

# *Information Supporting the Supplementary Estimates*

## *Vote Finance*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Finance (M31), Minister for Infrastructure (M80), Minister for Regulatory Reform (M81)

ADMINISTERING DEPARTMENT: The Treasury

MINISTER RESPONSIBLE FOR THE TREASURY: Minister of Finance

## Part 1 - Summary of the Vote

### Part 1.3 - Trends in the Vote

#### Summary of Financial Activity

	2009/10				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	67,417	5,716	225	5,941	73,358
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	2,153,000	-	135,836	135,836	2,288,836
Other Expenses	810,297	-	1,352,600	1,352,600	2,162,897
Capital Expenditure	265,583	(292)	307,600	307,308	572,891
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
<b>Total Appropriations</b>	<b>3,296,297</b>	<b>5,424</b>	<b>1,796,261</b>	<b>1,801,685</b>	<b>5,097,982</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	2,929,447	N/A	724,442	724,442	3,653,889
Capital Receipts	500	N/A	23,026	23,026	23,526
<b>Total Crown Revenue and Capital Receipts</b>	<b>2,929,947</b>	<b>N/A</b>	<b>747,468</b>	<b>747,468</b>	<b>3,677,415</b>

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<b>Outcome:</b> Improved overall economic performance. <b>Impact:</b> Maintaining a robust and efficient financial sector.	Administration of Guarantees and Indemnities given by the Crown PLA Crown Guarantee Schemes

#### Administration of Crown Borrowing PLA (M31)

##### *Scope of Appropriation*

This appropriation is limited to expenses incurred in connection with administering borrowing by the Crown, as authorised by section 61(1) of the Public Finance Act 1989.

##### *Expenses and Revenue*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	3,260	2,441	5,701
Revenue from Crown	3,200	2,403	5,603
Revenue from Other	60	38	98

##### *Reasons for Change in Appropriation*

An increase in the Crown's borrowing programme has resulted in an increase in this NZDMO output expense appropriation.

#### Administration of Derivative Transactions PLA (M31)

##### *Scope of Appropriation*

This appropriation is limited to expenses incurred in connection with administering derivative transactions of the Crown, as authorised by section 65H(2) of the Public Finance Act 1989.

##### *Expenses and Revenue*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	3,893	(2,585)	1,308
Revenue from Crown	3,819	(2,534)	1,285
Revenue from Other	74	(51)	23

*Reasons for Change in Appropriation*

An increase in the Crown's borrowing programme has resulted in a commensurate decrease in relative activity in the remaining NZDMO output expense appropriations. This is the main driver for the decrease in this appropriation.

**Administration of Guarantees and Indemnities given by the Crown PLA (M31)***Scope of Appropriation*

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.

*Expenses and Revenue*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	2,798	2,798
Revenue from Crown	-	2,776	2,776
Revenue from Other	-	22	22

*Reasons for Change in Appropriation*

This appropriation was required to administer the guarantee provided to entities under the Crown Retail Deposit Guarantee Scheme, including the management of Crown risk and administration expenses incurred in processing claims under the guarantee.

*Output Performance Measures and Standards*

	2009/10		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Performance Measures			
Treasury actively manages the Crown's interests in the event of a specific default.	N/A	Achieved	Achieved
No unnecessary delays in processing depositors claims.	N/A	Achieved	Achieved

*Conditions on Use of Appropriation*

Section 65ZG of the Public Finance Act 1989 (PFA) requires any monies paid be in accordance with Sections 65ZD and 65ZG of the PFA.

## Administration of Investment of Public Money PLA (M31)

### *Scope of Appropriation*

This appropriation is limited to expenses incurred in connection with administering the investment of public money, as authorised by section 65J(1) of the Public Finance Act 1989.

### *Expenses and Revenue*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	996	(683)	313
Revenue from Crown	978	(669)	309
Revenue from Other	18	(14)	4

### *Reasons for Change in Appropriation*

An increase in the Crown's borrowing programme has resulted in a commensurate decrease in relative activity in the remaining NZDMO output classes. This is the main driver for the decrease in this appropriation.

## Crown Guarantee Schemes (M31)

### *Scope of Appropriation*

This appropriation is limited to the implementation and operation of the Crown's Deposit Guarantee Scheme and Crown's Wholesale Funding Guarantee Facility excluding expenses incurred in connection with administering claims under a guarantee or indemnity given under the scheme.

