

Financial Statements of the Government of New Zealand

for the Five Months
ended 30 November 2000



19 January 2001

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COMMENTARY

OVERVIEW — FIVE MONTHS TO NOVEMBER 2000

	November 2000 Actual YTD	November 2000 Forecast YTD	Variance \$m	June 2001 Forecast	June 2000 Actual
Operating balance	1,618	1,341	277	765	1,449
Net worth	10,203	9,926	277	9,350	8,583
Net Crown debt	21,305	21,551	246	22,099	21,396

The **operating balance** for November was \$1,618 million, which was \$277 million ahead of the December Economic and Fiscal Update (DEFU) forecast. This was due to:

- revenue being \$195 million above forecast;
- expenses being \$67 million below forecast; and
- SOE/CE surplus being \$15 million above forecast.

Within total revenue **tax revenue** was above forecast by \$99 million. This variance was largely due to higher than forecast:

- companies tax (\$58 million)
- customs duty (\$39 million)
- residents withholding tax (\$37 million) and
- other persons tax (\$36 million).

This was partly offset by lower-than-forecast source deductions (\$51 million).

Expenses were \$67 million below forecast. The variance was largely due to timing differences and is expected to reverse in the upcoming months.

The improvement in **net worth** against forecast of \$277 million was due entirely to the higher than forecast operating balance.

Net Crown debt was \$246 million lower than forecast. This was largely due to:

- issues of circulating currency (\$110 million) that as a matter of policy are set at the level of currency issues when the forecasts were finalised (27 November 2000);
- lower-than-forecast net purchases of physical assets of \$103 million; and
- higher-than-forecast net cashflows from operations of \$53 million.

Net Crown debt was estimated to be 20.3% of GDP at 30 November, compared to a forecast of 20.5%.

COMPARISON WITH FORECAST

Financial Performance

The financial statements for the five months ended 30 November 2000 are compared against forecasts based on the 2000 December Economic and Fiscal Update (DEFU). The operating balance comprised:

Operating Balance	Actual \$million	Forecast \$million	Variance \$million
Revenue	16,635	16,440	195
Expenses	15,296	15,363	67
SOEs and Crown entities	279	264	15
Operating balance	1,618	1,341	277

Revenue

Overall revenue was \$195 million ahead of forecast.

Tax Revenue

The components of the year-to-date variance of \$99 million against the DEFU forecast were:

Variations Against Forecast	\$million
Net Companies	58
Source Deductions	(51)
Customs Duty	39
Residents Withholding tax on interest	37
Other Persons	36
Other	(20)
Total Taxation Variance	99

- **Net companies tax** was higher-than-forecast by \$58 million due to higher than expected assessments of company tax. At this stage it is difficult to assess the extent of the variance which was timing in nature.
- **Source Deductions** were lower-than-forecast by \$51 million while **Other Persons tax** was \$36 million above forecast. Both are within the normal range of variance for large tax types.
- **Customs duty** was higher-than-forecast by \$39 million mainly due to a change in the billing system for customs duty on imports of refined fuel. This variance is expected to reverse in the upcoming months.

- **Resident withholding tax** on interest was higher-than-forecast by \$37 million. This variance has likely to have come from timing differences and is expected to reverse in the upcoming months.

Non-tax Revenue

Other non-tax revenue was \$96 million above forecast. Investment income was higher than forecast (\$57 million), largely due to gains on marketable securities and deposits (\$31 million) which are not forecast as a matter of policy. Fees fines and levies were \$20 million higher than forecast due entirely to increased child support collections.

Expenses

Total expenses for the period were \$67 million lower than forecast.

The variance was spread across a number of functional expense classifications. The majority of this variance is likely to be timing in nature.

State-Owned Enterprises (SOEs) and Crown Entities

The SOEs and Crown entities net surplus less distributions was as follows:

The SOEs and Crown entities net surplus was ahead of forecast by \$15 million.

SOEs and Crown Entities	Actual \$million	Forecast \$million	Variance
SOEs			
Surplus	179	162	17
Distributions	(132)	(128)	(4)
	47	34	13
Crown Entities			
Surplus	245	233	12
Distributions	(13)	(3)	(10)
	232	230	2
Net Surplus	279	264	15

Net Cash Flows

Net cash flows for the five months ended 30 November 2000 were as follows:

Net Cash Flows	Actual	Forecast	Variance	
	\$million	\$million	\$million	%
Operating activities	(36)	(89)	53	59.6
Investing activities (excluding net sales/(purchases) of marketable securities and deposits)	(450)	(550)	100	18.2
Amount required to be financed	(486)	(639)	153	23.9
Net (purchases)/sales of marketable securities and deposits	(2,455)	(653)	(1,802)	276.0
Financing activities	2,807	1,290	1,517	117.6
Net Movement in Cash	(134)	(2)	(132)	-

Net cashflows from operating activities were above forecast by \$53 million largely due to higher-than-forecast receipts from sales of goods and services (\$29 million) and taxation receipts (\$12 million).

