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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 17 September 2008.

The finalisation dates are outlined at the beginning of this document. A summary of the key economic assumptions that are particularly relevant to the fiscal forecast is provided below. These figures are on a June year basis to align with the government's balance date of 30 June.

June years	2008/09		2009/10	2010/11	2011/12	2012/13
	BEFU	PREFU	PREFU	PREFU	PREFU	PREFU
Real GDP (P) (ann avg % chg)	1.6	0.2	2.3	3.4	3.4	3.1
Nominal GDP (E) (\$m)	185,478	184,390	190,713	199,881	210,205	220,574
CPI (annual avg % change)	3.2	4.3	2.3	2.4	2.5	2.4
Govt 10-year bonds (qty avg %)	6.3	6.3	6.3	6.2	6.1	6.0
90-day bill rate (qty avg %)	8.3	7.3	7.0	6.7	6.4	6.3
Unemployment rate ((HLFS) basis ann avg %)	3.7	4.3	5.0	5.1	4.9	4.6
Full-time equivalent employment (ann avg % change)	1.2	0.0	-0.2	0.7	1.5	1.9
Current account (% of GDP)	-7.2	-7.4	-6.2	-5.6	-5.2	-5.0

Statement of Accounting Policies and Forecast Assumptions

Significant Accounting Policies

These Forecast Financial Statements have been prepared in accordance with the accounting policies that are 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, which includes 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 83.

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/publications/guidance/instructions/2008>

Government Reporting Entity as at 17 September 2008

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:

<p>Departments</p> <p>Agriculture and Forestry Archives New Zealand Building and Housing Conservation Corrections Crown Law Office Culture and Heritage Defence Economic Development Education Education Review Office Environment Fisheries 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 of New Zealand New Zealand Customs Service New Zealand Defence Force New Zealand Food Safety Authority New Zealand Police New Zealand Security Intelligence Service Office of the Clerk Pacific Island Affairs Parliamentary Counsel Office Parliamentary Service Prime Minister and Cabinet Research, Science and Technology 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) KiwiRail Holdings Limited (included for disclosure purposes as if it were a SOE) *</p>

* KiwiRail Holdings Limited was acquired by the Crown on 1 July 2008 and in turn is to be acquired by the New Zealand Railways Corporation from 1 October 2008 as its operating unit.

Crown entities

Accident Compensation Corporation	New Zealand Fast Forward Fund Limited
Accounting Standards Review Board	New Zealand Film Commission
Alcohol Advisory Council of New Zealand	New Zealand Fire Service Commission
Arts Council of New Zealand Toi Aotearoa	New Zealand Historic Places Trust (Pouhere Taonga)
Broadcasting Commission	New Zealand Lotteries Commission
Broadcasting Standards Authority	New Zealand Qualifications Authority
Career Services	New Zealand Symphony Orchestra
Charities Commission	New Zealand Teachers Council
Children's Commissioner	New Zealand Tourism Board
Civil Aviation Authority of New Zealand	New Zealand Trade and Enterprise
Commerce Commission	New Zealand Transport Agency
Crown Health Financing Agency	New Zealand Venture Investment Fund Limited
Crown research institutes (9)	Office of Film and Literature Classification
District health boards (21)	Pharmaceutical Management Agency
Drug Free Sport New Zealand	Privacy Commissioner
Earthquake Commission	Public Trust
Electoral Commission	Radio New Zealand Limited
Electricity Commission	Real Estate Agents Authority
Energy Efficiency and Conservation Authority	Retirement Commissioner
Environmental Risk Management Authority	School boards of trustees (2,460)
Families Commission	Securities Commission
Foundation for Research, Science and Technology	Social Workers Registration Board
Government Superannuation Fund Authority	Sport and Recreation New Zealand
Guardians of New Zealand Superannuation	Standards Council
Health and Disability Commissioner	Takeovers Panel
Health Research Council of New Zealand	Te Reo Whakapuaki Irirangi (Te Māngai Pāho)
Health Sponsorship Council	Te Taura Whiri i te Reo Māori (Māori Language Commission)
Housing New Zealand Corporation	Television New Zealand Limited
Human Rights Commission	Tertiary Education Commission
Independent Police Conduct Authority	Tertiary education institutions (31)
Law Commission	Testing Laboratory Registration Council
Legal Services Agency	Transport Accident Investigation Commission
Maritime New Zealand	
Mental Health Commission	
Museum of New Zealand Te Papa Tongarewa Board	Crown entity subsidiaries are consolidated by their parents and not listed separately in this table
New Zealand Antarctic Institute	
New Zealand Artificial Limb Board	
New Zealand Blood Service	

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 Island Development Trust
National Pacific Radio Trust	Research and Education Advanced Network New Zealand Limited
New Zealand Fast Forward Limited	Reserves boards (24)
New Zealand Fish and Game Council	Road Safety Trust
New Zealand Game Bird Habitat Trust Board	Sentencing Council
New Zealand Government Property Corporation	

Forecast Statement of Financial Performance

for the years ending 30 June

		2008	2009	2009	2010	2011	2012	2013
			Previous					
Note	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Revenue								
Taxation revenue	1	56,372	55,911	55,538	56,800	58,674	61,269	64,374
Other sovereign revenue	1	3,879	4,037	3,993	4,501	5,052	5,366	6,015
Total Revenue Levied through the Crown's Sovereign Power		60,251	59,948	59,531	61,301	63,726	66,635	70,389
Sales of goods and services		15,399	14,222	16,084	16,625	17,832	18,201	19,051
Interest revenue and dividends	2	3,214	3,358	3,828	3,867	4,256	4,456	4,471
Other revenue		2,615	2,591	2,247	2,851	2,842	2,909	2,977
Total Revenue Earned through the Crown's Operations		21,228	20,171	22,159	23,343	24,930	25,566	26,499
Total Revenue (excluding gains)		81,479	80,119	81,690	84,644	88,656	92,201	96,888
Expenses								
Social assistance and official development assistance	3	18,374	19,681	20,151	21,256	22,174	23,159	24,124
Personnel expenses	4	16,478	17,061	17,800	18,110	18,478	18,582	18,657
Depreciation and amortisation	5	3,670	3,950	3,973	4,266	4,512	4,657	4,737
Other operating expenses	5	30,656	32,053	33,721	33,827	34,247	34,562	35,694
Interest expenses	6	3,101	2,503	3,311	3,457	4,009	4,434	4,916
Insurance expenses	7	3,563	3,799	4,076	4,209	4,494	4,811	5,135
Forecast new operating spending	8	-	249	172	1,615	3,498	5,288	7,149
Top-down expense adjustment	8	-	(495)	(1,450)	(350)	(275)	(200)	(150)
Total Expenses (excluding losses)		75,842	78,801	81,754	86,390	91,137	95,293	100,262
Operating Balance before gains/(losses)		5,637	1,318	(64)	(1,746)	(2,481)	(3,092)	(3,374)
Net gains/(losses) on financial instruments	9	(617)	1,424	1,462	1,535	1,783	2,046	2,335
Net gains/(losses) on non-financial instruments	10	(2,925)	170	178	220	240	253	260
Total Gains/(losses)		(3,542)	1,594	1,640	1,755	2,023	2,299	2,595
Net surplus/(deficit) from associates and joint ventures		334	193	334	366	388	398	398
Operating Balance from continuing activities		2,429	3,105	1,910	375	(70)	(395)	(381)
Gain/(loss) from discontinued operations		22	-	(1)	(1)	(1)	(1)	(1)
Operating Balance (including minority interest)		2,451	3,105	1,909	374	(71)	(396)	(382)
Attributable to minority interest		(67)	-	-	-	-	-	-
Operating Balance	11	2,384	3,105	1,909	374	(71)	(396)	(382)

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

	2008	2009	2009	2010	2011	2012	2013
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m
Total Crown							
Total Crown expenses							
By functional classification							
Social security and welfare	21,509	22,843	23,382	24,505	25,473	26,707	27,886
GSF pension expenses	690	652	654	555	545	548	549
Health	10,809	12,024	11,884	11,874	11,864	11,861	11,917
Education	10,397	11,017	11,643	11,947	12,167	12,453	12,658
Core government services	3,274	3,412	3,576	3,570	3,809	3,896	4,029
Law and order	3,082	3,341	3,370	3,382	3,383	3,392	3,415
Defence	1,525	1,697	1,716	1,690	1,675	1,664	1,662
Transport and communications	7,424	8,027	9,487	8,879	9,271	9,240	9,492
Economic and industrial services	9,043	7,918	8,641	8,918	9,766	9,937	10,228
Primary services	1,459	1,364	1,450	1,441	1,474	1,498	1,503
Heritage, culture and recreation	2,337	3,130	2,808	3,353	3,117	3,177	3,652
Housing and community development	938	1,036	1,053	1,087	1,147	1,184	1,142
Other	254	83	57	467	214	214	214
Finance costs	3,101	2,503	3,311	3,457	4,009	4,434	4,916
Forecast for future new spending	-	249	172	1,615	3,498	5,288	7,149
Top-down expense adjustment	-	(495)	(1,450)	(350)	(275)	(200)	(150)
Total Crown Expenses excluding losses	75,842	78,801	81,754	86,390	91,137	95,293	100,262