### *Expenses and Revenue*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	5,471	5,471
Revenue from Crown	-	5,428	5,428
Revenue from Other	-	43	43

### *Reasons for Change in Appropriation*

This appropriation was created from 1 September 2009 with the transfer of costs associated with the Crown Guarantee Scheme (Retail and Wholesale) functions from the State Sector and Economic Performance Policy Advice Multi-Class Output Appropriation. This includes an expense transfer from 2008/09 of \$982,000 for litigation costs which may arise.

*Output Performance Measures and Standards*

Performance Measures	2009/10		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
<b>Crown Guarantee Schemes</b>			
Development and implementation of an overall plan for managing the Crown interests including default events.	N/A	Achieved	Achieved
Active monitoring of guaranteed institutions is undertaken to minimise Crown exposure.	N/A	Achieved	Achieved
Treasury actively manages the Crown interests in the event of a specific default.	N/A	Within 7 days of default	Within 7 days of default

**Infrastructure Advice and Co-ordination (M80)***Scope of Appropriation*

This appropriation is limited to the provision of advice to the government and to government agencies on infrastructure, ensuring co-ordination and implementation of the government's infrastructure activities, the formulation and implementation of the National Infrastructure Plan, monitoring of infrastructure investment and frameworks, and operation of the National Infrastructure Advisory Board.

*Expenses and Revenue*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,942	110	5,052
Revenue from Crown	4,885	88	4,973
Revenue from Other	57	22	79

*Reasons for Change in Appropriation*

A fiscally neutral transfer was approved to cover the risk of due diligence work around capital business cases.

## Macro Economic Policy Advice & Management MCOA (M31)

### *Scope of Appropriation*

#### **Economic and Tax Forecasting**

This output class is limited to the preparation of economic and tax forecasts, and monitoring of and reporting on economic and tax conditions.

#### **Fiscal Management**

This output class is limited to the development of the Budget strategy and advice, and activities of the annual Budget process.

#### **Fiscal Reporting**

This output class is limited to preparing fiscal forecasts, monitoring of and reporting on fiscal conditions, preparing the financial statements of the Government, providing advice on the application and development of generally accepted accounting practice as it applies to the Crown, and monitoring the adequacy of departmental financial management controls.

#### **Management of Crown Lending and Crown Bank Accounts**

This output class is limited to the management of Crown lending and Crown and Departmental bank accounts.

#### **Policy Advice: Fiscal and Macroeconomic**

This output class is limited to the provision of fiscal and macroeconomic policy advice.

### *Explanation for Use of Multi-Class Output Expense Appropriation*

These output classes all contribute to the outcome of a stable and sustainable macroeconomic environment in New Zealand.

### *Expenses and Revenue*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Total Appropriation</b>	13,654	662	14,316
Economic and Tax Forecasting	2,677	78	2,755
Fiscal Management	2,422	775	3,197
Fiscal Reporting	3,570	138	3,708
Management of Crown Lending and Crown Bank Accounts	906	(546)	360
Policy Advice: Fiscal and Macroeconomic	4,079	217	4,296
<b>Revenue from Crown</b>	13,403	677	14,080
Economic and Tax Forecasting	2,627	78	2,705
Fiscal Management	2,378	769	3,147
Fiscal Reporting	3,504	146	3,650
Management of Crown Lending and Crown Bank Accounts	890	(536)	354
Policy Advice: Fiscal and Macroeconomic	4,004	220	4,224

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Revenue from Other	251	(15)	236
Economic and Tax Forecasting	50	-	50
Fiscal Management	44	6	50
Fiscal Reporting	66	(8)	58
Management of Crown Lending and Crown Bank Accounts	16	(10)	6
Policy Advice: Fiscal and Macroeconomic	75	(3)	72

### *Reasons for Change in Appropriation*

The changes in these appropriations are a result of fiscally neutral transfers between output expenses and also \$830,000 returned to the Crown as savings from the MCOA this year.

## **State Sector and Economic Performance Policy Advice and Management MCOA (M31)**

### *Scope of Appropriation*

#### **Crown Deposit Guarantee Scheme**

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.

#### **Crown Wholesale Guarantee Facility**

This output class is limited to the implementation and operation of the Crown's wholesale guarantee facility.

#### **Management of Liabilities, Claims Against the Crown and Crown Properties**

Management of contractual or Treaty of Waitangi related claims against the Crown and the management of New Zealand House, London.

#### **New Zealand Export Credit Office**

Implementation of the Government's Export Credit Guarantees policy and operation of the New Zealand Export Credit Office.

#### **Policy Advice: Economic Performance**

Policy advice on the Government's economic strategy and policy settings and their effect on New Zealand's economic growth.

#### **Policy Advice: State Sector Performance**

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.

### *Explanation for Use of Multi-Class Output Expense Appropriation*

These output classes all contribute to the outcomes of improving New Zealand's overall economic performance and improving state sector performance.



## Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Total Appropriation</b>	38,751	(2,498)	36,253
Crown Deposit Guarantee Scheme	3,720	(3,283)	437
Crown Wholesale Guarantee Facility	1,540	(1,399)	141
Management of Liabilities, Claims Against the Crown and Crown Properties	2,093	(519)	1,574
New Zealand Export Credit Office	1,871	2,273	4,144
Policy Advice: Economic Performance	15,465	(1,424)	14,041
Policy Advice: State Sector Performance	14,062	1,854	15,916
<b>Revenue from Crown</b>	38,216	(2,569)	35,647
Crown Deposit Guarantee Scheme	3,720	(3,310)	410
Crown Wholesale Guarantee Facility	1,540	(1,406)	134
Management of Liabilities, Claims Against the Crown and Crown Properties	2,057	(507)	1,550
New Zealand Export Credit Office	1,842	2,251	4,093
Policy Advice: Economic Performance	15,227	(1,438)	13,789
Policy Advice: State Sector Performance	13,830	1,841	15,671
<b>Revenue from Other</b>	535	71	606
Crown Deposit Guarantee Scheme	-	27	27
Crown Wholesale Guarantee Facility	-	7	7
Management of Liabilities, Claims Against the Crown and Crown Properties	36	(12)	24
New Zealand Export Credit Office	29	22	51
Policy Advice: Economic Performance	238	14	252
Policy Advice: State Sector Performance	232	13	245

## Reasons for Change in Appropriation

This multi-class output expense appropriation has decreased by \$2.498 million primarily due to:

- The Crown Deposit Guarantee Scheme and the Crown Wholesale Guarantee Facility funding being transferred to a new appropriation "Crown Guarantee Scheme" as at 1 September 2009 (\$4.682 million).
- New funding of \$1.193 million for Short Term credit insurance facility extensions for New Zealand Export Credit Office's (NZECO) products and an expense transfer from 2008/09 for \$358,000 due to delays in NZECO contracts. The balance of the increase (\$722,000) relates to fiscally neutral transfers to this output expense appropriation to align 2009/10 baselines with budgeted expenditure reflecting Ministerial priorities.
- Policy Advice: Economic Performance appropriation was reduced by \$177,000 to establish the 2025 Productivity Taskforce and \$33,000 was transferred to the Trade Negotiations Fund in Vote Foreign Affairs and Trade. A fiscally neutral transfer of \$1.214 million was made to other outputs from this output appropriation.

- New funding of \$1.500 million was provided in Policy Advice: State Sector Performance to progress the Better Administrative Shared Services project. These increases were partially offset by a transfer of \$350,000 to Vote State Owned Enterprises to reflect fiscally neutral transfers totalling \$704,000.

## Part 2.2 - Non-Departmental Output Expenses

### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Government Objective: To make the New Zealand economy more productive. Specific Objective: To establish the 2025 Productivity Taskforce.	2025 Productivity Taskforce

### 2025 Productivity Taskforce (M31)

#### *Scope of Appropriation*

This appropriation is limited to the fees and expenses of members of the Taskforce appointed to carry forward work on the productivity gap with Australia, and the fees and expenses for any other advice that the Taskforce may commission.

#### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	171	171

#### *Reasons for Change in Appropriation*

This appropriation was specifically created during the year from a transfer from the departmental output expense appropriation Policy Advice: Economic Performance.

#### *Output Performance Measures and Standards*

	2009/10		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Performance Measures			
2025 Productivity Taskforce established	N/A	Achieved	Achieved
Initial Taskforce report due by 30 November 2009	N/A	Achieved	Achieved

## Management of the Crown's Obligations for Geothermal Wells (M31)

### *Scope of Appropriation*

This appropriation is limited to the management and maintenance relating to geothermal wells and associated sites and structures for which the Crown accepts responsibility.

### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	151	200	351

### *Reasons for Change in Appropriation*

An expense transfer from 2008/09 was made to provide funding for remedial work on redundant geothermal assets at Wairaki as this work was not completed during 2008/09.

## Regulatory Responsibility Taskforce (M81)

### *Scope of Appropriation*

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.

### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	266	(146)	120

### *Reasons for Change in Appropriation*

The Regulatory Responsibility Taskforce officially ended in September 2009 and this reduction represents the under expenditure expected in 2009/10.

