

# *Vote Finance*

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

ADMINISTERING DEPARTMENT: The Treasury

MINISTER RESPONSIBLE FOR THE TREASURY: Minister of Finance

# Details of Appropriations

## Details of Annual and Permanent Appropriations

	2008/09		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<b>Departmental Output Expenses</b>			
<b>Administration of Guarantees and Indemnities given by the Crown PLA (M31)</b>	-	730	730
This appropriation is limited to expenses incurred in connection with administering of guarantees and indemnities given by the Crown, as authorised by section 65ZG of the Public Finance Act 1989.			
<b>Debt and Related Financial Asset Management (M31)</b>	9,001	337	9,338
Operational management of the Crown's sovereign-issued debt portfolio, associated financial investments (including departmental cash management), and lending and derivatives transactions with government-related entities.			
<b>Policy Advice and Management: Macroeconomic (M31)</b>	12,762	(1)	12,761
Provision of Macroeconomic policy advice and management including budget management; macroeconomic, tax and fiscal forecasting; advice on fiscal policy and strategy; and fiscal reporting and departmental financial management controls including the development and application of generally accepted accounting practice to the Crown.			
<b>State Sector and Economic Performance Policy Advice and Management MCOA (M31)</b>	36,216	475	36,691
<i>Crown Deposit Guarantee Scheme</i>	-	1,661	1,661
This output class is limited to the implementation and operation of the Crown's deposit guarantee scheme excluding expenses incurred in connection with administering claims under a guarantee or indemnity given under the scheme.			
<i>Crown Wholesale Guarantee Facility</i>	-	1,878	1,878
This output class is limited to the implementation and operation of the Crown's wholesale guarantee facility.			
<i>Management of Liabilities, Claims Against the Crown and Crown Properties</i>	5,786	(3,046)	2,740
Management of contractual or Treaty of Waitangi related claims against the Crown and the management of New Zealand House, London.			
<i>New Zealand Export Credit Office</i>	1,594	683	2,277
Implementation of the Government's Export Credit Guarantees policy and operation of the New Zealand Export Credit Office.			
<i>Policy Advice: Economic Performance</i>	15,458	520	15,978
Policy advice on the Government's economic strategy and policy settings and their effect on New Zealand's economic growth.			
<i>Policy Advice: State Sector Performance</i>	13,378	(1,221)	12,157
Policy advice on the effective and efficient use of state resources including improved decision-making and performance management systems and the efficient management of Crown assets.			
<b>Total Departmental Output Expenses</b>	<b>57,979</b>	<b>1,541</b>	<b>59,520</b>

	2008/09		
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Titles and Scopes of Appropriations by Appropriation Type			
<b>Non-Departmental Output Expenses</b>			
<b>Management of New Zealand House, London (M31)</b> This appropriation is limited to the property management services in respect of New Zealand House, London.	1,000	-	1,000
<b>Management of the Crown's Obligations for Geothermal Wells (M31)</b> This appropriation is limited to the management and maintenance relating to geothermal wells and associated sites and structures for which the Crown accepts responsibility.	151	200	351
<b>Management of the New Zealand Superannuation Fund (M31)</b> This appropriation is limited to managing the New Zealand Superannuation Fund on behalf of the Crown.	1,537	(1,050)	487
<b>New Zealand Railways Corporation Operating Support (M31)</b> This appropriation is limited to the purchase of non-commercial rail services from New Zealand Railways Corporation.	-	90,000	90,000
<b>Regulatory Responsibility Taskforce (M31)</b> This appropriation is limited to the fees and expenses of members of the Taskforce appointed to carry forward work on a Regulatory Responsibility Bill, and to fees and expenses for any legal and other advice that the Taskforce may commission.	-	166	166
<b>Total Non-Departmental Output Expenses</b>	2,688	89,316	92,004
<b>Non-Departmental Borrowing Expenses</b>			
<b>Debt Servicing PLA (M31)</b> This appropriation is limited to the payment of borrowing expenses for the Crown's New Zealand-dollar and foreign-currency debt, authorised by section 60(1)b of the Public Finance Act 1989.	1,987,000	119,000	2,106,000
<b>Total Non-Departmental Borrowing Expenses</b>	1,987,000	119,000	2,106,000
<b>Non-Departmental Other Expenses</b>			
<b>Crown Residual Liabilities (M31)</b> Residual obligations arising from administration of the Crown's sale and purchase agreements with SOEs and Crown entities and from the sale of Crown investments, and for the settlement of claims against the Crown arising from exposure to asbestos.	230	444	674
<b>Geothermal Wells Fund (M31)</b> This appropriation is limited to meeting the costs of one-off unforeseen events relating to those geothermal wells for which the Crown accepts responsibility.	500	-	500
<b>Government Superannuation Appeals Board (M31)</b> This appropriation is limited to the expenses of the Government Superannuation Appeals Board in performing its functions under the Government Superannuation Fund Act 1956.	50	-	50
<b>Government Superannuation Fund Authority - Crown's Share of Expenses PLA (M31)</b> This appropriation is limited to the Crown's share of the expenses of the Government Superannuation Fund Authority relating to the management and administration of the Government Superannuation Fund and the schemes, authorised by sections 15E and 95 of the Government Superannuation Act 1956.	23,500	-	23,500
<b>Government Superannuation Fund Unfunded Liability PLA (M31)</b> This appropriation is limited to the net increase (excluding actuarial gains and losses) in the Crown's liability to the Government Superannuation Fund and the specified superannuation contribution withholding tax on employer contributions by the Crown, authorised by section 95AA of the Government Superannuation Act 1956.	936,699	31,911	968,610