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

Core Crown expenses

By functional classification

Social security and welfare	17,877	18,898	19,156	20,112	20,780	21,680	22,529
GSF pension expenses	690	652	654	555	545	548	549
Health	11,297	12,586	12,377	12,424	12,401	12,390	12,391
Education	9,551	10,524	10,739	11,117	11,302	11,419	11,488
Core government services	3,371	3,448	3,649	3,625	3,845	3,919	4,050
Law and order	2,894	3,101	3,139	3,130	3,130	3,128	3,143
Defence	1,562	1,741	1,756	1,731	1,718	1,709	1,708
Transport and communications	2,244	2,823	3,566	2,649	2,615	2,515	2,548
Economic and industrial services	2,889	3,244	3,549	3,408	3,621	3,750	3,847
Primary services	541	520	545	507	499	498	484
Heritage, culture and recreation	1,107	1,769	1,446	1,925	1,608	1,606	2,030
Housing and community development	260	334	347	308	329	333	319
Other	254	83	57	467	214	214	214
Finance costs	2,460	2,406	2,657	2,626	3,061	3,455	3,858
Forecast for future new spending	-	249	172	1,615	3,498	5,288	7,149
Top-down expense adjustment	-	(495)	(1,450)	(350)	(275)	(200)	(150)
Total Core Crown Expenses excluding losses	56,997	61,883	62,359	65,849	68,891	72,252	76,157

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

Forecast Statement of Cash Flows

for the years ending 30 June

	2008	2009	2009	2010	2011	2012	2013
	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	55,168	54,681	54,159	56,139	57,898	60,468	63,412
Other sovereign receipts	3,460	3,675	3,737	3,836	3,963	4,102	4,216
Sales of goods and services	14,635	14,596	16,599	16,628	17,736	18,051	18,872
Interest and dividends	3,111	2,807	3,292	3,255	3,614	3,784	3,772
Other operating receipts	2,211	2,527	2,727	2,737	2,666	2,793	2,844
Total cash provided from operations	78,585	78,286	80,514	82,595	85,877	89,198	93,116
Cash was disbursed to							
Social assistance and official development assistance	18,026	19,123	19,675	20,992	21,823	22,738	23,702
Personnel and operating payments	45,972	49,961	54,076	52,701	54,034	54,509	55,628
Interest payments	2,820	2,284	2,970	3,102	3,605	4,068	4,563
Forecast for future new spending	-	249	172	1,615	3,498	5,288	7,149
Top-down expense adjustment	-	(355)	(1,450)	(350)	(275)	(200)	(150)
Total cash disbursed to operations	66,818	71,262	75,443	78,060	82,685	86,403	90,892
Net Cash Flows From Operations	11,767	7,024	5,071	4,535	3,192	2,795	2,224
Cash Flows From Investing Activities							
Cash was provided from/(disbursed to)							
Net purchase of physical assets	(4,922)	(6,583)	(6,909)	(6,118)	(6,087)	(5,501)	(6,091)
Net purchase of shares and other securities	(6,080)	(576)	499	556	(5,735)	(1,062)	(597)
Net purchase of intangible assets	(320)	(324)	(444)	(351)	(362)	(312)	(517)
Net issue/(repayment) of advances	(2,646)	(590)	359	(782)	(805)	(530)	(1,043)
Net acquisition of investments in associates	(363)	(230)	(1,024)	(51)	(35)	(2)	(2)
Capital contingency provision	-	(261)	(184)	(498)	(808)	(900)	(1,080)
Top-down capital adjustment	-	350	485	-	-	-	-
Net Cash Flows From Investing Activities	(14,331)	(8,214)	(7,218)	(7,244)	(13,832)	(8,307)	(9,330)
Net Cash Flows From Operating and Investing Activities	(2,564)	(1,190)	(2,147)	(2,709)	(10,640)	(5,512)	(7,106)
Cash Flows From Financing Activities							
Cash was provided from/(disbursed to)							
Issues of circulating currency	86	181	172	181	190	200	209
Net repayment/(issues) of Government stock ¹	1,674	1,235	1,748	2,619	9,804	5,431	5,443
Net repayment of foreign-currency borrowing	1,099	(299)	(336)	(17)	38	(431)	(202)
Net repayment/(issues) of other New Zealand dollar borrowing	(697)	1,255	637	550	790	1,213	2,168
Net Cash Flows From Financing Activities	2,162	2,372	2,221	3,333	10,822	6,413	7,618
Net Movement in Cash	(402)	1,182	74	624	182	901	512
Opening Cash Balance	4,162	5,217	3,804	3,868	4,492	4,674	5,575
Foreign-exchange (losses)/gains on opening cash	44	13	(10)	-	-	-	3
Closing Cash Balance	3,804	6,412	3,868	4,492	4,674	5,575	6,090

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 the 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

	2008	2009	2009	2010	2011	2012	2013
	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	11,767	7,024	5,071	4,535	3,192	2,795	2,224
<i>Items included in the operating balance but not in net cash flows from operations</i>							
Gains/(losses)							
Gains/(losses) on financial instruments	(617)	1,424	1,462	1,535	1,783	2,046	2,335
Gains/(losses) on non-financial instruments	(2,925)	170	178	220	240	253	260
Total Gains/(losses)	(3,542)	1,594	1,640	1,755	2,023	2,299	2,595
Movements in Working Capital							
Increase/(decrease) in receivables	2,100	422	321	410	52	(34)	227
Increase/(decrease) in inventories	138	63	46	68	98	19	33
Increase/(decrease) in prepayments	77	13	9	(12)	(6)	-	3
Decrease/(increase) in deferred revenue	(326)	(18)	87	11	6	3	4
Decrease/(increase) in payables	(2,613)	(515)	359	(699)	558	678	829
	(624)	(35)	822	(222)	708	666	1,096
Other Non-cash Items in Operating Balance							
Depreciation and amortisation	(3,670)	(3,950)	(3,973)	(4,266)	(4,512)	(4,657)	(4,737)
Write-down on initial recognition of loans	(559)	(667)	(611)	(651)	(701)	(735)	(766)
Impairment on financial assets (excl receivables)	213	1	3	3	3	3	3
Net interest revenue	(179)	333	196	258	238	306	345
Decrease/(increase) in defined benefit retirement plan liabilities	2	(75)	(75)	39	66	80	80
Decrease/(increase) in insurance liabilities	(1,358)	(1,313)	(1,498)	(1,443)	(1,477)	(1,551)	(1,620)
Other	334	193	334	366	389	398	398
Total Other Non-cash Items	(5,217)	(5,478)	(5,624)	(5,694)	(5,994)	(6,156)	(6,297)
Operating Balance	2,384	3,105	1,909	374	(71)	(396)	(382)

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

	2008	2009	2009	2010	2011	2012	2013
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Revaluation of physical assets	6,214	-	292	3	2	2	3
Effective portion of changes in value of fair-value hedges	9	58	19	1	-	-	-
Net change in fair value of cash flow hedges transferred to the operating statement	22	-	-	1	-	-	(1)
Net change in fair value of cash flow hedges transferred to the hedged item	(60)	-	34	-	-	-	-
Foreign currency translation differences for foreign operations	17	-	(1)	-	-	-	-
Valuation gain/(losses) on investments available for sale taken to reserves	11	6	1	-	-	-	-
Other movements	-	2	1	1	-	5	3
Total income/(expense) recognised directly in Net Worth	6,213	66	346	6	2	7	5
Operating Balance (including minority interest)	2,451	3,105	1,909	374	(71)	(396)	(382)
Total recognised income and expense	8,664	3,171	2,255	380	(69)	(389)	(377)
Attributable to:							
- minority interest	83	-	-	-	-	-	-
- the Crown	8,581	3,171	2,255	380	(69)	(389)	(377)
Total recognised income and expense	8,664	3,171	2,255	380	(69)	(389)	(377)

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

		2008	2009	2009	2010	2011	2012	2013
	Note	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
		\$m	\$m	\$m	\$m	\$m	\$m	\$m
Assets								
Cash and cash equivalents	12	3,804	6,412	3,868	4,492	4,674	5,575	6,090
Receivables	12	14,158	12,749	14,479	14,889	14,941	14,908	15,135
Marketable securities and derivatives in gain	12	41,189	33,351	35,828	34,997	40,189	40,789	41,307
Share investments	12	12,964	13,700	14,293	15,254	16,816	18,452	20,096
Advances	12	12,948	18,648	18,978	20,554	21,553	21,700	22,358
Inventory		964	997	1,010	1,079	1,177	1,195	1,228
Prepayments and other assets		1,663	1,307	1,441	1,453	1,501	1,535	1,554
Property, plant & equipment	14	103,329	101,276	107,895	110,398	112,779	114,501	116,943
Equity accounted investments ¹		8,065	8,683	8,820	9,231	9,635	9,976	10,292
Intangible assets and goodwill		1,751	1,929	2,308	2,409	2,569	2,587	2,922
Forecast for new capital spending		-	951	184	785	1,562	2,462	3,542
Top-down capital adjustment		-	(350)	(485)	(485)	(485)	(485)	(485)
Total Assets		200,835	199,653	208,619	215,056	226,911	233,195	240,982
Liabilities								
Issued currency		3,530	3,885	3,702	3,883	4,073	4,273	4,482
Payables	16	10,895	8,497	11,936	11,809	10,823	10,711	10,577
Deferred revenue		1,292	1,064	1,205	1,194	1,188	1,185	1,181
Borrowings		46,110	48,656	48,618	52,672	64,196	69,684	76,365
Insurance liabilities	17	20,484	22,065	21,982	23,425	24,902	26,453	28,073
Retirement plan liabilities	18	8,257	8,221	8,332	8,293	8,227	8,147	8,067
Provisions	19	4,753	4,711	5,075	5,631	5,422	5,051	4,923
Total Liabilities		95,321	97,099	100,850	106,907	118,831	125,504	133,668
Total Assets less Total Liabilities		105,514	102,554	107,769	108,149	108,080	107,691	107,314
Net Worth								
Taxpayer funds	20	46,700	49,886	48,675	49,050	48,979	48,588	48,209
Revaluation reserve	20	58,566	52,486	58,793	58,796	58,798	58,800	58,803
Other reserves	20	(134)	(114)	(81)	(79)	(79)	(79)	(80)
Total Net Worth attributable to the Crown		105,132	102,258	107,387	107,767	107,698	107,309	106,932
Net worth attributable to minority interest		382	296	382	382	382	382	382
Total Net Worth		105,514	102,554	107,769	108,149	108,080	107,691	107,314