## Summary of Service Providers for Non-Departmental Outputs

Provider	2009/10			Reporting Mechanism	Expiry of Resourcing Commitment
	Estimates \$000	Supplementary Estimates \$000	Total \$000		
Non-government organisation					
2025 Productivity Taskforce	-	171	171	Not required	June 2012

The above table summarises funding to be allocated through Vote Finance to non-departmental providers, along with an indication of the mechanism to be used for reporting actual performance and (where determined) the length of the funding commitment.

## Part 4 - Details for Borrowing Expenses

### Part 4.2 - Non-Departmental Borrowing Expenses

#### Debt Servicing PLA (M31)

##### *Scope of Appropriation*

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.

##### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	2,153,000	135,836	2,288,836

##### *Reasons for Change in Appropriation*

The change reflects interest rate movements and the amount of debt outstanding.

## Part 5 - Details and Expected Results for Other Expenses

### Part 5.2 - Non-Departmental Other Expenses

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Objective: To meet Crown liabilities and manage Crown assets efficiently.	Invercargill Airport Suspensory Loan Expense on Initial Recognition
	Maui Gas Contracts Residual Liabilities PLA
	Payments in respect of Guarantees and Indemnities PLA
	Rugby World Cup 2011

#### Government Superannuation Fund Unfunded Liability PLA (M31)

##### *Scope of Appropriation*

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.

##### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	676,025	(13,025)	663,000

##### *Reasons for Change in Appropriation*

This decrease reflects marginal changes to forecast assumptions, other than actuarial losses and gains.

## Impairment of Loans to Taitokerau Forest Limited (M31)

### *Scope of Appropriation*

This appropriation is limited to the expense incurred on the impairment of new loans to Taitokerau Forests Limited.

### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,400	1,700	3,100

### *Reasons for Change in Appropriation*

The Taitokerau Forest Limited loan draw-down in 2009/10 was delayed due to the finalisation of precedents in the agreement between Taitokerau Forest Limited and the Crown, and \$1.700 million has been transferred to 2009/10.

## Invercargill Airport Suspensory Loan Expense on Initial Recognition (M31)

### *Scope of Appropriation*

This appropriation is limited to the expense incurred on the initial recognition of Invercargill Airport suspensory loans.

### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	300	300

### *Reasons for Change in Appropriation*

The Invercargill Airport suspensory loan was not drawn down in 2008/09 and therefore an expense transfer from 2008/09 to 2009/10 was required.

**Maui Gas Contracts Residual Liabilities PLA (M31)***Scope of Appropriation*

This appropriation is limited to the expenses associated with repaying amounts that have been paid to the Crown in excess of the amounts required for the purpose of the Maui Gas Contracts, as authorised by section 65U(4) of the Public Finance Act 1989.

*Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	2,355	2,355

*Reasons for Change in Appropriation*

The Maui Gas Contracts ceased at 30 June 2009, however there was a right for invoices to be re-opened in certain circumstances as a result of revisions to indices. This has been completed and a payment of \$2.355 million has been made to Contact Energy. This was partially funded (\$982,000) from an expense transfer from 2008/09 for this purpose.

**National Provident Fund - Crown liability for Scheme Deficiency PLA (M31)***Scope of Appropriation*

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.

*Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	33,400	(33,400)	-

*Reasons for Change in Appropriation*

The Crown is liable for deficiencies in specified superannuation schemes of the National Provident Fund. The Estimates figure was based on the previous year, however due to increased returns on investments it is currently forecasted that there will be no deficiency to pay for 2009/10.



## New Zealand House, London (M31)

### *Scope of Appropriation*

This appropriation is limited to the operational costs of New Zealand House, London.

### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	16,200	(1,500)	14,700

### *Reasons for Change in Appropriation*

There has been a reduction in New Zealand House operating costs due to changes in the foreign exchange rates and reduced occupancy rates during 2009/10.

## Payment in respect of Export Credit Office Guarantees and Indemnities PLA (M31)

### *Scope of Appropriation*

This appropriation is limited to payments by the Crown under export credit guarantees or indemnities given under section 65ZD of the Public Finance Act 1989, as authorised by section 65ZG of that Act.

### *Expenses*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	170	170

### *Reasons for Change in Appropriation*

A claim under Export Credit Office guarantees and indemnities is expected in 2009/10.

### *Expected Results*

	2009/10		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Claims are reported and paid in a timely and accurate manner	N/A	Achieved	Achieved

## Payments in respect of Guarantees and Indemnities PLA (M31)

### Scope of Appropriation

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.

### Expenses

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	1,392,000	1,392,000

### Reasons for Change in Appropriation

This appropriation is required for payment of guaranteed deposits of defaulting entities, guaranteed under the Crown Retail Deposit Guarantee Scheme. The Crown takes over the rights of the depositors and recognises the recovery of any funds from these organisations as non-tax revenue.