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Titles and Scopes of Appropriations by Appropriation Type			
<b>Non-Departmental Other Expenses - cont'd</b>			
<b>Impairment of Loans to Taitokerau Forest Limited (M31)</b> This appropriation is limited to the expense incurred on the impairment of new loans to Taitokerau Forests Limited.	-	1,700	1,700
<b>Invercargill Airport Suspensory Loan Expense on Initial Recognition (M31)</b> This appropriation is limited to the expense incurred on the initial recognition of Invercargill Airport suspensory loans.	-	300	300
<b>Loss on Acquisition of Toll NZ Ltd (M31)</b> This appropriation is limited to the financial loss on acquisition of Toll NZ Ltd.	-	330,000	330,000
<b>Maui Gas Contracts (M31)</b> This appropriation is limited to the Crown's purchase of gas from the Maui gas field and meeting the Crown's obligations arising from related contracts.	15,365	(2,147)	13,218
<b>National Provident Fund - Crown liability for Scheme Deficiency PLA (M31)</b> This appropriation is limited to the Crown's liability for deficiency in the accounts of National Provident Fund schemes established pursuant to section 38A(6) of the National Provident Fund Act 1950, authorised by section 72 of the National Provident Fund Restructuring Act 1990.	-	33,200	33,200
<b>National Provident Fund Schemes - Liability Under Crown Guarantee PLA (M31)</b> This appropriation is limited to the net increase (excluding actuarial gains and losses) in the Crown's liability for benefits payable to members of National Provident Fund schemes under the Crown guarantee in section 60 of the National Provident Fund Restructuring Act 1990. This appropriation is authorised by section 66 of the National Provident Fund Restructuring Act 1990.	-	71,000	71,000
<b>National Rail Network Improvements (M31)</b> This appropriation is limited to the upgrade of the national rail network.	25,000	(18,750)	6,250
<b>New Zealand House, London (M31)</b> This appropriation is limited to the operational costs of New Zealand House, London.	16,200	-	16,200
<b>New Zealand Railways Corporation Transaction Costs of Purchasing Toll NZ Limited (M31)</b> This appropriation is limited to reimbursing NZRC for the transaction costs of purchasing Toll NZ Limited.	-	5,000	5,000
<b>ONTRACK Operating and Maintenance Costs (M31)</b> This appropriation is limited to the national rail network operating and maintenance expenses incurred by ONTRACK that are not recoverable from the Rail Network operator through the National Rail Access Agreement.	28,000	(21,000)	7,000
<b>Payments in respect of Guarantees and Indemnities PLA (M31)</b> This appropriation is limited to payments by the Crown under a guarantee or indemnity given under section 65ZD of the Public Finance Act 1989, as authorised by section 65ZG of that Act.	-	69,335	69,335
<b>Taitokerau Forests Limited Loan Write-Down (M31)</b> This appropriation is limited to the expense incurred on the write-down of existing loans to Taitokerau Forests Limited.	-	37,000	37,000
<b>Unclaimed Money PLA (M31)</b> This appropriation is limited to the repayment of money authorised by section 74(5) of the Public Finance Act 1989.	250	-	250
<b>Unclaimed Trust Money PLA (M31)</b> This appropriation is limited to the repayment of money authorised by section 70(2) of the Public Finance Act 1989.	250	-	250