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

	2008	2009	2009	2010	2011	2012	2013
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Borrowings							
Government stock	18,516	19,073	19,244	21,103	30,282	35,046	39,764
Treasury bills	1,484	1,289	1,116	1,103	1,088	1,074	1,058
Government retail stock	423	381	416	416	416	416	416
Settlement Cash with Reserve Bank	7,750	7,465	7,750	7,750	7,750	7,750	7,750
Derivatives in loss ¹	1,591	493	746	749	776	731	693
Finance lease liabilities	955	993	1,124	967	1,069	1,457	2,026
Other borrowings	15,391	18,962	18,222	20,584	22,815	23,210	24,658
Total Borrowings²	46,110	48,656	48,618	52,672	64,196	69,684	76,365
Total Sovereign-Guaranteed Debt ³	33,192	32,534	33,378	35,564	44,813	49,723	55,059
Total Non-Sovereign-Guaranteed Debt	12,918	16,122	15,240	17,108	19,383	19,961	21,306
Total Borrowings²	46,110	48,656	48,618	52,672	64,196	69,684	76,365
Gross and Net Debt analysis:							
Core Crown borrowings	37,336	37,640	37,793	39,998	49,295	53,949	58,814
Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	409	768	649	757	881	1,032	1,207
Gross sovereign-issued debt⁴	37,745	38,408	38,442	40,755	50,176	54,981	60,021
Less core Crown financial assets ⁶	50,698	49,745	48,872	49,257	55,975	58,127	60,401
Net Core Crown debt (incl. NZS Fund)⁷	(12,953)	(11,337)	(10,430)	(8,502)	(5,799)	(3,146)	(380)
Add back NZS Fund financial assets	12,934	15,915	15,637	18,593	21,870	25,498	29,422
Net Core Crown Debt (excl. NZS Fund)⁸	(19)	4,578	5,207	10,091	16,071	22,352	29,042
Gross sovereign-issued debt excluding Reserve Bank Settlement Cash:							
Gross sovereign-issued debt ⁴	37,745	38,408	38,442	40,755	50,176	54,981	60,021
Less Reserve Bank settlement cash (incl. Kiwibank)	(7,955)	(7,510)	(7,955)	(7,955)	(7,955)	(7,955)	(7,955)
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	31,390	32,498	32,087	34,400	43,821	48,626	53,666

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 are 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 30 June

	Actual	
	30 June 2008	30 June 2007
	\$m	\$m
Capital Commitments		
Specialist military equipment	873	823
Land and buildings	1,121	605
Other property, plant and equipment	4,303	2,617
Other capital commitments	304	184
Tertiary Education Institutions	209	90
Total capital commitments	6,810	4,319
Operating Commitments		
Non-cancellable accommodation leases	2,460	2,296
Other non-cancellable leases	2,390	2,355
Non-cancellable contracts for the supply of goods and services	2,157	1,626
Other operating commitments	7,995	7,278
Tertiary Education Institutions	315	303
Total operating commitments	15,317	13,858
Total commitments	22,127	18,177
Total Commitments by Segment		
Core Crown	19,627	19,944
Crown entities	15,830	9,835
State-owned Enterprises	4,724	3,508
Inter-segment eliminations	(18,054)	(15,110)
Total commitments	22,127	18,177

Statement of Actual Contingent Liabilities and Assets

as at 30 June

	Actual	
	30 June 2008	30 June 2007
	\$m	\$m
Quantifiable Contingent Liabilities		
Guarantees and indemnities	286	171
Uncalled capital	2,205	2,076
Legal proceedings and disputes	383	1,170
Other contingent liabilities	1,995	1,829
Total quantifiable contingent liabilities	4,869	5,246
Total Quantifiable Contingent Liabilities by Segment		
Core Crown	4,685	5,071
Crown entities	86	45
State-owned Enterprises	98	150
Inter-segment eliminations	-	(20)
Total quantifiable contingent liabilities	4,869	5,246
Quantifiable Contingent Assets		
Suspensory loans to integrated schools	77	85
Legal proceedings and disputes	307	-
Other contingent assets	5	1
Total quantifiable contingent assets	389	86

A detailed Statement of Contingent Liabilities and Assets (quantified and unquantified) is outlined on pages 80 to 82 of the Specific Fiscal Risk chapter.

The Statement of Specific Risks (quantified and unquantified) is outlined on pages 57 to 82 of the Specific Fiscal Risk chapter.

Notes to the Forecast Financial Statements

	2008	2009	2009	2010	2011	2012	2013
	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							
Source deductions	23,345	22,874	23,073	23,703	24,410	25,517	27,201
Other persons	5,071	4,986	4,972	5,251	5,255	5,392	5,549
Refunds	(1,470)	(1,199)	(1,494)	(1,460)	(1,451)	(1,490)	(1,552)
Fringe benefit tax	522	523	514	529	556	580	607
Total Individuals	27,468	27,184	27,065	28,023	28,770	29,999	31,805
Corporate Tax							
Gross companies tax	8,787	7,817	7,651	7,703	8,428	8,824	9,196
Refunds	(242)	(300)	(310)	(300)	(300)	(300)	(300)
Non-resident withholding tax	1,506	1,402	1,549	1,396	1,389	1,469	1,525
Foreign-source dividend w/holding payments	71	109	42	42	42	42	42
Total Corporate Tax	10,122	9,028	8,932	8,841	9,559	10,035	10,463
Other Income Tax							
Resident w/holding tax on interest income	2,699	2,740	2,822	2,666	2,494	2,571	2,719
Resident w/holding tax on dividend income	69	91	60	221	267	271	275
Estate and gift duties	3	3	3	3	3	3	3
Total Other Income Tax	2,771	2,834	2,885	2,890	2,764	2,845	2,997
Total Income Tax	40,361	39,046	38,882	39,754	41,093	42,879	45,265
Goods and Services Tax							
Gross goods and services tax	20,631	20,458	21,460	22,228	23,457	24,983	26,342
Refunds	(9,516)	(8,578)	(9,773)	(10,204)	(10,981)	(11,796)	(12,580)
Total Goods and Services Tax	11,115	11,880	11,687	12,024	12,476	13,187	13,762
Other Indirect Taxation							
Petroleum fuels excise	819	813	880	891	910	935	961
Tobacco excise	159	151	151	155	157	159	162
Customs duty	1,857	1,859	1,889	1,874	1,860	1,847	1,873
Road user charges	851	940	877	895	942	996	1,051
Alcohol excise	573	605	602	635	656	678	702
Gaming duties	260	254	252	255	262	269	277
Motor vehicle fees	226	229	185	184	185	186	188
Energy resources levies	46	43	43	43	43	43	43
Approved issuer levy and cheque duty	105	91	90	90	90	90	90
Total Other Indirect Taxation	4,896	4,985	4,969	5,022	5,105	5,203	5,347
Total Indirect Taxation	16,011	16,865	16,656	17,046	17,581	18,390	19,109
Total Taxation Revenue	56,372	55,911	55,538	56,800	58,674	61,269	64,374
Other Sovereign Revenue (accrual)							
ACC levies	2,718	2,780	2,742	2,885	2,974	3,062	3,151
Fire Service levies	279	303	303	314	325	336	348
EQC levies	86	87	87	89	90	92	94
Other miscellaneous items	796	867	861	1,213	1,663	1,876	2,422
Total Other Sovereign Revenue	3,879	4,037	3,993	4,501	5,052	5,366	6,015
Total Sovereign Revenue	60,251	59,948	59,531	61,301	63,726	66,635	70,389

