forecast for future new operating spending	-	(314)	(201)	(2,057)	(4,015)	(5,956)	(7,926)
Top-down expense adjustment	-	-	750	275	250	200	150
Net Cash Flows from core Crown Operations	8,570	5,036	6,496	4,929	4,367	4,228	4,034
Net purchase of physical assets	(1,760)	(1,802)	(2,023)	(1,197)	(1,270)	(1,049)	(986)
Net increase in advances	(1,743)	(1,087)	(1,323)	(856)	(756)	(837)	(659)
Net purchase of investments	(366)	(637)	(538)	(360)	(126)	(53)	(35)
Contribution to NZ Superannuation Fund	(2,048)	(2,103)	(2,103)	(2,376)	(2,321)	(2,316)	(2,281)
Purchase of Reserve Bank reserves	-	(200)	-	-	-	-	-
Forecast for future new capital spending	-	(184)	-	(1,003)	(773)	(924)	(1,110)
Top-down capital adjustment	-	-	250	100	100	100	100
Residual Cash	2,653	(977)	759	(763)	(779)	(851)	(937)
Financed by:							
Other net sale/(purchase) of marketable securities and deposits	(5,926)	(1,651)	(4,506)	871	1,781	(1,934)	2,435
Total Operating and Investing Activities	(3,273)	(2,628)	(3,747)	108	1,002	(2,785)	1,498
Used in:							
Net repayment/(issue) of other New Zealand-dollar borrowing	4,963	710	2,203	402	267	25	303
Net repayment/(issue) of foreign currency borrowing	1,775	(993)	(1,495)	(630)	(205)	(53)	(499)
Issues of circulating currency	81	178	182	177	186	195	205
Decrease/(increase) in cash	(458)	3	185	(34)	9	(135)	(279)
	6,361	(102)	1,075	(85)	257	32	(270)
Net Cash Inflow/(Outflow) to be Offset by Domestic Bonds	3,088	(2,730)	(2,672)	23	1,259	(2,753)	1,228
Gross Cash Proceeds from Domestic Bonds							
Domestic bonds (market)	2,294	2,520	2,453	2,459	2,487	2,507	2,497
Domestic bonds (non-market)	632	210	219	669	765	246	1,201
Total Gross Cash Proceeds from Domestic Bonds	2,926	2,730	2,672	3,128	3,252	2,753	3,698
Repayment of domestic bonds (market)	(5,593)	-	-	(2,700)	(3,977)	-	(3,976)
Repayment of domestic bonds (non-market)	(421)	-	-	(451)	(534)	-	(950)
Net (Repayments of)/Cash Proceeds from Domestic Bonds	(3,088)	2,730	2,672	(23)	(1,259)	2,753	(1,228)

Forecast Statement of Segments

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2007

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2007	2007	2007	2007	2007
	Actual	Actual	Actual	Actual	Actual
	\$m	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	53,445	-	-	(422)	53,023
Other sovereign revenue	653	3,641	-	(593)	3,701
Sales of goods and services	1,073	11,328	10,692	(10,736)	12,357
Interest revenue and dividends	2,580	746	484	(826)	2,984
Other revenue	423	10,436	703	(9,200)	2,362
Forecast for future revenue	-	-	-	-	-
Total Revenue (excluding gains)	58,174	26,151	11,879	(21,777)	74,427
Expenses					
Social assistance and official development assistance	16,453	-	-	(107)	16,346
Personnel expenses	5,113	8,160	2,012	(4)	15,281
Other operating expenses	30,081	17,183	8,290	(20,986)	34,568
Interest expenses	2,330	274	685	(396)	2,893
Forecast for future new spending	-	-	-	-	-
Total Expenses (excluding losses)	53,977	25,617	10,987	(21,493)	69,088
Operating Balance before gains/(losses)	4,197	534	892	(284)	5,339
Total Gains/(losses)	2,344	364	(111)	(43)	2,554
Net surplus/(deficit) from associates and joint ventures	48	108	29	1	186
Gain/(loss) from discontinued operations	(92)	-	-	-	(92)
Attributable to minority interest in Air NZ	-	-	12	-	12
Operating Balance	6,497	1,006	822	(326)	7,999
Expenses by functional classification					
Social security and welfare	17,214	4,146	-	(413)	20,947
Health	10,357	9,005	-	(8,851)	10,511
Education	9,261	6,900	24	(6,298)	9,887
Transport and communications	2,275	1,593	5,354	(2,350)	6,872
Other	12,540	3,699	4,924	(3,185)	17,978
Finance costs	2,330	274	685	(396)	2,893
Forecast for future new spending	-	-	-	-	-
Total Crown Expenses excluding losses	53,977	25,617	10,987	(21,493)	69,088