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Titles and Scopes of Appropriations by Appropriation Type			
<b>Wellington Railway Station Expenses (M31)</b> This appropriation is limited to maintenance and depreciation of the Wellington Railway Station building.	562	(562)	-
<b>Wellington Regional Council Suspensory Loan Expense on Initial Recognition (M31)</b> This appropriation is limited to the expense incurred on the initial recognition of Wellington Regional Council suspensory loans.	-	8,202	8,202
<b>Write-off of Capital Charge Receivable (M31)</b> This appropriation is limited to expenses incurred as a result of decisions to write off capital charge receivable.	-	18	18
<b>Total Non-Departmental Other Expenses</b>	1,046,606	545,651	1,592,257
<b>Departmental Capital Expenditure</b>			
<b>The Treasury - Capital Expenditure PLA (M31)</b> This appropriation is limited to the purchase or development of assets by and for the use of the The Treasury, as authorised by section 24(1) of the Public Finance Act 1989.	1,527	480	2,007
<b>Total Departmental Capital Expenditure</b>	1,527	480	2,007
<b>Non-Departmental Capital Expenditure</b>			
<b>Crown Rail Operator Loans (M31)</b> This appropriation is limited to loans to the Crown rail operator for the purposes of refinancing debt and providing short term capital.	-	140,000	140,000
<b>Hawke's Bay Airport Equity Injection (M31)</b> This appropriation is limited to the purchase of equity in a new Hawke's Bay airport company.	8,000	-	8,000
<b>Industrial Research Limited Equity Injection (M31)</b> This appropriation is limited to the purchase of equity in Industrial Research Limited to provide additional working capital.	4,500	-	4,500
<b>International Financial Institutions PLA (M31)</b> This appropriation is limited to capital expenditure for shares subscribed to by New Zealand as a member of International Financial Institutions, authorised by section 5 of the International Finance Agreements Act 1961.	200,000	445,000	645,000
<b>Invercargill Airport Suspensory Loan (M31)</b> This appropriation is limited to the provision of loans to Invercargill Airport for border security equipment.	-	1,500	1,500
<b>Landcorp Protected Land Agreement (M31)</b> Purchase (including by reinvesting cash dividends) of redeemable preference shares in Landcorp under the Protected Land Agreement.	11,000	15,208	26,208
<b>New Zealand Railways Corporation Increase in Capital for the Purchase of the Crown Rail Operator (M31)</b> This appropriation is limited to increasing the capital of the New Zealand Railways Corporation for the purposes of providing capital for the purchase from the Crown of the Crown Rail Operator.	-	690,000	690,000
<b>New Zealand Railways Corporation Loans (M31)</b> This appropriation is limited to loans to the New Zealand Railways Corporation to fund rail capital projects and provide working capital.	-	55,000	55,000
<b>NZ Superannuation Fund - Contributions (M31)</b> This appropriation is limited to capital contributions to the New Zealand Superannuation Fund, for the present and future cost of New Zealand Superannuation.	2,242,000	-	2,242,000

	2008/09		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<b>Non-Departmental Capital Expenditure - cont'd</b>			
<b>ONTRACK Equity Injection (M31)</b> This appropriation is limited to the purchase of equity in ONTRACK to provide additional working capital.	16,400	(16,400)	-
<b>ONTRACK Loans (M31)</b> This appropriation is limited to loans to ONTRACK, to fund a range of rail infrastructure capital projects.	63,005	(63,005)	-
<b>Port Nicholson Block Settlement Trust Loan (M31)</b> This appropriation is limited to a loan to the Port Nicholson Block Settlement Trust for the purchase of properties at Shelly Bay, Wellington.	-	15,268	15,268
<b>Public Trust Capital Injection (M31)</b> This appropriation is limited to providing a capital injection to the Public Trust.	-	20,000	20,000
<b>Purchase of Toll NZ Ltd's Rail Business and Associated Costs (M31)</b> This appropriation provides for the purchase of Toll NZ Ltd's rail and related business, and associated costs.	-	690,000	690,000
<b>Reserve Bank of New Zealand Equity Injection (M31)</b> This appropriation is limited to the purchase of equity in the Reserve Bank of New Zealand.	600,000	-	600,000
<b>Taitokerau Forests (M31)</b> This appropriation is limited to the provision of loans to Taitokerau Forests Ltd for forest management and development.	-	1,700	1,700
<b>Timberlands West Coast Equity Injection (M31)</b> This appropriation is limited to the purchase of equity in Timberlands West Coast to provide additional working capital.	-	3,800	3,800
<b>Wellington Regional Council Suspensory Loan (M31)</b> This appropriation is limited to the provision of loans to Wellington Regional Council to purchase, lease and upgrade passenger rail units, carriages and locomotives.	-	13,408	13,408
<b>Total Non-Departmental Capital Expenditure</b>	3,144,905	2,011,479	5,156,384
<b>Total Annual and Permanent Appropriations</b>	6,240,705	2,767,467	9,008,172