Notes to the Forecast Financial Statements

	2008	2009	2009	2010	2011	2012	2013
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 1 (continued): Receipts Collected Through the Crown's Sovereign Power							
Income Tax Receipts (cash)							
Individuals							
Source deductions	22,830	22,737	23,041	23,662	24,358	25,453	27,132
Other persons	5,469	5,570	5,447	5,870	5,898	6,080	6,232
Refunds	(2,171)	(2,065)	(2,369)	(2,274)	(2,300)	(2,396)	(2,400)
Fringe benefit tax	489	513	507	526	546	573	599
Total Individuals	26,617	26,755	26,626	27,784	28,502	29,710	31,563
Corporate Tax							
Gross companies tax	9,075	7,948	7,954	8,390	8,994	9,526	9,730
Refunds	(1,026)	(1,000)	(1,150)	(1,100)	(1,107)	(1,170)	(1,221)
Non-resident withholding tax	1,638	1,373	1,344	1,352	1,397	1,459	1,518
Foreign-source dividend w/holding payments	72	109	42	42	42	42	42
Total Corporate Tax	9,759	8,430	8,190	8,684	9,326	9,857	10,069
Other Income Tax							
Resident w/holding tax on interest income	2,616	2,740	2,823	2,667	2,495	2,572	2,720
Resident w/holding tax on dividend income	40	90	90	220	266	270	274
Estate and gift duties	2	3	3	3	3	3	3
Total Other Income Tax	2,658	2,833	2,916	2,890	2,764	2,845	2,997
Total Income Tax	39,034	38,018	37,732	39,358	40,592	42,412	44,629
Goods and Services Tax							
Gross goods and services tax	20,085	19,944	20,727	21,455	22,674	24,141	25,508
Refunds	(8,859)	(8,267)	(9,260)	(9,691)	(10,468)	(11,283)	(12,067)
Total Goods and Services Tax	11,226	11,677	11,467	11,764	12,206	12,858	13,441
Other Indirect Taxation							
Petroleum fuels excise	809	813	880	891	910	935	961
Tobacco excise	160	151	151	155	157	159	162
Customs duty	1,946	1,859	1,889	1,874	1,860	1,847	1,873
Road user charges	851	940	877	895	942	996	1,051
Alcohol excise	554	605	602	635	656	678	702
Gaming duties	238	254	248	255	262	269	277
Motor vehicle fees	223	229	185	184	185	186	188
Energy resources levies	42	43	48	43	43	43	43
Approved issuer levy and cheque duty	85	92	80	85	85	85	85
Total Other Indirect Taxation	4,908	4,986	4,960	5,017	5,100	5,198	5,342
Total Indirect Taxation	16,134	16,663	16,427	16,781	17,306	18,056	18,783
Total Tax Receipts Collected	55,168	54,681	54,159	56,139	57,898	60,468	63,412
Other Sovereign Receipts (cash)							
ACC levies	2,561	2,688	2,752	2,821	2,916	3,031	3,119
Fire Service levies	281	303	303	314	325	336	348
EQC levies	86	87	87	88	90	92	94
Other miscellaneous items	532	597	595	613	632	643	655
Total Other Sovereign Receipts	3,460	3,675	3,737	3,836	3,963	4,102	4,216
Total Sovereign Receipts	58,628	58,356	57,896	59,975	61,861	64,570	67,628

Notes to the Forecast Financial Statements

	2008	2009	2009	2010	2011	2012	2013
	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	2,803	2,967	3,378	3,372	3,696	3,834	3,791
Dividends	411	391	450	495	560	622	680
Total Interest Revenue and Dividends	3,214	3,358	3,828	3,867	4,256	4,456	4,471
<i>By source</i>							
Core Crown	2,344	2,835	2,647	2,650	2,864	2,989	3,027
Crown entities	1,233	1,083	1,162	1,252	1,328	1,403	1,464
State-owned enterprises	704	239	673	890	994	1,002	1,020
Inter-segment eliminations	(1,067)	(799)	(654)	(925)	(930)	(938)	(1,040)
Total Interest Revenue and Dividends	3,214	3,358	3,828	3,867	4,256	4,456	4,471

NOTE 3: Social Assistance and Official Development Assistance

New Zealand superannuation	7,348	7,741	7,785	8,339	8,720	9,262	9,886
Domestic purposes benefit	1,478	1,455	1,501	1,545	1,568	1,616	1,656
Unemployment benefit	458	403	487	576	583	540	523
Invalids benefit	1,216	1,264	1,273	1,332	1,378	1,427	1,466
Family tax credit	1,897	2,132	2,153	2,155	2,159	2,250	2,266
Accommodation supplement	891	911	951	991	1,012	1,027	1,050
Sickness benefit	582	548	570	577	578	584	588
Student allowances	386	398	411	433	444	454	462
Disability allowances	278	387	389	415	437	460	481
KiwiSaver subsidies	1,102	1,370	1,440	1,546	1,699	1,787	1,853
Other social assistance benefits	2,376	2,638	2,707	2,875	3,029	3,185	3,326
Total Social Assistance	18,012	19,247	19,667	20,784	21,607	22,592	23,557
Official development assistance	362	434	484	472	567	567	567
Total Social Assistance and Official Development Assistance	18,374	19,681	20,151	21,256	22,174	23,159	24,124

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

NOTE 4: Personnel Expenses

Core Crown	5,584	5,846	5,865	5,842	5,877	5,920	5,999
Crown entities	8,741	8,976	9,505	9,782	9,991	10,002	9,921
State-owned enterprises	2,164	2,248	2,438	2,494	2,619	2,669	2,746
Inter-segment eliminations	(11)	(9)	(8)	(8)	(9)	(9)	(9)
Total Personnel Expenses	16,478	17,061	17,800	18,110	18,478	18,582	18,657

NOTE 5: Operating Expenses

Core Crown	30,432	34,027	34,796	34,703	34,392	34,467	35,015
Crown entities	15,754	15,773	16,028	15,643	15,841	16,186	16,595
State-owned enterprises	10,945	10,017	11,426	11,603	12,531	12,562	12,967
Inter-segment eliminations	(22,805)	(23,814)	(24,556)	(23,856)	(24,005)	(23,996)	(24,146)
Total Operating Expenses	34,326	36,003	37,694	38,093	38,759	39,219	40,431

Notes to the Forecast Financial Statements

	2008 Actual \$m	2009 Previous Budget \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m
NOTE 6: Interest Expenses							
<i>By type</i>							
Interest on financial liabilities	3,015	2,482	3,219	3,350	3,881	4,285	4,750
Interest unwind on provisions	86	21	92	107	128	149	166
Total Interest Expenses	3,101	2,503	3,311	3,457	4,009	4,434	4,916
<i>By source</i>							
Core Crown	2,460	2,406	2,650	2,610	3,036	3,419	3,819
Crown entities	248	294	254	284	298	317	335
State-owned Enterprises	870	442	1,022	1,186	1,330	1,384	1,473
Inter-segment eliminations	(477)	(639)	(615)	(623)	(655)	(686)	(711)
Total Interest Expenses	3,101	2,503	3,311	3,457	4,009	4,434	4,916

NOTE 7: Insurance Expenses

	2008 Actual \$m	2009 Previous Budget \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m
<i>By type</i>							
ACC	3,423	3,749	4,020	4,153	4,436	4,751	5,074
Earthquake Commission	130	39	39	40	40	41	42
Other insurance expenses	10	11	17	16	18	19	19
Total Insurance Expenses	3,563	3,799	4,076	4,209	4,494	4,811	5,135

NOTE 8: Forecast New Operating Spending

New operating spending up to Budget 2009	-	249	172	182	155	125	129
Forecast for future new spending	-	-	-	1,433	3,343	5,163	7,020
Total Forecast New Operating Spending	-	249	172	1,615	3,498	5,288	7,149
Top-down expense adjustment	-	(495)	(1,450)	(350)	(275)	(200)	(150)

New operating spending up to Budget 2009 represents the unallocated allowance from Budget 2008.

Forecast new operating spending indicates in broad terms the potential spending increases that could be introduced in each future remaining budget round. Total potential spending increases included in the forecasts are \$1.75 billion for the next four Budgets (growing 2% each budget). As some of this spending has already been allocated, this line represents the unallocated portion.

NOTE 9: Gains and Losses on Financial Instruments

<i>By source</i>							
Core Crown	353	1,377	1,287	1,503	1,734	1,976	2,247
Crown entities	(743)	354	412	338	366	395	416
State-owned enterprises	(37)	(50)	17	(66)	(70)	(71)	(71)
Inter-segment eliminations	(190)	(257)	(254)	(240)	(247)	(254)	(257)
Net Gains/(Losses) on Financial Instruments	(617)	1,424	1,462	1,535	1,783	2,046	2,335

NOTE 10: Gains and Losses on Non-Financial Instruments

Actuarial gains/(losses) on GSF liability	(1,098)	-	-	-	-	-	-
Actuarial gains/(losses) on ACC outstanding claims	(1,709)	-	-	-	-	-	-
Other	(118)	170	178	220	240	253	260
Net Gains/(Losses) on Non-Financial Instruments	(2,925)	170	178	220	240	253	260
<i>By source</i>							
Core Crown	(1,369)	8	33	42	49	53	56
Crown entities	(1,725)	-	(13)	-	-	-	-
State-owned enterprises	170	162	158	178	191	200	205
Inter-segment eliminations	(1)	-	-	-	-	-	(1)
Net Gains/(Losses) on Non-Financial Instruments	(2,925)	170	178	220	240	253	260

Notes to the Forecast Financial Statements

	2008	2009	2009	2010	2011	2012	2013
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 11: Source of Operating Balance							
Core Crown	3,891	1,436	239	(1,321)	(1,570)	(1,681)	(1,555)
Crown entities	(1,526)	1,147	970	852	841	668	407
State-owned enterprises	723	1,067	938	1,381	1,118	1,046	1,222
Inter-segment eliminations	(704)	(545)	(238)	(538)	(460)	(429)	(456)
Total Operating Balance	2,384	3,105	1,909	374	(71)	(396)	(382)

NOTE 12: Financial Assets

Cash and cash equivalents	3,804	6,412	3,868	4,492	4,674	5,575	6,090
Tax receivables	7,398	6,139	7,637	7,397	7,176	6,892	6,816
Trade and other receivables	6,760	6,610	6,842	7,492	7,765	8,016	8,319
Student loans (refer note 13)	6,741	6,718	7,173	7,599	8,022	8,441	8,852
Kiwibank mortgages	5,581	8,137	8,500	9,500	10,000	10,000	10,000
Long-term deposits	2,787	1,785	1,670	1,756	1,839	1,567	1,784
Reserve position at the IMF	188	141	174	163	153	141	130
Other advances	626	1,867	1,461	1,536	1,539	1,551	1,592
Share investments	12,964	13,700	14,293	15,254	16,816	18,452	20,096
Derivatives in gain	1,563	565	858	726	637	554	460
Other marketable securities	36,651	32,786	34,970	34,271	39,552	40,235	40,847
Total Financial Assets	85,063	84,860	87,446	90,186	98,173	101,424	104,986