STATEMENT OF FINANCIAL POSITION

as at 30 June 2007

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2007	2007	2007	2007	2007
	Actual	Actual	Actual	Actual	Actual
	\$m	\$m	\$m	\$m	\$m
Assets					
Cash and cash equivalents	1,096	2,868	492	(248)	4,208
Receivables	7,558	3,636	1,727	(892)	12,029
Other financial assets	43,378	15,979	6,722	(8,390)	57,689
Property, plant & equipment	26,200	41,328	28,085	-	95,613
Equity accounted investments	24,968	6,331	89	(24,467)	6,921
Intangible assets and goodwill	799	361	492	1	1,653
Other assets	1,072	253	833	(26)	2,132
Forecast for new capital spending	-	-	-	-	-
Total Assets	105,071	70,756	38,440	(34,022)	180,245
Liabilities					
Borrowings	35,885	4,424	10,301	(8,696)	41,914
Other liabilities	18,515	23,022	5,368	(5,278)	41,627
Total Liabilities	54,400	27,446	15,669	(13,974)	83,541
Total Assets less Total Liabilities	50,671	43,310	22,771	(20,048)	96,704
Net Worth					
Taxpayer funds	39,075	20,930	7,148	(22,984)	44,169
Reserves	11,596	22,380	15,221	3,042	52,239
Net worth attributable to minority interest in Air NZ	-	-	402	(106)	296
Total Net Worth	50,671	43,310	22,771	(20,048)	96,704

Forecast Statement of Segments (continued)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2008

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2008	2008	2008	2008	2008
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	57,166	-	-	(527)	56,639
Other sovereign revenue	662	3,759	-	(647)	3,774
Sales of goods and services	1,141	11,907	11,233	(11,277)	13,004
Interest revenue and dividends	2,990	920	493	(687)	3,716
Other revenue	450	10,942	880	(9,797)	2,475
Forecast revenue reduction contingency	-	-	-	-	-
Total Revenue (excluding gains)	62,409	27,528	12,606	(22,935)	79,608
Expenses					
Social assistance and official development assistance	18,458	-	-	(106)	18,352
Personnel expenses	5,579	8,579	2,117	(4)	16,271
Other operating expenses	30,845	17,971	9,017	(22,128)	35,705
Interest expenses	2,804	296	724	(569)	3,255
Forecast for future new spending	(549)	-	-	-	(549)
Total Expenses (excluding losses)	57,137	26,846	11,858	(22,807)	73,034
Operating Balance before gains/(losses)					
	5,272	682	748	(128)	6,574
Total Gains/(losses)	904	(224)	211	(255)	636
Net surplus/(deficit) from associates and joint ventures	30	122	26	-	178
Gain/(loss) from discontinued operations	-	-	-	-	-
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating Balance	6,206	580	985	(383)	7,388
Expenses by functional classification					
Social security and welfare	17,914	4,091	-	(437)	21,568
Health	11,480	8,993	-	(8,884)	11,589
Education	9,863	7,432	24	(6,769)	10,550
Transport and communications	2,784	2,001	5,564	(2,717)	7,632
Other	12,841	4,033	5,546	(3,431)	18,989
Finance costs	2,804	296	724	(569)	3,255
Forecast for future new spending	(549)	-	-	-	(549)
Total Crown Expenses excluding losses	57,137	26,846	11,858	(22,807)	73,034

STATEMENT OF FINANCIAL POSITION

as at 30 June 2008

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2008	2008	2008	2008	2008
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Assets					
Cash and cash equivalents	1,085	2,821	574	(248)	4,232
Receivables	8,363	4,170	1,664	(845)	13,352
Other financial assets	51,065	17,471	8,250	(9,160)	67,626
Property, plant & equipment	26,536	42,704	29,422	-	98,662
Equity accounted investments	25,983	6,625	191	(25,281)	7,518
Intangible assets and goodwill	910	373	511	-	1,794
Other assets	1,225	254	781	(8)	2,252
Forecast for new capital spending	(250)	-	-	-	(250)
Total Assets	114,917	74,418	41,393	(35,542)	195,186
Liabilities					
Borrowings	38,845	4,638	12,302	(9,422)	46,363
Other liabilities	19,156	25,264	5,439	(5,351)	44,508
Total Liabilities	58,001	29,902	17,741	(14,773)	90,871
Total Assets less Total Liabilities	56,916	44,516	23,652	(20,769)	104,315
Net Worth					
Taxpayer funds	45,281	22,130	8,024	(23,880)	51,555
Reserves	11,635	22,386	15,332	3,111	52,464
Net worth attributable to minority interest in Air NZ	-	-	296	-	296
Total Net Worth	56,916	44,516	23,652	(20,769)	104,315