## Details of Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$'000
<b>Non-Departmental Other Expenses</b>		
<b>Auckland Rail Development (M31)</b> Renewals and upgrades of the Auckland rail network 'below track' infrastructure.  Commences: 1 July 2007  Expires: 30 June 2009	Original Appropriation Adjustments to 2007/08 Adjustments for 2008/09 Adjusted Appropriation Actual to 2007/08 Year End Estimated Actual for 2008/09 Estimated Actual for 2009/10 Estimated Appropriation Remaining	421,314 77,103 (213,662) 284,755 97,719 187,036 - -
<b>New Zealand Railways Corporation Wiri Inland Port Rail Link (M31)</b> This appropriation is limited to the construction by the New Zealand Railways Corporation of a rail siding and associated works at the Wiri Inland Port.  Commences: 3 November 2008  Expires: 30 June 2009	Original Appropriation Adjustments to 2007/08 Adjustments for 2008/09 Adjusted Appropriation Actual to 2007/08 Year End Estimated Actual for 2008/09 Estimated Actual for 2009/10 Estimated Appropriation Remaining	6,000 - - 6,000 - 6,000 - -
<b>Rail Transport Upgrade and Growth Projects (M31)</b> This appropriation is limited to increasing transport growth on the rail network through the upgrade, renewal and maintenance of its fleet, terminals, systems and infrastructure.  Commences: 22 September 2008  Expires: 30 June 2009	Original Appropriation Adjustments to 2007/08 Adjustments for 2008/09 Adjusted Appropriation Actual to 2007/08 Year End Estimated Actual for 2008/09 Estimated Actual for 2009/10 Estimated Appropriation Remaining	33,475 - - 33,475 - 33,475 - -
<b>Urban Rail Development (M31)</b> Funding for electrification, upgrades and maintenance of the Auckland and Wellington metropolitan rail networks.  Commences: 1 July 2007  Expires: 30 June 2009	Original Appropriation Adjustments to 2007/08 Adjustments for 2008/09 Adjusted Appropriation Actual to 2007/08 Year End Estimated Actual for 2008/09 Estimated Actual for 2009/10 Estimated Appropriation Remaining	550,000 25,000 (491,691) 83,309 5,231 78,078 - -

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Capital Expenditure</b>		
<b>Crown Rail Operator Equity Injection (M31)</b>	Original Appropriation	6,774
This appropriation is limited to the purchase of equity in the Crown rail operator to provide additional working capital for the upgrade and purchase of assets.	Adjustments to 2007/08	-
	Adjustments for 2008/09	-
Commences: 14 July 2008	Adjusted Appropriation	6,774
Expires: 30 June 2009	Actual to 2007/08 Year End	-
	Estimated Actual for 2008/09	6,774
	Estimated Actual for 2009/10	-
	Estimated Appropriation Remaining	-



## Details of Projected Movements in Departmental Net Assets

### The Treasury

Details of Net Asset Schedule	2008/09 Main Estimates Projections \$000	2008/09 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2008/09
Opening Balance	7,240	7,240	Supplementary Estimates opening balance reflects the audited results as at 30 June 2008.
Capital Injections	-	308	In 2008/09 capital injections were required for the establishment of the Crown Deposit Guarantee Scheme (\$200,000) and the Regulatory Impact Assessment Unit (\$108,000).
Capital Withdrawals	(600)	(600)	Capital provided for the Treasury's accommodation project in 2003-2005 is being repaid to the Crown.
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>6,640</b>	<b>6,948</b>	