Financial assets by portfolio

Reserve Bank and DMO managed funds	23,228	21,026	15,127	12,167	14,958	13,022	10,893
NZ Superannuation Fund	13,791	16,821	16,563	19,608	23,020	26,811	30,936
Other core Crown	19,080	16,382	23,194	23,813	24,125	24,386	24,848
Intra-segment eliminations	(563)	(775)	(660)	(758)	(880)	(1,029)	(1,218)
Total Core Crown	55,536	53,454	54,224	54,830	61,223	63,190	65,459
ACC portfolio	11,977	12,916	12,599	13,464	14,302	14,954	15,376
EQC portfolio	1,872	1,963	2,019	2,178	2,349	2,536	2,738
Other Crown entities	4,304	3,895	4,645	4,957	5,244	5,472	5,723
Total Crown Entities	18,153	18,774	19,263	20,599	21,895	22,962	23,837
Total State-Owned Enterprises	11,374	12,632	13,959	14,757	15,055	15,272	15,690
Total Financial Assets by portfolio	85,063	84,860	87,446	90,186	98,173	101,424	104,986

NOTE 13: Student Loans

Nominal value (including accrued interest)	9,573	10,642	10,176	10,774	11,376	11,980	12,578
Opening book value	6,011	6,278	6,741	7,173	7,599	8,022	8,441
Amount borrowed in the year	1,201	1,305	1,298	1,384	1,470	1,558	1,638
Initial fair value write down on new borrowings	(487)	(525)	(503)	(536)	(570)	(604)	(634)
Repayments made during the year	(629)	(675)	(703)	(795)	(879)	(965)	(1,050)
Interest unwind	407	445	452	483	510	539	568
Impairment	231	(110)	(110)	(110)	(110)	(110)	(110)
Other movements	7	-	(2)	-	2	1	(1)
Closing book value	6,741	6,718	7,173	7,599	8,022	8,441	8,852

Notes to the Forecast Financial Statements

	2008 Actual \$m	2009 Previous Budget \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m
NOTE 14: Property, Plant and Equipment							
By Class of asset							
Net Carrying Value							
Land (valuation)	17,609	16,918	18,122	18,303	18,435	18,550	18,625
Buildings (valuation)	22,257	21,775	22,977	23,380	23,438	23,393	23,253
Electricity distribution network (cost)	1,887	2,343	2,255	2,575	2,987	3,375	3,776
Electricity generation assets (valuation)	11,202	11,882	11,890	12,243	12,634	12,965	13,996
Aircraft (excl military) (valuation)	2,071	1,756	2,051	2,148	2,677	3,201	3,730
State highways (valuation)	20,947	20,937	21,628	22,230	22,860	23,518	24,153
Rail network (valuation)	11,621	10,917	11,979	12,471	12,592	12,496	12,459
Specialist military equipment (valuation)	3,345	3,160	3,421	3,397	3,264	3,015	2,900
Other plant and equipment (cost)	4,412	4,513	5,578	5,641	5,860	5,937	5,964
Specified cultural and heritage assets (valuation)	7,978	7,075	7,994	8,010	8,032	8,051	8,087
Total Property, Plant and Equipment	103,329	101,276	107,895	110,398	112,779	114,501	116,943
By source							
Core Crown	28,637	26,827	29,236	29,542	29,497	29,256	29,085
Crown entities	43,659	43,868	45,312	46,311	47,197	48,041	48,790
State-owned enterprises	31,033	30,580	33,347	34,546	36,084	37,203	39,069
Inter-segment eliminations	-	1	-	(1)	1	1	(1)
Total Property, Plant and Equipment	103,329	101,276	107,895	110,398	112,779	114,501	116,943
NOTE 15: NZ Superannuation Fund							
Revenue	385	427	431	487	562	642	725
Other expenses	34	154	156	168	196	221	245
Tax expenses	237	323	326	419	494	574	655
Gains/(losses)	(995)	1,068	1,037	1,321	1,569	1,836	2,114
Operating Balance	(881)	1,018	986	1,221	1,441	1,683	1,939
Opening net worth	12,973	14,461	14,212	17,440	20,638	24,175	28,024
Gross contribution from the Crown	2,104	2,242	2,242	1,977	2,096	2,167	2,194
Income after tax	(881)	1,018	986	1,221	1,441	1,683	1,939
Other movements in reserves	16	-	-	-	-	(1)	1
Closing Net Worth	14,212	17,721	17,440	20,638	24,175	28,024	32,158
comprising:							
Financial assets	13,791	16,821	16,563	19,608	23,020	26,811	30,936
Net other assets	421	900	877	1,030	1,155	1,213	1,222
Closing Net Worth	14,212	17,721	17,440	20,638	24,175	28,024	32,158
Reconciliation Core Crown to Core Crown excluding NZSF net revenue							
Core Crown revenue	61,819	61,891	61,207	62,888	65,422	68,408	72,161
Less NZSF revenue	385	427	431	487	562	642	725
Add back NZSF tax	237	323	326	419	494	574	655
Core Crown revenue excluding NZS Fund	61,671	61,787	61,102	62,820	65,354	68,340	72,091
OBEGAL	5,637	1,318	(64)	(1,746)	(2,481)	(3,092)	(3,374)
Less NZSF revenue	385	427	431	487	562	642	725
Less NZSF expenses	97	140	138	149	173	198	220
Add back NZSF tax	237	323	326	419	494	574	655
OBEGAL excluding NZS Fund	5,586	1,354	(31)	(1,665)	(2,376)	(2,962)	(3,224)

Notes to the Forecast Financial Statements

	2008 Actual \$m	2009 Previous Budget \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m
NOTE 16: Payables							
Accounts payable	6,444	5,318	7,485	7,358	6,372	6,260	6,126
Taxes repayable	4,451	3,179	4,451	4,451	4,451	4,451	4,451
Total Payables	10,895	8,497	11,936	11,809	10,823	10,711	10,577

By source

Core Crown	7,425	5,235	7,615	7,758	7,855	8,072	8,289
Crown entities	4,042	3,910	3,444	3,424	3,365	3,339	3,275
State-owned enterprises	4,877	4,079	5,907	5,812	5,054	5,131	5,192
Inter-segment eliminations	(5,449)	(4,727)	(5,030)	(5,185)	(5,451)	(5,831)	(6,179)
Total Payables	10,895	8,497	11,936	11,809	10,823	10,711	10,577

NOTE 17: Insurance Liabilities

ACC liability	20,374	21,976	21,876	23,321	24,799	26,351	27,972
EQC liability	97	79	97	97	97	97	97
Other insurance liabilities	13	10	9	7	6	5	4
Total Insurance Liabilities	20,484	22,065	21,982	23,425	24,902	26,453	28,073

ACC liability

Calculation information

PricewaterhouseCoopers Actuarial Pty Ltd have prepared an independent actuarial estimate of the ACC outstanding claims liability as at 30 June 2008. 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 (6.63% at 30 June 2008). 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	17,328	20,663	20,374	21,876	23,321	24,799	26,351
Net change	3,046	1,313	1,502	1,445	1,478	1,552	1,621
Closing gross liability	20,374	21,976	21,876	23,321	24,799	26,351	27,972

Less net assets available to ACC

Opening net asset value	11,757	12,735	12,397	13,484	14,445	15,281	15,988
Net change	640	1,091	1,087	961	836	707	512
Closing net asset value	12,397	13,826	13,484	14,445	15,281	15,988	16,500

Net ACC reserves (net liability)

Opening reserves position	(5,571)	(7,928)	(7,977)	(8,392)	(8,876)	(9,518)	(10,363)
Net change	(2,406)	(222)	(415)	(484)	(642)	(845)	(1,109)
Closing reserves position (net liability)	(7,977)	(8,150)	(8,392)	(8,876)	(9,518)	(10,363)	(11,472)

Notes to the Forecast Financial Statements

	2008	2009	2009	2010	2011	2012	2013
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

NOTE 18: Retirement Plan Liabilities

Government Superannuation Fund	8,257	8,216	8,332	8,293	8,226	8,146	8,066
Other funds	-	5	-	-	1	1	1
Total Retirement Plan Liabilities	8,257	8,221	8,332	8,293	8,227	8,147	8,067

The GSF obligation has been calculated by the Government Actuary as at 30 June 2008. A Projected Unit Credit Method, based on balance-date membership data, is used for the valuation. This method requires the benefits payable from the GSF in respect of past service to be estimated and then discounted back to the valuation date.

The projected GSF net liability was calculated using discount rates derived from the market yield curve as at 30 June 2008. This resulted in long-term before-tax discount rates ranging from 6.06% to 6.95%.

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 2008/09 projected movement in the net liability is \$74 million, reflecting an increase in the GSF liability of \$86 million and an increase in the GSF assets of \$12 million.