Forecast Statement of Segments (continued)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2009

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2009	2009	2009	2009	2009
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	58,072	-	-	(580)	57,492
Other sovereign revenue	735	3,771	-	(681)	3,825
Sales of goods and services	1,157	12,141	12,087	(11,526)	13,859
Interest revenue and dividends	3,459	952	236	(708)	3,939
Other revenue	448	10,703	990	(9,601)	2,540
Forecast revenue reduction contingency	(375)	-	-	-	(375)
Total Revenue (excluding gains)	63,496	27,567	13,313	(23,096)	81,280
Expenses					
Social assistance and official development assistance	19,035	-	-	(112)	18,923
Personnel expenses	5,558	8,646	2,194	(4)	16,394
Other operating expenses	31,439	18,121	9,709	(22,257)	37,012
Interest expenses	2,723	303	422	(606)	2,842
Forecast for future new spending	1,782	-	-	-	1,782
Total Expenses (excluding losses)	60,537	27,070	12,325	(22,979)	76,953
Operating Balance before gains/(losses)	2,959	497	988	(117)	4,327
Total Gains/(losses)	1,162	517	107	(259)	1,527
Net surplus/(deficit) from associates and joint ventures	47	122	30	-	199
Gain/(loss) from discontinued operations	-	-	-	-	-
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating Balance	4,168	1,136	1,125	(376)	6,053
Expenses by functional classification					
Social security and welfare	18,315	4,372	-	(461)	22,226
Health	11,552	8,961	-	(8,871)	11,642
Education	9,945	7,376	24	(6,767)	10,578
Transport and communications	2,849	1,979	5,743	(2,768)	7,803
Other	13,371	4,079	6,136	(3,506)	20,080
Finance costs	2,723	303	422	(606)	2,842
Forecast for future new spending	1,782	-	-	-	1,782
Total Crown Expenses excluding losses	60,537	27,070	12,325	(22,979)	76,953

STATEMENT OF FINANCIAL POSITION

as at 30 June 2009

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2009	2009	2009	2009	2009
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Assets					
Cash and cash equivalents	1,212	2,913	713	(247)	4,591
Receivables	8,538	4,099	1,730	(920)	13,447
Other financial assets	53,649	19,036	10,002	(9,745)	72,942
Property, plant & equipment	26,418	43,657	30,809	-	100,884
Equity accounted investments	26,526	6,827	171	(25,625)	7,899
Intangible assets and goodwill	954	358	474	-	1,786
Other assets	1,470	264	827	(6)	2,555
Forecast for new capital spending	653	-	-	-	653
Total Assets	119,420	77,154	44,726	(36,543)	204,757
Liabilities					
Borrowings	38,435	4,866	14,616	(9,961)	47,956
Other liabilities	19,903	26,265	5,680	(5,419)	46,429
Total Liabilities	58,338	31,131	20,296	(15,380)	94,385
Total Assets less Total Liabilities	61,082	46,023	24,430	(21,163)	110,372
Net Worth					
Taxpayer funds	49,447	23,611	8,821	(24,270)	57,609
Reserves	11,635	22,412	15,313	3,107	52,467
Net worth attributable to minority interest in Air NZ	-	-	296	-	296
Total Net Worth	61,082	46,023	24,430	(21,163)	110,372

Forecast Statement of Segments (continued)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2010

