

VOTE Treasurer

Terms and Definitions Used

APEC	<i>Asia Pacific Economic Cooperation</i>
BPS	<i>Budget Policy Statement</i>
DEFU	<i>December Economic and Financial Update</i>
ECNZ	<i>Electricity Corporation of New Zealand Ltd</i>
IMF	<i>International Monetary Fund</i>

Footnotes

Note 1	<i>Appropriation numbers in Part B are inclusive of GST (where applicable).</i>
Note 2	<i>Expenses to be incurred pursuant to section 61(1) of the Public Finance Act 1989.</i>
Note 3	<i>Expenses to be incurred pursuant to sections 60 and 61(1) of the Public Finance Act 1989.</i>
Note 4	<i>Expenses to be incurred pursuant to section 5 of the International Finance Agreements Act 1961.</i>
Note 5	<i>Expenses to be incurred pursuant to section 60 of the Public Finance Act 1989.</i>

VOTE Treasurer

VOTE MINISTER: TREASURER
 ADMINISTERING DEPARTMENT: THE TREASURY
The Treasurer is the Responsible Minister for the Treasury

Part B - Statement of Appropriations (see note 1)

Summary of 1998/99 Appropriations

Types of Appropriation	Appropriations to be Used				Total Appropriations \$000
	By the Department Administering the Vote		For Non-Departmental Transactions		
	Annual \$000	Other \$000	Annual \$000	Other \$000	
Operating Flows					
Classes of Outputs to be Supplied	21,647	6,168	-	-	27,815
Benefits and Other Unrequited Expenses	-	-	-	-	-
Borrowing Expenses	-	-	-	2,686,000	2,686,000
Other Expenses	346	-	18	-	364
Capital Flows					
Capital Contributions	-	-	203,825	450,000	653,825
Purchase or Development of Capital Assets	-	-	5	-	5
Repayment of Debt	-	-	-	1,101,015	1,101,015
Total Appropriations for 1998/99	21,993	6,168	203,848	4,237,015	4,469,024
Total 1998/99 Main Estimates Appropriations	21,114	6,012	5	3,353,015	3,380,146

Part B1 - Details of 1998/99 Appropriations

Appropriations	1998/99						Purpose of and Reasons for Change in 1998/99 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Classes (Mode B Gross)							
D1 Policy Advice: General Economic and Fiscal Strategies	4,013	-	(201)	-	3,812	-	Provision of advice spanning the whole economy, including the Government's overall economic and fiscal strategies, contributing to a more stable and balanced macro economic policy. The reduction is largely due to a reduced demand for Budget strategy advice during the year. The resources were transferred to other Treasury output classes.
D2 Economic and Fiscal Forecasting	3,319	-	412	-	3,731	-	Preparation of macroeconomic, tax revenue and fiscal forecasts, and monitoring the economy and tax flows. The forecasts are discrete outputs (published), and also contribute to policy advice and decision-making. The increase results primarily from costs associated with the preparation of the <i>September Economic and Fiscal Outlook</i> . These costs were not included in the 1998/99 Main Estimates forecasts and funding was transferred from other Treasury output classes.
D3 Sectoral Policy Advice	12,107	-	478	-	12,585	-	Provision of strategic advice on the most appropriate government actions relating to specific sectors of the economy to achieve the Government's policy outcomes. The increase is largely due to higher than expected Committee of Tax Experts and APEC costs. Resources were transferred from other Treasury output classes.
D4 Budget Management	1,675	-	(156)	-	1,519	-	Provision of services associated with the management and operation of the Budget processes. The reduction is primarily due to delays in recruiting staff in this area and to the <i>Budget Policy Statement (BPS)</i> and <i>December Economic and Fiscal Update (DEFU)</i> printing costs being lower than anticipated. Resources were transferred to other Treasury output classes.