The changes in the projected GSF net liability from 2008/09 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	11,167	11,826	11,831	11,917	11,880	11,804	11,702
Net projected change	664	121	86	(37)	(76)	(102)	(108)
Closing GSF liability	11,831	11,947	11,917	11,880	11,804	11,702	11,594

Less net assets available to GSF

Opening net asset value	4,007	3,685	3,574	3,586	3,588	3,578	3,556
Investment valuation changes	(261)	222	191	193	192	191	190
Contribution and other income less membership payments	(172)	(176)	(179)	(191)	(202)	(213)	(218)
Closing net asset value	3,574	3,731	3,586	3,588	3,578	3,556	3,528

Net GSF liability

Opening unfunded liability	7,160	8,141	8,257	8,332	8,293	8,226	8,146
Net projected change	1,097	75	74	(39)	(66)	(80)	(80)
Closing unfunded liability	8,257	8,216	8,332	8,293	8,226	8,146	8,066

Notes to the Forecast Financial Statements

	2008	2009	2009	2010	2011	2012	2013
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

NOTE 19: Provisions

Provision for Kyoto	562	482	562	562	562	562	562
Provision for ETS credits	-	618	239	781	564	162	(345)
Provision for National Provident Fund guarantee	907	780	978	953	926	900	873
Provision for employee entitlements	2,220	1,747	2,206	2,229	2,268	2,292	2,310
Other provisions	1,064	1,084	1,090	1,106	1,102	1,135	1,523
Total Provisions	4,753	4,711	5,075	5,631	5,422	5,051	4,923

By source

Core Crown	2,763	2,862	2,874	3,422	3,223	2,853	2,694
Crown entities	1,500	1,220	1,485	1,496	1,515	1,520	1,523
State-owned enterprises	684	652	752	763	742	751	786
Inter-segment eliminations	(194)	(23)	(36)	(50)	(58)	(73)	(80)
Total Provisions	4,753	4,711	5,075	5,631	5,422	5,051	4,923

Analysis of Provision for Kyoto

Opening balance	704	482	562	562	562	562	562
Change in the price of carbon and foreign exchange rate	226	-	-	-	-	-	-
Change in net projected emission units	(368)	-	-	-	-	-	-
Closing balance	562	482	562	562	562	562	562

Analysis of Provision for ETS credits

The Emissions Trading Scheme (ETS) was established to encourage reduction in greenhouse gas emissions. The ETS creates a limited number of tradable units (the NZ Unit) which the Government can allocate freely or sell to entities. The allocation of NZ Units creates a provision (and an expense if allocated for free). The provision is reduced, and revenue recognised, as NZ Units are surrendered to the Crown by emitters. Emitters can also use international Kyoto units to settle their emission obligation, which will occur where emissions exceed the number of allocated NZ units.

The ETS impact on the fiscal forecast is as follows:

Revenue	-	131	88	414	846	1,044	1,577
Expenses	-	749	327	956	629	642	1,070
OBEGAL	-	(618)	(239)	(542)	217	402	507
Provision for ETS credits	-	618	239	781	564	162	(345)

Notes to the Forecast Financial Statements

	2008 Actual \$m	2009 Previous Budget \$m	2009 Forecast \$m	2010 Forecast \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m
NOTE 20: Net Worth attributable to the Crown							
Taxpayers funds	46,700	49,886	48,675	49,050	48,979	48,588	48,209
Property, plant and equipment revaluation reserve	58,566	52,486	58,793	58,796	58,798	58,800	58,803
Investment revaluation reserve	34	35	35	35	35	35	35
Cash flow hedge reserve	(151)	(117)	(98)	(96)	(96)	(96)	(97)
Foreign currency translation reserve	(17)	(32)	(18)	(18)	(18)	(18)	(18)
Total net worth attributable to the Crown	105,132	102,258	107,387	107,767	107,698	107,309	106,932
Taxpayers Funds							
Opening taxpayers funds	44,222	46,767	46,700	48,675	49,050	48,979	48,588
Operating balance excluding minority interest	2,384	3,105	1,909	374	(71)	(396)	(382)
Transfers from/(to) other reserves	94	14	66	1	-	5	3
Closing Taxpayers Funds	46,700	49,886	48,675	49,050	48,979	48,588	48,209
Property, Plant and Equipment Revaluation Reserve							
Opening revaluation reserve	52,442	52,498	58,566	58,793	58,796	58,798	58,800
Net revaluations	6,214	-	292	3	2	2	3
Transfers from/(to) other reserves	(90)	(12)	(65)	-	-	-	-
Closing Property, Plant and Equipment Revaluation Reserve	58,566	52,486	58,793	58,796	58,798	58,800	58,803
Investment Revaluation Reserve							
Opening investment revaluation reserve	23	29	34	35	35	35	35
Valuation gain/(losses) on investments available for sale taken to reserves	11	6	1	-	-	-	-
Closing Investment Revaluation Reserve	34	35	35	35	35	35	35
Cash Flow Hedge Reserve							
Opening cash flow hedge reserve	(122)	(175)	(151)	(98)	(96)	(96)	(96)
Transfer into reserve	9	58	19	1	-	-	-
Transfer to the statement of financial performance	22	-	-	1	-	-	(1)
Transfer to initial carrying value of hedged item	(60)	-	34	-	-	-	-
Closing Cash Flow Hedge Reserve	(151)	(117)	(98)	(96)	(96)	(96)	(97)
Foreign Currency Translation Reserve							
Opening foreign currency translation reserve	(34)	(32)	(17)	(18)	(18)	(18)	(18)
Movement arising from translation of foreign operations	17	-	(1)	-	-	-	-
Closing Foreign Currency Translation Reserve	(17)	(32)	(18)	(18)	(18)	(18)	(18)

Notes to the Forecast Financial Statements

	2008	2009	2009	2010	2011	2012	2013
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 21: Reconciliation of core Crown operating cash flows to residual core Crown cash							
Core Crown Cash Flows from Operations							
Total tax receipts	55,975	55,599	54,851	57,044	59,008	61,661	64,850
Total other sovereign receipts	486	530	536	555	573	585	597
Interest, profits and dividends	2,128	2,232	2,009	1,931	2,060	2,107	2,045
Sale of goods & services and other receipts	1,411	1,658	1,641	1,551	1,538	1,570	1,549
Subsidies and transfer payments	(19,562)	(21,068)	(22,045)	(23,559)	(24,249)	(25,247)	(26,260)
Personnel and operating costs	(30,792)	(34,224)	(35,043)	(34,084)	(34,213)	(34,057)	(34,163)
Finance costs	(2,354)	(2,282)	(2,441)	(2,394)	(2,787)	(3,238)	(3,680)
Forecast for future new operating spending	-	106	(172)	(1,615)	(3,498)	(5,288)	(7,149)
Top-down expense adjustment	-	-	1,450	350	275	200	150
Net Cash Flows from core Crown Operations	7,292	2,551	786	(221)	(1,293)	(1,707)	(2,061)
Net purchase of physical assets	(1,433)	(1,891)	(2,001)	(1,729)	(1,397)	(1,251)	(1,306)
Net increase in advances	(1,254)	(821)	(903)	(559)	(788)	(622)	(633)
Net purchase of investments	(444)	(1,164)	(1,850)	(316)	(221)	(168)	(33)
Contribution to NZ Superannuation Fund	(2,104)	(2,242)	(2,242)	(1,977)	(2,096)	(2,167)	(2,194)
Purchase of Reserve Bank reserves	-	-	-	-	-	-	-
Forecast for future new capital spending	-	89	(184)	(498)	(808)	(900)	(1,080)
Top-down capital adjustment	-	-	485	-	-	-	-
Residual Cash	2,057	(3,478)	(5,909)	(5,300)	(6,603)	(6,815)	(7,307)
Financed by:							
Other net sale/(purchase) of marketable securities and deposits	(3,595)	2,643	4,493	2,929	(2,820)	1,956	2,177
Total Operating and Investing Activities	(1,538)	(835)	(1,416)	(2,371)	(9,423)	(4,859)	(5,130)
Used in:							
Net (repayment)/issue of other New Zealand-dollar borrowing	(1,585)	399	440	147	(82)	241	431
Net (repayment)/issue of foreign currency borrowing	901	(541)	(602)	(173)	(54)	(522)	(507)
Issues of circulating currency	86	181	172	181	190	200	209
Decrease/(increase) in cash	249	(29)	(29)	(1)	(3)	(7)	-
	(349)	10	(19)	154	51	(88)	133
Net Cash Inflow/(Outflow) to be Offset by Domestic Bonds	(1,887)	(825)	(1,435)	(2,217)	(9,372)	(4,947)	(4,997)
Gross Cash Proceeds from Domestic Bonds							
Domestic bonds (market)	1,757	3,314	4,048	6,070	9,114	9,189	9,216
Domestic bonds (non-market)	130	662	738	843	258	826	832
Total Gross Cash Proceeds from Domestic Bonds	1,887	3,976	4,786	6,913	9,372	10,015	10,048
Repayment of domestic bonds (market)	-	(2,700)	(2,900)	(4,097)	-	(4,483)	(4,518)
Repayment of domestic bonds (non-market)	-	(451)	(451)	(599)	-	(585)	(533)
Net (Repayments of)/Cash Proceeds from Domestic Bonds	1,887	825	1,435	2,217	9,372	4,947	4,997

Forecast Statement of Segments

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
	Actual	Actual	Actual	Actual	Actual
	\$m	\$m	\$m	\$m	\$m
Revenue					
Taxation revenue	56,747	-	-	(375)	56,372
Other sovereign revenue	733	4,039	-	(893)	3,879
Sales of goods and services	1,097	12,502	13,201	(11,401)	15,399
Interest revenue and dividends	2,344	1,233	704	(1,067)	3,214
Other revenue	898	11,239	692	(10,214)	2,615
Total Revenue (excluding gains)	61,819	29,013	14,597	(23,950)	81,479
Expenses					
Social assistance and official development assistance	18,519	-	-	(145)	18,374
Personnel expenses	5,584	8,741	2,164	(11)	16,478
Other operating expenses	30,434	19,307	10,955	(22,807)	37,889
Interest expenses	2,460	248	870	(477)	3,101
Forecast for future new spending	-	-	-	-	-
Total Expenses (excluding losses)	56,997	28,296	13,989	(23,440)	75,842
Operating Balance before gains/(losses)	4,822	717	608	(510)	5,637
Total Gains/(losses)	(1,014)	(2,468)	134	(194)	(3,542)
Net surplus/(deficit) from associates and joint ventures	85	225	24	-	334
Gain/(loss) from discontinued operations	(2)	-	24	-	22
Attributable to minority interest in Air NZ	-	-	(67)	-	(67)
Operating Balance	3,891	(1,526)	723	(704)	2,384
Expenses by functional classification					
Social security and welfare	17,877	4,307	-	(675)	21,509
Health	11,297	9,791	-	(10,279)	10,809
Education	9,551	8,069	25	(7,248)	10,397
Transport and communications	2,244	1,737	5,832	(2,389)	7,424
Other	13,568	4,144	7,262	(2,372)	22,602
Finance costs	2,460	248	870	(477)	3,101
Forecast for future new spending	-	-	-	-	-
Total Crown Expenses excluding losses	56,997	28,296	13,989	(23,440)	75,842