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2010	2010	2010	2010	2010
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	61,118	-	-	(620)	60,498
Other sovereign revenue	1,136	3,919	-	(712)	4,343
Sales of goods and services	1,179	12,428	12,753	(11,794)	14,566
Interest revenue and dividends	3,450	999	266	(764)	3,951
Other revenue	449	10,335	1,064	(9,224)	2,624
Forecast revenue reduction contingency	(1,500)	-	-	-	(1,500)
Total Revenue (excluding gains)	65,832	27,681	14,083	(23,114)	84,482
Expenses					
Social assistance and official development assistance	19,719	-	-	(112)	19,607
Personnel expenses	5,476	8,774	2,259	(4)	16,505
Other operating expenses	31,500	18,273	10,254	(22,252)	37,775
Interest expenses	2,646	302	449	(629)	2,768
Forecast for future new spending	3,765	-	-	-	3,765
Total Expenses (excluding losses)	63,106	27,349	12,962	(22,997)	80,420
Operating Balance before gains/(losses)					
	2,726	332	1,121	(117)	4,062
Total Gains/(losses)	1,295	513	102	(266)	1,644
Net surplus/(deficit) from associates and joint ventures	67	123	28	-	218
Gain/(loss) from discontinued operations	-	-	-	-	-
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating Balance	4,088	968	1,251	(383)	5,924
Expenses by functional classification					
Social security and welfare	18,744	4,642	-	(476)	22,910
Health	11,622	8,987	-	(8,880)	11,729
Education	10,009	7,361	24	(6,804)	10,590
Transport and communications	2,726	1,911	5,986	(2,562)	8,061
Other	13,594	4,146	6,503	(3,646)	20,597
Finance costs	2,646	302	449	(629)	2,768
Forecast for future new spending	3,765	-	-	-	3,765
Total Crown Expenses excluding losses	63,106	27,349	12,962	(22,997)	80,420

STATEMENT OF FINANCIAL POSITION

as at 30 June 2010

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2010	2010	2010	2010	2010
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Assets					
Cash and cash equivalents	1,304	3,001	652	(248)	4,709
Receivables	8,534	4,274	1,825	(889)	13,744
Other financial assets	55,462	20,395	11,982	(10,183)	77,656
Property, plant & equipment	26,327	44,374	32,836	-	103,537
Equity accounted investments	26,744	6,961	173	(25,723)	8,155
Intangible assets and goodwill	939	332	505	-	1,776
Other assets	1,566	247	872	(5)	2,680
Forecast for new capital spending	1,306	-	-	-	1,306
Total Assets	122,182	79,584	48,845	(37,048)	213,563
Liabilities					
Borrowings	37,020	5,009	17,686	(10,364)	49,351
Other liabilities	19,991	27,504	5,838	(5,434)	47,899
Total Liabilities	57,011	32,513	23,524	(15,798)	97,250
Total Assets less Total Liabilities	65,171	47,071	25,321	(21,250)	116,313
Net Worth					
Taxpayer funds	53,536	24,641	9,716	(24,355)	63,538
Reserves	11,635	22,430	15,309	3,106	52,480
Net worth attributable to minority interest in Air NZ	-	-	296	-	296
Total Net Worth	65,171	47,071	25,321	(21,249)	116,314

Forecast Statement of Segments (continued)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2011

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2011	2011	2011	2011	2011
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	64,131	-	-	(724)	63,407
Other sovereign revenue	1,525	4,030	-	(746)	4,809
Sales of goods and services	1,217	12,482	13,302	(11,785)	15,216
Interest revenue and dividends	3,739	1,043	264	(822)	4,224
Other revenue	446	10,407	844	(9,043)	2,654
Forecast revenue reduction contingency	(1,600)	-	-	-	(1,600)
Total Revenue (excluding gains)	69,458	27,962	14,410	(23,120)	88,710
Expenses					
Social assistance and official development assistance	20,792	-	-	(115)	20,677
Personnel expenses	5,528	8,760	2,317	(5)	16,600
Other operating expenses	31,731	18,651	10,574	(22,205)	38,751
Interest expenses	2,825	296	472	(651)	2,942
Forecast for future new spending	5,756	-	-	-	5,756
Total Expenses (excluding losses)	66,632	27,707	13,363	(22,976)	84,726
Operating Balance before gains/(losses)	2,826	255	1,047	(144)	3,984
Total Gains/(losses)	1,493	560	98	(268)	1,883
Net surplus/(deficit) from associates and joint ventures	76	124	28	(1)	227
Gain/(loss) from discontinued operations	-	-	-	-	-
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating Balance	4,395	939	1,173	(413)	6,094
Expenses by functional classification					
Social security and welfare	19,554	4,904	-	(493)	23,965
Health	11,623	8,970	-	(8,871)	11,722
Education	10,103	7,365	24	(6,791)	10,701
Transport and communications	2,717	1,960	6,069	(2,633)	8,113
Other	14,054	4,212	6,798	(3,537)	21,527
Finance costs	2,825	296	472	(651)	2,942
Forecast for future new spending	5,756	-	-	-	5,756
Total Crown Expenses excluding losses	66,632	27,707	13,363	(22,976)	84,726

STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2011	2011	2011	2011	2011
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Assets					
Cash and cash equivalents	1,548	3,014	734	(248)	5,048
Receivables	8,551	4,499	1,908	(924)	14,034
Other financial assets	61,255	21,721	11,989	(10,725)	84,240
Property, plant & equipment	25,918	45,162	35,001	-	106,081
Equity accounted investments	26,894	7,086	199	(25,752)	8,427
Intangible assets and goodwill	912	305	500	-	1,717
Other assets	1,664	246	827	(4)	2,733
Forecast for new capital spending	2,130	-	-	-	2,130
Total Assets	128,872	82,033	51,158	(37,653)	224,410
Liabilities					
Borrowings	39,611	5,247	19,129	(10,881)	53,106
Other liabilities	19,695	28,780	5,914	(5,502)	48,887
Total Liabilities	59,306	34,027	25,043	(16,383)	101,993
Total Assets less Total Liabilities	69,566	48,006	26,115	(21,270)	122,417
Net Worth					
Taxpayer funds	57,931	25,567	10,514	(24,375)	69,637
Reserves	11,635	22,439	15,305	3,105	52,484
Net worth attributable to minority interest in Air NZ	-	-	296	-	296
Total Net Worth	69,566	48,006	26,115	(21,270)	122,417

Forecast Statement of Segments (continued)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2012

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2012	2012	2012	2012	2012
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	67,207	-	-	(712)	66,495
Other sovereign revenue	1,536	4,116	-	(748)	4,904
Sales of goods and services	1,252	12,535	13,851	(11,762)	15,876
Interest revenue and dividends	3,998	1,099	272	(1,024)	4,345
Other revenue	447	10,444	891	(9,090)	2,692
Forecast revenue reduction contingency	(1,700)	-	-	-	(1,700)
Total Revenue (excluding gains)	72,740	28,194	15,014	(23,336)	92,612
Expenses					
Social assistance and official development assistance	21,820	-	-	(114)	21,706
Personnel expenses	5,542	8,769	2,371	(5)	16,677
Other operating expenses	32,089	18,947	10,877	(22,283)	39,630
Interest expenses	2,807	308	529	(671)	2,973
Forecast for future new spending	7,776	-	-	-	7,776
Total Expenses (excluding losses)	70,034	28,024	13,777	(23,073)	88,762
Operating Balance before gains/(losses)	2,706	170	1,237	(263)	3,850
Total Gains/(losses)	1,677	607	104	(269)	2,119
Net surplus/(deficit) from associates and joint ventures	107	124	28	-	259
Gain/(loss) from discontinued operations	-	-	-	-	-
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating Balance	4,490	901	1,369	(532)	6,228
Expenses by functional classification					
Social security and welfare	20,426	5,164	-	(508)	25,082
Health	11,642	8,996	-	(8,890)	11,748
Education	10,171	7,383	24	(6,782)	10,796
Transport and communications	2,946	1,897	6,255	(2,643)	8,455
Other	14,266	4,276	6,969	(3,579)	21,932
Finance costs	2,807	308	529	(671)	2,973
Forecast for future new spending	7,776	-	-	-	7,776
Total Crown Expenses excluding losses	70,034	28,024	13,777	(23,073)	88,762

STATEMENT OF FINANCIAL POSITION

as at 30 June 2012

	Core Crown	Crown Entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2012	2012	2012	2012	2012
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Assets					
Cash and cash equivalents	1,942	3,031	1,012	(247)	5,738
Receivables	8,573	4,605	1,899	(835)	14,242
Other financial assets	62,725	23,022	11,990	(11,115)	86,622
Property, plant & equipment	25,389	45,855	36,894	-	108,138
Equity accounted investments	27,067	7,210	219	(25,781)	8,715
Intangible assets and goodwill	1,135	283	497	-	1,915
Other assets	1,784	248	799	(3)	2,828
Forecast for new capital spending	3,140	-	-	-	3,140
Total Assets	131,755	84,254	53,310	(37,981)	231,338
Liabilities					
Borrowings	38,053	5,280	20,339	(11,238)	52,434
Other liabilities	19,647	30,087	6,048	(5,530)	50,252
Total Liabilities	57,700	35,367	26,387	(16,768)	102,686
Total Assets less Total Liabilities	74,055	48,887	26,923	(21,213)	128,652
Net Worth					
Taxpayer funds	62,420	26,440	11,325	(24,319)	75,866
Reserves	11,635	22,447	15,302	3,106	52,490
Net worth attributable to minority interest in Air NZ	-	-	296	-	296
Total Net Worth	74,055	48,887	26,923	(21,213)	128,652