D5 Debt and Financial Asset Management (see note 2)	-	6,012	-	156	-	6,168	Provision of policy advice and the operational management of the Crown's debt portfolio and central management of its financial investments. The increase arises from additional New Zealand Debt Management Office costs in relation to a procedures and operations audit. Resources were transferred from other Treasury output classes.
Total Appropriations for Departmental Output Classes (Mode B Gross)	21,114	6,012	533	156	21,647	6,168	
Borrowing Expenses							
Debt Servicing (see note 3)	-	2,678,000	-	8,000	-	2,686,000	Payment of interest and other finance costs relating to the Crown's New Zealand dollar and foreign currency debt. The variance arises from changes to interest and exchange rates, and the amount of debt outstanding.
Total Appropriations for Borrowing Expenses	-	2,678,000	-	8,000	-	2,686,000	
Other Expenses to be Incurred by the Department							
Provision for Retirement and Long Service Leave	-	-	346	-	346	-	A one-off accounting adjustment was made in 1998/99 to record a provision for retiring and long service leave on an actuarial basis.
Total Appropriations for Other Expenses to be Incurred by the Department	-	-	346	-	346	-	

Part B1 - Details of 1998/99 Appropriations (Continued)

Appropriations	1998/99						Purpose of and Reasons for Change in 1998/99 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Other Expenses to be Incurred by the Crown							
Overseas Investment Commission Honoraria	-	-	18	-	18	-	Payment of honoraria to the Crown appointed members of the Overseas Investment Commission. This expense was previously included in a departmental output class.
Total Appropriations for Other Expenses to be Incurred by the Crown	-	-	18	-	18	-	
Capital Contributions to Other Persons or Organisations							
International Financial Institutions (see note 4)	-	180,000	-	270,000	-	450,000	Capital payments in respect of New Zealand's membership of the International Monetary Fund (IMF), the Asian Development Bank, the World Bank and the International Finance Corporation. New Zealand's contribution to the IMF was increased as a result of the Asian situation, and a fall in the value of the New Zealand dollar.
Loan to Republic of Korea	-	-	200,000	-	200,000	-	In 1997/98, the Government made available a standby loan facility to the Republic of Korea for up to US\$100 million. The facility was not drawn upon in that year, and the appropriation was carried forward into 1998/99. An exchange rate of US\$0.50 = NZ\$1.00 was used to calculate the New Zealand dollar amount.
Loan to Wellington Stadium Trust	-	-	3,825	-	3,825	-	The Government made a short-term loan in 1998/99 to the Wellington Regional Stadium Trust to enable the Trust to complete the purchase of the stadium land.
Total Appropriations for Capital Contributions to Other Persons or Organisations	-	180,000	203,825	270,000	203,825	450,000	

Purchase or Development of Capital Assets by the Crown							
Crown Coin Collection	5	-	-	-	5	-	Purchase of New Zealand coins for the Crown Coin collection.
Total Appropriations for Purchase or Development of Capital Assets by the Crown	5	-	-	-	5	-	
Repayment of Debt							
ECNZ Debt	-	11,015	-	-	-	11,015	The Crown assumed some Electricity Corporation of New Zealand (ECNZ) debt when Contact Energy was separated from ECNZ in 1995/96. The appropriation provides for repayment of that debt.
Net Foreign Debt Repayment (see note 5)	-	484,000	-	606,000	-	1,090,000	The estimated net repayment of foreign currency debt. The change reflects a revised forecast of the expected outturn.
Total Appropriations for Repayment of Debt	-	495,015	-	606,000	-	1,101,015	
Total Appropriations	21,119	3,359,027	204,722	884,156	225,841	4,243,183	

Part F - Crown Revenue and Receipts

Part F1 - Current and Capital Revenue and Receipts

	1998/99			Explanation of 1998/99 Crown Revenue
	Main Estimates \$000	Supplementary Estimates \$000	Total Budgeted \$000	
Current Revenue				
Non-Tax Revenue				
Interest - Investments	337,000	(32,000)	305,000	Interest earned on the Crown's official overseas reserves, bank accounts and domestic bond assets. The variance is the result of changes in interest and exchange rates.
Reserve Bank Surplus	153,804	(1,914)	151,890	Surplus funds transferred to the Crown under the Reserve Bank Act 1989. The change reflects the actual result for the year.
Total Non-Tax Revenue	490,804	(33,914)	456,890	
Total Current Revenue	490,804	(33,914)	456,890	
Capital Receipts				
Korean Loan Repayments	200,000	(200,000)	-	Repayment of loan by the Republic of Korea. The loan was originally expected to be drawn down in 1997/98 and repaid in 1998/99. The loan facility has not yet been called upon, hence no repayment is forecast for 1998/99.
Net Domestic Borrowing	687,000	1,854,000	2,541,000	Net borrowing by the Crown on the New Zealand domestic market. The variance reflects a revised forecast of the expected outturn.
Total Capital Receipts	887,000	1,654,000	2,541,000	
Total Crown Revenue and Receipts	1,377,804	1,620,086	2,997,890	