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
	Actual	Actual	Actual	Actual	Actual
	\$m	\$m	\$m	\$m	\$m
Assets					
Cash and cash equivalents	872	2,640	531	(239)	3,804
Receivables	9,031	4,444	2,247	(1,564)	14,158
Other financial assets	49,726	16,807	8,949	(8,381)	67,101
Property, plant & equipment	28,637	43,659	31,033	-	103,329
Equity accounted investments	25,696	7,073	224	(24,928)	8,065
Intangible assets and goodwill	845	386	520	-	1,751
Other assets	1,375	329	938	(15)	2,627
Forecast for new capital spending	-	-	-	-	-
Total Assets	116,182	75,338	44,442	(35,127)	200,835
Liabilities					
Borrowings	37,167	4,705	12,817	(8,579)	46,110
Other liabilities	22,032	26,256	6,648	(5,725)	49,211
Total Liabilities	59,199	30,961	19,465	(14,304)	95,321
Total Assets less Total Liabilities	56,983	44,377	24,977	(20,823)	105,514
Net Worth					
Taxpayer funds	42,676	20,004	7,721	(23,701)	46,700
Reserves	14,307	24,373	16,777	2,975	58,432
Net worth attributable to minority interest in Air NZ	-	-	479	(97)	382
Total Net Worth	56,983	44,377	24,977	(20,823)	105,514

Forecast Statement of Segments (continued)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2009

	Core Crown 2009 Forecast \$m	Crown Entities 2009 Forecast \$m	State-owned Enterprises 2009 Forecast \$m	Inter-segment eliminations 2009 Forecast \$m	Total Crown 2009 Forecast \$m
Revenue					
Taxation revenue	56,058	-	-	(520)	55,538
Other sovereign revenue	798	4,104	-	(909)	3,993
Sales of goods and services	1,215	12,821	13,842	(11,794)	16,084
Interest revenue and dividends	2,647	1,162	673	(654)	3,828
Other revenue	489	12,089	1,119	(11,450)	2,247
Total Revenue (excluding gains)	61,207	30,176	15,634	(25,327)	81,690
Expenses					
Social assistance and official development assistance	20,318	-	-	(167)	20,151
Personnel expenses	5,865	9,505	2,438	(8)	17,800
Other operating expenses	34,804	20,087	11,442	(24,563)	41,770
Interest expenses	2,650	254	1,022	(615)	3,311
Forecast for future new spending and top down adjustment	(1,278)	-	-	-	(1,278)
Total Expenses (excluding losses)	62,359	29,846	14,902	(25,353)	81,754
Operating Balance before gains/(losses)	(1,152)	330	732	26	(64)
Total Gains/(losses)	1,317	399	175	(251)	1,640
Net surplus/(deficit) from associates and joint ventures	63	240	31	-	334
Gain/(loss) from discontinued operations	-	-	(1)	-	(1)
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating Balance	228	969	937	(225)	1,909
Expenses by functional classification					
Social security and welfare	19,156	4,942	-	(716)	23,382
Health	12,377	10,020	-	(10,513)	11,884
Education	10,739	7,930	23	(7,049)	11,643
Transport and communications	3,566	2,082	7,298	(3,459)	9,487
Other	15,149	4,618	6,559	(3,001)	23,325
Finance costs	2,650	254	1,022	(615)	3,311
Forecast for future new spending and top down adjustment	(1,278)	-	-	-	(1,278)
Total Crown Expenses excluding losses	62,359	29,846	14,902	(25,353)	81,754

STATEMENT OF FINANCIAL POSITION

as at 30 June 2009

	Core Crown 2009 Forecast \$m	Crown Entities 2009 Forecast \$m	State-owned Enterprises 2009 Forecast \$m	Inter-segment eliminations 2009 Forecast \$m	Total Crown 2009 Forecast \$m
Assets					
Cash and cash equivalents	1,347	2,339	411	(229)	3,868
Receivables	9,376	4,166	2,163	(1,226)	14,479
Other financial assets	47,790	18,685	11,655	(9,031)	69,099
Property, plant & equipment	29,236	45,312	33,348	(1)	107,895
Equity accounted investments	27,807	7,449	219	(26,655)	8,820
Intangible assets and goodwill	963	414	678	253	2,308
Other assets	1,248	289	921	(7)	2,451
Forecast for new capital spending	(301)	-	-	-	(301)
Total Assets	117,466	78,654	49,395	(36,896)	208,619
Liabilities					
Borrowings	37,793	4,855	15,680	(9,710)	48,618
Other liabilities	22,406	27,117	7,657	(4,948)	52,232
Total Liabilities	60,199	31,972	23,337	(14,658)	100,850
Total Assets less Total Liabilities	57,267	46,682	26,058	(22,238)	107,769
Net Worth					
Taxpayer funds	42,960	22,019	8,815	(25,119)	48,675
Reserves	14,307	24,663	16,764	2,978	58,712
Net worth attributable to minority interest in Air NZ	-	-	479	(97)	382
Total Net Worth	57,267	46,682	26,058	(22,238)	107,769

Forecast Statement of Segments (continued)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2010

	Core Crown 2010 Forecast \$m	Crown Entities 2010 Forecast \$m	State-owned Enterprises 2010 Forecast \$m	Inter-segment eliminations 2010 Forecast \$m	Total Crown 2010 Forecast \$m
Revenue					
Taxation revenue	57,415	-	-	(615)	56,800
Other sovereign revenue	1,152	4,300	-	(951)	4,501
Sales of goods and services	1,203	12,804	14,427	(11,809)	16,625
Interest revenue and dividends	2,650	1,252	890	(925)	3,867
Other revenue	468	11,813	1,210	(10,640)	2,851
Total Revenue (excluding gains)	62,888	30,169	16,527	(24,940)	84,644
Expenses					
Social assistance and official development assistance	21,412	-	-	(156)	21,256
Personnel expenses	5,842	9,782	2,494	(8)	18,110
Other operating expenses	34,720	19,836	11,619	(23,873)	42,302
Interest expenses	2,610	284	1,186	(623)	3,457
Forecast for future new spending and top down adjustment	1,265	-	-	-	1,265
Total Expenses (excluding losses)	65,849	29,902	15,299	(24,660)	86,390
Operating Balance before gains/(losses)	(2,961)	267	1,228	(280)	(1,746)
Total Gains/(losses)	1,542	338	112	(237)	1,755
Net surplus/(deficit) from associates and joint ventures	77	248	40	1	366
Gain/(loss) from discontinued operations	-	-	(1)	-	(1)
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating Balance	(1,342)	853	1,379	(516)	374
Expenses by functional classification					
Social security and welfare	20,112	5,134	-	(741)	24,505
Health	12,424	10,030	-	(10,580)	11,874
Education	11,117	8,050	23	(7,243)	11,947
Transport and communications	2,649	1,890	7,102	(2,762)	8,879
Other	15,672	4,514	6,988	(2,711)	24,463
Finance costs	2,610	284	1,186	(623)	3,457
Forecast for future new spending and top down adjustment	1,265	-	-	-	1,265
Total Crown Expenses excluding losses	65,849	29,902	15,299	(24,660)	86,390

STATEMENT OF FINANCIAL POSITION

as at 30 June 2010

	Core Crown 2010 Forecast \$m	Crown Entities 2010 Forecast \$m	State-owned Enterprises 2010 Forecast \$m	Inter-segment eliminations 2010 Forecast \$m	Total Crown 2010 Forecast \$m
Assets					
Cash and cash equivalents	2,071	2,360	288	(227)	4,492
Receivables	9,295	4,323	2,208	(937)	14,889
Other financial assets	47,452	20,171	12,534	(9,352)	70,805
Property, plant & equipment	29,542	46,311	34,548	(3)	110,398
Equity accounted investments	28,201	7,703	254	(26,927)	9,231
Intangible assets and goodwill	1,008	409	736	256	2,409
Other assets	1,310	291	935	(4)	2,532
Forecast for new capital spending	300	-	-	-	300
Total Assets	119,179	81,568	51,503	(37,194)	215,056
Liabilities					
Borrowings	39,998	5,185	17,030	(9,541)	52,672
Other liabilities	23,235	28,542	7,572	(5,114)	54,235
Total Liabilities	63,233	33,727	24,602	(14,655)	106,907
Total Assets less Total Liabilities	55,946	47,841	26,901	(22,539)	108,149
Net Worth					
Taxpayer funds	41,639	23,178	9,655	(25,422)	49,050
Reserves	14,307	24,663	16,767	2,980	58,717
Net worth attributable to minority interest in Air NZ	-	-	479	(97)	382
Total Net Worth	55,946	47,841	26,901	(22,539)	108,149