### Expected Results

	2009/10		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
The Crown's liability to guaranteed depositors of defaulting entities is correctly recorded in the Financial Statements of The Government.	N/A	Unqualified audit opinion	Unqualified audit opinion
Payments are made in accordance with the requirements of the Public Finance Act.	N/A	Unqualified audit opinion	Unqualified audit opinion

## Rugby New Zealand 2011 Limited (M31)

### Scope of Appropriation

This appropriation is limited to recognition of an increase in the Crown's 67% share of forecast loss of Rugby New Zealand 2011 Limited.

### Expenses

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	4,000	4,000

### Reasons for Change in Appropriation

The change reflects the Crown's share of Rugby New Zealand 2011's forecast increased loss.

## Part 6 - Details and Expected Results for Capital Expenditure

### Part 6.1 - Departmental Capital Expenditure

#### The Treasury - Capital Expenditure PLA (M31)

##### *Scope of Appropriation*

This appropriation is limited to the purchase or development of assets by and for the use of the Treasury, as authorised by section 24(1) of the Public Finance Act 1989.

##### *Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	801	88	889
Intangibles	382	(380)	2
Other	-	-	-
<b>Total Appropriation</b>	<b>1,183</b>	<b>(292)</b>	<b>891</b>

##### *Reasons for Change in Appropriation*

This decrease in the departmental capital expenditure of \$292,000 mainly relates to a delay in the redevelopment of the Treasury's human resources and financial systems pending the potential outcome of the Better Administrative Support Services project currently underway.

### Part 6.2 - Non-Departmental Capital Expenditure

#### Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Purchase of equity in Hawke's Bay Airport company	Hawke's Bay Airport Equity Injection
Purchase of shares subscribed to by New Zealand as a member of International Financial Institutions	International Financial Institutions PLA
Suspensory loan to Invercargill Airport for border security equipment	Invercargill Airport Suspensory Loan
A capital injection to restore Public Trust's capital adequacy to the guideline level and maintain public confidence in Public Trust	Public Trust Capital Injection

**Hawke's Bay Airport Equity Injection (M31)***Scope of Appropriation*

This appropriation is limited to the purchase of equity in a new Hawke's Bay airport company.

*Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	7,400	7,400

*Reasons for Change in Appropriation*

This appropriation was transferred from 2008/09 as corporatisation did not take place until 1 July 2009.

**International Financial Institutions PLA (M31)***Scope of Appropriation*

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.

*Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	270,000	270,000

*Reasons for Change in Appropriation*

The increase is due to expected contributions to the International Monetary Fund (IMF) in 2009/10.

## Invercargill Airport Suspensory Loan (M31)

### *Scope of Appropriation*

This appropriation is limited to the provision of loans to Invercargill Airport for border security equipment.

### *Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	1,500	1,500

### *Reasons for Change in Appropriation*

The Invercargill Airport Suspensory Loan was not drawn down in 2008/09 and therefore a capital transfer was required.

## Landcorp Protected Land Agreement (M31)

### *Scope of Appropriation*

Purchase (including by reinvesting cash dividends) of redeemable preference shares in Landcorp under the Protected Land Agreement.

### *Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	13,000	(3,000)	10,000

### *Reasons for Change in Appropriation*

During 2009/10 the Crown purchased redeemable preference shares in Landcorp equivalent to dividend payments of \$10 million, being \$3 million less than forecast.

## Public Trust Capital Injection (M31)

### *Scope of Appropriation*

This appropriation is limited to providing a capital injection to the Public Trust.

### *Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	30,000	30,000

### *Reasons for Change in Appropriation*

A capital injection was made to restore Public Trust's capital adequacy to the guideline level and maintain public confidence in Public Trust.

## Taitokerau Forests (M31)

### *Scope of Appropriation*

This appropriation is limited to the provision of loans to Taitokerau Forests Ltd for forest management and development.

### *Capital Expenditure*

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,400	1,700	3,100

### *Reasons for Change in Appropriation*

The Taitokerau Forest Limited loan was not drawn down in 2008/09 as a result of delays in the finalisation of precedents in the agreement between Taitokerau Forest Limited and the Crown and \$1.700 million has been transferred to 2009/10.

## Reporting Mechanisms

Appropriation	Reporting Mechanism
Hawke's Bay Airport Equity Injection	Annual Report of Hawke's Bay Airport
International Financial Institutions PLA	Not reported
Invercargill Airport Suspensory Loan	Not reported
Public Trust Capital Injection	Annual Report of the Public Trust

The above table indicates the mechanisms to be used for reporting actual results for each non-departmental capital expenditure appropriation.