Net cash outflows from investing activities (excluding net sales/(purchases) of marketable securities and deposits) had a positive variance against forecast of \$100 million due primarily to lower-than-forecast purchases of physical assets.

As a result, the **amount required to be financed** was \$153 million lower than forecast.

Financial Position

The Statement of Financial Position recording the Crown's assets, liabilities and net worth as at 30 November 2000 was made up of:

Financial Position	Actual \$million	Forecast \$million	Variance	
			\$million	%
SOEs and Crown entities	14,626	14,636	(10)	(0.1)
Physical assets	16,126	16,207	(81)	(0.5)
Financial assets	18,061	16,753	1,308	7.8
Other assets	16,404	16,087	317	2.0
Total Assets	65,217	63,683	1,534	2.4
Gross debt	39,366	38,304	(1,062)	(2.8)
Pension liabilities	8,323	8,323	-	-
Other liabilities	7,325	7,130	(195)	(2.7)
Total Liabilities	55,014	53,757	(1,257)	(2.3)
Crown Balance (net worth)	10,203	9,926	277	2.8

Net Crown debt (Gross debt less financial assets) was \$246 million lower than forecast largely due to:

- issues of circulating currency (\$110 million) which are not forecast as a matter of policy;
- lower-than-forecast purchases of physical assets (\$103 million) reflecting delays in capital projects; and
- higher-than forecast net cashflows from operations (\$53 million).

Net Crown Debt	Actual \$m	Forecast \$m	Variance \$m
Gross Borrowings	39,366	38,304	(1,062)
Less			
Marketable securities/ deposits	13,881	12,459	1,422
Advances and cash	4,180	4,294	(114)
Financial Assets	18,061	16,753	1,308
Net Crown Debt	21,305	21,551	246
Net Crown Debt to GDP Ratio	20.3%	20.5%	0.2%

Net Crown debt was estimated to be 20.3% of GDP at 30 November, compared to a forecast of 20.5%. This ratio is calculated using the actual nominal GDP number to June 2000.

COMPARISON WITH PREVIOUS YEAR

	November YTD				Year Ended 30 June			
	2000/01	1999/00			1999/00	1998/99	1997/98	1996/97
	\$m	\$m	\$m	%	\$m	\$m	\$m	\$m
Operating Statement								
Total taxation revenue	15,533	14,292	1,241	8.7	34,035	32,156	32,982	31,916
% of GDP	14.8%	14.3%			32.4%	32.5%	33.6%	33.5%
Total non tax revenue	1,102	1,198	(96)	(8.0)	2,491	4,201	2,599	2,862
Total Revenue	16,635	15,490	1,145	7.4	36,526	36,357	35,581	34,778
% of GDP	15.8%	15.5%			34.8%	36.7%	36.2%	36.6%
Social security and welfare	5,461	5,334	(127)	(2.4)	12,896	12,906	12,509	11,881
GSF pension expenses	275	264	(11)	(4.2)	478	1,132	494	739
Health	3,016	2,841	(175)	(6.2)	6,874	6,573	6,001	5,626
Education	2,788	2,589	(199)	(7.7)	6,310	5,899	5,714	5,335
Core government services	519	665	146	22.0	1,710	1,705	1,562	1,667
Other	2,212	2,001	(211)	(10.5)	5,592	5,141	5,114	4,621
Finance costs	1,057	984	(73)	(7.4)	2,373	2,516	2,804	3,072
Net foreign exchange (gains) losses	(32)	(31)	1	(3.2)	(62)	(47)	13	12
Total Expenses	15,296	14,647	(649)	(4.4)	36,171	35,825	34,211	32,953
% of GDP	14.6%	14.7%			34.4%	36.2%	34.8%	34.6%
SOE/Crown entities net surplus	279	52	227	-	575	1,245	1,164	83
ACC Valuation movement	-	-	-	-	519	-	-	-
Operating Balance	1,618	895	723	80.8	1,449	1,777	2,534	1,908
% of GDP	1.5%	0.9%			1.4%	1.8%	2.6%	2.0%
Financial Position								
SOEs and Crown entities	14,626	13,174	1,452	11.0	14,392	12,917	19,022	18,483
Physical assets	16,126	15,648	478	3.1	15,972	15,258	14,962	14,502
Other assets	34,465	31,334	3,131	10.0	30,059	30,048	28,372	24,983
Total Assets	65,217	60,156	5,061	8.4	60,423	58,223	62,356	57,968
Total Liabilities	55,014	52,836	(2,178)	(4.1)	51,840	52,201	52,435	50,498
Crown Balance (net worth)	10,203	7,320	2,883	39.4	8,583	6,022	9,921	7,470
% of GDP	9.7%	7.3%			8.2%	6.1%	10.1%	7.9%
Net Crown debt	21,305	22,095	(790)	(3.6)	21,396	21,701	24,069	25,324
% of GDP	20.3%	22.1%			20.4%	21.9%	24.5%	26.6%
GDP	105,036	99,930			105,036	99,059	98,291	95,150