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	59,268	-	-	(594)	58,674
Other sovereign revenue	1,602	4,443	-	(993)	5,052
Sales of goods and services	1,216	12,895	15,535	(11,814)	17,832
Interest revenue and dividends	2,864	1,328	994	(930)	4,256
Other revenue	472	12,162	918	(10,710)	2,842
Total Revenue (excluding gains)	65,422	30,828	17,447	(25,041)	88,656
Expenses					
Social assistance and official development assistance	22,335	-	-	(161)	22,174
Personnel expenses	5,877	9,991	2,619	(9)	18,478
Other operating expenses	34,420	20,317	12,547	(24,031)	43,253
Interest expenses	3,036	298	1,330	(655)	4,009
Forecast for future new spending and top down adjustment	3,223	-	-	-	3,223
Total Expenses (excluding losses)	68,891	30,606	16,496	(24,856)	91,137
Operating Balance before gains/(losses)	(3,469)	222	951	(185)	(2,481)
Total Gains/(losses)	1,781	366	121	(245)	2,023
Net surplus/(deficit) from associates and joint ventures	88	253	47	-	388
Gain/(loss) from discontinued operations	-	-	(1)	-	(1)
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating Balance	(1,600)	841	1,118	(430)	(71)
Expenses by functional classification					
Social security and welfare	20,780	5,473	-	(780)	25,473
Health	12,401	10,054	-	(10,591)	11,864
Education	11,302	8,171	23	(7,329)	12,167
Transport and communications	2,615	1,941	7,469	(2,754)	9,271
Other	15,534	4,669	7,674	(2,747)	25,130
Finance costs	3,036	298	1,330	(655)	4,009
Forecast for future new spending and top down adjustment	3,223	-	-	-	3,223
Total Crown Expenses excluding losses	68,891	30,606	16,496	(24,856)	91,137

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	2,400	2,473	29	(228)	4,674
Receivables	9,116	4,439	2,276	(890)	14,941
Other financial assets	53,838	21,623	13,024	(9,927)	78,558
Property, plant & equipment	29,497	47,197	36,083	2	112,779
Equity accounted investments	28,595	7,955	302	(27,217)	9,635
Intangible assets and goodwill	1,038	411	865	255	2,569
Other assets	1,371	287	1,023	(3)	2,678
Forecast for new capital spending	1,077	-	-	-	1,077
Total Assets	126,932	84,385	53,602	(38,008)	226,911
Liabilities					
Borrowings	49,296	5,460	19,304	(9,864)	64,196
Other liabilities	23,260	29,966	6,796	(5,387)	54,635
Total Liabilities	72,556	35,426	26,100	(15,251)	118,831
Total Assets less Total Liabilities	54,376	48,959	27,502	(22,757)	108,080
Net Worth					
Taxpayer funds	40,069	24,296	10,253	(32,515)	42,103
Reserves	14,307	24,663	16,770	9,855	65,595
Net worth attributable to minority interest in Air NZ	-	-	479	(97)	382
Total Net Worth	54,376	48,959	27,502	(22,757)	108,080

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	61,893	-	-	(624)	61,269
Other sovereign revenue	1,815	4,584	-	(1,033)	5,366
Sales of goods and services	1,236	13,075	15,689	(11,799)	18,201
Interest revenue and dividends	2,989	1,403	1,002	(938)	4,456
Other revenue	475	12,256	810	(10,632)	2,909
Total Revenue (excluding gains)	68,408	31,318	17,501	(25,026)	92,201
Expenses					
Social assistance and official development assistance	23,320	-	-	(161)	23,159
Personnel expenses	5,920	10,002	2,669	(9)	18,582
Other operating expenses	34,505	20,979	12,580	(24,034)	44,030
Interest expenses	3,419	317	1,384	(686)	4,434
Forecast for future new spending and top down adjustment	5,088	-	-	-	5,088
Total Expenses (excluding losses)	72,252	31,298	16,633	(24,890)	95,293
Operating Balance before gains/(losses)	(3,844)	20	868	(136)	(3,092)
Total Gains/(losses)	2,026	395	129	(251)	2,299
Net surplus/(deficit) from associates and joint ventures	97	253	48	-	398
Gain/(loss) from discontinued operations	-	-	(1)	-	(1)
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating Balance	(1,721)	668	1,044	(387)	(396)
Expenses by functional classification					
Social security and welfare	21,680	5,849	-	(822)	26,707
Health	12,390	10,067	-	(10,596)	11,861
Education	11,419	8,356	23	(7,345)	12,453
Transport and communications	2,515	1,930	7,475	(2,680)	9,240
Other	15,741	4,779	7,751	(2,761)	25,510
Finance costs	3,419	317	1,384	(686)	4,434
Forecast for future new spending and top down adjustment	5,088	-	-	-	5,088
Total Crown Expenses excluding losses	72,252	31,298	16,633	(24,890)	95,293

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	2,741	2,521	541	(228)	5,575
Receivables	8,967	4,528	2,273	(860)	14,908
Other financial assets	55,652	22,891	12,719	(10,321)	80,941
Property, plant & equipment	29,256	48,041	37,203	1	114,501
Equity accounted investments	28,850	8,209	329	(27,412)	9,976
Intangible assets and goodwill	1,039	405	889	254	2,587
Other assets	1,402	287	1,045	(4)	2,730
Forecast for new capital spending	1,977	-	-	-	1,977
Total Assets	129,884	86,882	54,999	(38,570)	233,195
Liabilities					
Borrowings	53,951	5,701	20,074	(10,042)	69,684
Other liabilities	23,238	31,487	6,882	(5,787)	55,820
Total Liabilities	77,189	37,188	26,956	(15,829)	125,504
Total Assets less Total Liabilities	52,695	49,694	28,043	(22,741)	107,691
Net Worth					
Taxpayer funds	38,388	25,031	10,792	(32,499)	41,712
Reserves	14,307	24,663	16,772	9,855	65,597
Net worth attributable to minority interest in Air NZ	-	-	479	(97)	382
Total Net Worth	52,695	49,694	28,043	(22,741)	107,691

Forecast Statement of Segments (continued)

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2013

	Core Crown 2013 Forecast \$m	Crown Entities 2013 Forecast \$m	State-owned Enterprises 2013 Forecast \$m	Inter-segment eliminations 2013 Forecast \$m	Total Crown 2013 Forecast \$m
Revenue					
Taxation revenue	65,084	-	-	(710)	64,374
Other sovereign revenue	2,360	4,686	-	(1,031)	6,015
Sales of goods and services	1,214	13,234	16,399	(11,796)	19,051
Interest revenue and dividends	3,027	1,464	1,020	(1,040)	4,471
Other revenue	476	12,321	827	(10,647)	2,977
Forecast revenue reduction contingency	-	-	-	-	-
Total Revenue (excluding gains)	72,161	31,705	18,246	(25,224)	96,888
Expenses					
Social assistance and official development assistance	24,284	-	-	(160)	24,124
Personnel expenses	5,999	9,921	2,746	(9)	18,657
Other operating expenses	35,056	21,711	12,984	(24,185)	45,566
Interest expenses	3,819	335	1,473	(711)	4,916
Forecast for future new spending and top down adjustment	6,999	-	-	-	6,999
Total Expenses (excluding losses)	76,157	31,967	17,203	(25,065)	100,262
Operating Balance before gains/(losses)	(3,996)	(262)	1,043	(159)	(3,374)
Total Gains/(losses)	2,299	416	134	(254)	2,595
Net surplus/(deficit) from associates and joint ventures	99	253	47	(1)	398
Gain/(loss) from discontinued operations	-	-	(1)	-	(1)
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating Balance	(1,598)	407	1,223	(414)	(382)
Expenses by functional classification					
Social security and welfare	22,529	6,218	-	(861)	27,886
Health	12,391	10,084	-	(10,558)	11,917
Education	11,488	8,489	23	(7,342)	12,658
Transport and communications	2,548	2,009	7,677	(2,742)	9,492
Other	16,383	4,832	8,030	(2,851)	26,394
Finance costs	3,819	335	1,473	(711)	4,916
Forecast for future new spending and top down adjustment	6,999	-	-	-	6,999
Total Crown Expenses excluding losses	76,157	31,967	17,203	(25,065)	100,262

STATEMENT OF FINANCIAL POSITION

as at 30 June 2013

	Core Crown 2013 Forecast \$m	Crown Entities 2013 Forecast \$m	State-owned Enterprises 2013 Forecast \$m	Inter-segment eliminations 2013 Forecast \$m	Total Crown 2013 Forecast \$m
Assets					
Cash and cash equivalents	3,076	2,533	709	(228)	6,090
Receivables	8,870	4,627	2,322	(684)	15,135
Other financial assets	57,589	23,986	12,916	(10,730)	83,761
Property, plant & equipment	29,085	48,790	39,069	(1)	116,943
Equity accounted investments	28,914	8,462	363	(27,447)	10,292
Intangible assets and goodwill	(5,281)	401	888	38	2,922
Other assets	1,417	287	1,082	(4)	2,782
Forecast for new capital spending	9,716	-	-	217	3,057
Total Assets	133,386	89,086	57,349	(38,839)	240,982
Liabilities					
Borrowings	58,815	5,991	21,694	(10,135)	76,365
Other liabilities	23,431	33,037	6,977	(6,142)	57,303
Total Liabilities	82,246	39,028	28,671	(16,277)	133,668
Total Assets less Total Liabilities	51,140	50,058	28,678	(22,562)	107,314
Net Worth					
Taxpayer funds	36,833	25,395	11,425	(32,320)	41,333
Reserves	14,307	24,663	16,774	9,855	65,599
Net worth attributable to minority interest in Air NZ	-	-	479	(97)	382
Total Net Worth	51,140	50,058	28,678	(22,562)	107,314