Taxation revenue was \$1,241 million higher than in the five months ended November 1999, largely reflecting the increased tax rate for personal incomes over \$60,000, higher corporate profitability and higher GDP flowing through in various tax types.

Education expenses were \$199 million higher than last year. The increase in expenditure reflects demographic changes as well as new policy initiatives.

Health expenses were \$175 million higher than the previous year, due to providing new services and maintaining existing service levels as a result

of demographic, price inflation and technology growth pressures.

Other expenses were \$211 million higher than last year largely reflecting policy initiatives introduced in the 2000 Budget Update.

The investment in SOEs and Crown entities was \$1,452 million higher than the previous years primarily due to the reduction in the ACC outstanding claims liability valuation (\$519 million) and asset revaluations undertaken by Electricity SOE's at the end of the 1999/2000 financial year.

Net Crown debt has reduced primarily due to the improved cash flows from operations reported in the June 2000 Crown Financial Statements.



FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

for the five months ended 30 November 2000

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Note	Current Year Actual \$m	Current Year Forecast \$m	Current Year Actual vs Forecast Variance \$m	Current Year Actual vs Forecast %	Annual Forecast \$m
Revenue								
Levied through the Crown's Sovereign Power								
21,499	9,213	Direct taxation	1	10,369	10,288	81	0.8	22,896
12,536	5,079	Indirect taxation	2	5,164	5,146	18	0.3	12,852
34,035	14,292	Total taxation revenue		15,533	15,434	99	0.6	35,748
376	155	Compulsory fees, fines, penalties and levies		149	129	20	15.5	353
34,411	14,447	Total Revenue Levied through the Crown's Sovereign Power		15,682	15,563	119	0.8	36,101
Earned through the Crown's Operations								
1,157	610	Investment income	3	532	475	57	12.0	1,073
641	274	Sales of goods and services		269	264	5	1.9	647
343	159	Other operational revenue	4	152	138	14	10.1	332
(26)	-	Unrealised (losses)/gains arising from revaluations of commercial forests		-	-	-	-	-
2,115	1,043	Total Revenue Earned through the Crown's Operations		953	877	76	8.7	2,052
36,526	15,490	Total Revenue		16,635	16,440	195	1.2	38,153
Expenses								
By functional classification								
12,896	5,334	Social security and welfare	5	5,461	5,474	13	0.2	13,264
478	264	GSF pension expenses		275	286	11	3.8	924
6,874	2,841	Health		3,016	3,027	11	0.4	7,288
6,310	2,589	Education		2,788	2,795	7	0.3	6,774
1,710	665	Core government services		519	498	(21)	(4.2)	1,540
1,531	608	Law and order		646	657	11	1.7	1,557
1,247	438	Defence		450	456	6	1.3	1,143
1,036	314	Transport and communications		393	395	2	0.5	1,048
944	343	Economic and industrial services		447	454	7	1.5	1,146
456	105	Primary services		101	113	12	10.6	298
265	161	Heritage, culture and recreation		137	156	19	12.2	444
68	15	Housing and community development		15	16	1	6.3	56
45	17	Other		23	24	1	4.2	85
2,373	984	Finance costs	5	1,057	1,055	(2)	(0.2)	2,527
(62)	(31)	Net foreign-exchange (gains)/losses		(32)	(43)	(11)	(25.6)	(43)
-	-	Provision for future initiatives		-	-	-	-	60
36,171	14,647	Total Expenses		15,296	15,363	67	0.4	38,111
355	843	Revenue Less Expenses		1,339	1,077	262	24.3	42
1,094	52	Net surplus, less distributions, attributable to SOE's and Crown entities	8	279	264	15	5.7	723
1,449	895			1,618	1,341	277	20.7	765

The accompanying Notes are an integral part of these Statements.

STATEMENT OF FINANCIAL POSITION

as at 30 November 2000

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Note	Current Year Actual vs Forecast			Annual Forecast	
				Actual \$m	Forecast \$m	Variance \$m	%	\$m
Assets								
210	39	Cash and bank balances		81	212	(131)	(61.8)	93
10,440	11,772	Marketable securities and deposits		13,881	12,459	1,422	11.4	11,279
3,995	3,743	Advances	6	4,099	4,082	17	0.4	4,768
5,520	5,947	Receivables	7	6,449	6,133	316	5.2	5,490
274	337	Inventories		269	264	5	1.9	329
State-owned enterprises and Crown entities								
14,392	13,174	Other investments	8	14,626	14,636	(10)	(0.1)	15,204
338	273	Physical assets	9	360	364	(4)	(1.1)	341
15,972	15,648	Commercial forests	10	16,126	16,207	(81)	(0.5)	16,476
369	419	State highways		370	370	-	-	370
8,911	8,802	Intangible assets	11	8,954	8,954	-	-	9,015
2	2	Capital contingency provision		2	2	-	-	2
-	-			-	-	-	-	300
60,423	60,156	Total Assets		65,217	63,683	1,534	2.4	63,667
Liabilities								
5,240	4,469	Payables and provisions	12	4,802	4,717	(85)	(1.8)	5,098
2,236	2,194	Currency issued		2,523	2,413	(110)	(4.6)	2,413
36,041	37,649	Borrowings		39,366	38,304	(1,062)	(2.8)	38,239
8,323	8,524	Pension liabilities		8,323	8,323	-	-	8,567
51,840	52,836	Total Liabilities		55,014	53,757	(1,257)	(2.3)	54,317
8,583	7,320	Total Assets Less Total Liabilities		10,203	9,926	277	2.8	9,350
Crown Balance								
382	(269)	Accumulated operating balance		2,006	1,736	270	15.6	1,160
8,201	7,589	Revaluation reserve	13	8,197	8,190	7	0.1	8,190
8,583	7,320	Crown Balance		10,203	9,926	277	2.8	9,350

The accompanying Notes are an integral part of these Statements.

STATEMENT OF MOVEMENTS IN EQUITY

for the five months ended 30 November 2000

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
6,022	6,022	Opening Crown Balance	8,583	8,583	-	-	8,583
1,449	895	Operating balance for the period	1,618	1,341	277	20.7	765
1,112	403	Net revaluations	2	2	-	-	2
2,561	1,298	Total Recognised Revenues and Expenses	1,620	1,343	277	20.6	767
8,583	7,320	Closing Crown Balance	10,203	9,926	277	21	9,350

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS

for the five months ended 30 November 2000

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
Cash Flows From Operations							
Cash was provided from							
Direct Taxation							
Individuals							
12,920	5,193	Source deductions	5,550	5,553	(3)	(0.1)	13,575
3,553	1,669	Other persons	1,822	1,830	(8)	(0.4)	4,001
(1,043)	(585)	Refunds	(632)	(634)	2	0.3	(1,200)
306	151	Fringe benefit tax	188	187	1	0.5	291
15,736	6,428	Total Individuals	6,928	6,936	(8)	(0.1)	16,667
Companies							
4,726	1,950	Gross companies	2,335	2,316	19	0.8	5,147
(618)	(271)	Refunds	(263)	(257)	(6)	(2.3)	(617)
4,108	1,679	Total Companies	2,072	2,059	13	0.6	4,530
1,566	640	Withholding taxes	660	665	(5)	(0.8)	1,692
1	1	Other direct taxation	1	1	-	-	2
21,411	8,748	Total Direct Taxation	9,661	9,661	-	-	22,891
Indirect Taxation							
Goods and services tax							
13,664	5,428	Gross goods and services tax	5,890	5,838	52	0.9	14,336
(4,852)	(1,954)	Refunds	(2,256)	(2,208)	(48)	(2.2)	(5,292)
8,812	3,474	Total goods and services tax	3,634	3,630	4	0.1	9,044
2,014	816	Excise duties	730	729	1	0.1	1,938
1,627	650	Other indirect taxation	702	695	7	1.0	1,756
12,453	4,940	Total Indirect Taxation	5,066	5,054	12	0.2	12,738
33,864	13,688	Total Taxation Receipts	14,727	14,715	12	0.1	35,629
308	139	Compulsory fees, fines, penalties and levies	129	129	-	-	351
Other Receipts							
1,070	525	Interest, profits and dividends	358	353	5	1.4	835
621	269	Sales of goods and services	295	266	29	10.9	623
341	136	Other operating receipts	162	154	8	5.2	265
2,032	930	Total Other Receipts	815	773	42	5.4	1,723
36,204	14,757	Total cash provided from operations	15,671	15,617	54	0.3	37,703
Cash was disbursed to							
4,447	2,014	Departmental outputs	1,837	1,846	9	0.5	4,634
15,303	6,002	Other outputs	6,995	7,025	30	0.4	16,286
2,507	1,224	Finance costs	1,189	1,168	(21)	(1.8)	2,516
131	57	Subsidies	60	59	(1)	(1.7)	178
Current transfers							
12,615	5,657	Social assistance grants	5,539	5,516	(23)	(0.4)	13,043
238	87	Other transfers	87	92	5	5.4	252
-	-	Provision for future initiatives	-	-	-	-	60
35,241	15,041	Total cash disbursed to operations	15,707	15,706	(1)	-	36,969
963	(284)	Net Cash Flows From Operations	(36)	(89)	53	59.6	734

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS (CONTINUED)

for the five months ended 30 November 2000

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
963	(284)	Subtotal (brought forward)	(36)	(89)	53	59.6	734
		Cash Flows From Investing Activities					
		Cash was provided from					
(130)	(138)	Net sale/(purchase) of investments Net (purchase)/sale of marketable securities and deposits	51	56	(5)	(8.9)	(55)
1,983	(2)		(2,455)	(653)	(1,802)	(276.0)	57
250	41	Sale of physical assets	33	29	4	13.8	125
2,103	(99)	Total cash provided	(2,371)	(568)	(1,803)	(317.4)	127
		Cash was disbursed to					
309	34	Net increase in advances	104	106	2	1.9	680
1,160	457	Purchase of physical assets	430	529	99	18.7	1,479
-	-	Capital contingency provision	-	-	-	-	300
1,469	491	Total cash disbursed	534	635	101	15.9	2,459
634	(590)	Net Cash Flows From Investing Activities	(2,905)	(1,203)	(1,702)	(141.5)	(2,332)
1,597	(874)	Net Cash Flows From Operating and Investing Activities	(2,941)	(1,292)	(1,649)	(127.6)	(1,598)
		Cash Flows From Financing Activities					
		Cash was Provided From					
275	234	Issues of circulating currency	287	177	110	62.1	177
2,867	1,041	Issues of Government stock Other New Zealand-dollar borrowing ¹	1,078	976	102	10.5	660
453	388		942	(2,191)	3,133	143.0	514
1,683	604	Borrowing in foreign currencies ¹	2,606	2,328	278	11.9	126
5,278	2,267	Total Cash Provided	4,913	1,290	3,623	280.9	1,477
		Cash was Disbursed to					
3,305	330	Repayment of Government stock Repayment of other New Zealand- dollar borrowing ¹	101	-	(101)	-	-
1,280	458		448	-	(448)	-	-
2,318	800	Repayment of foreign-currency borrowing ¹	1,557	-	(1,557)	-	-
6,903	1,588	Total Cash Disbursed	2,106	-	(2,106)	-	-
(1,625)	679	Net Cash Flows From Financing Activities	2,807	1,290	1,517	117.6	1,477
(28)	(195)	Net Movement in Cash	(134)	(2)	(132)	-	(121)
230	230	Opening Cash Balance	210	210	-	-	210
8	4	Foreign-exchange gains/(losses) on opening cash	5	4	1	25.0	4
210	39	Closing Cash Balance	81	212	(131)	(61.8)	93

¹ Issues and repayments of other New Zealand-dollar borrowing and foreign-currency borrowing are forecast on a net basis. Actual issues and repayments are reported on a gross basis.

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS (CONTINUED)

for the five months ended 30 November 2000

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
Reconciliation Between the Operating Balance and Net Cash Flows from Operations							
1,449	895	Operating Balance	1,618	1,341	277	20.7	765
		<i>Items included in the operating balance but not in net cash flows from operations</i>					
		Valuation Changes					
26	-	Revaluation of commercial forests	-	-	-	-	-
(92)	(130)	Unrealised net foreign-exchange gains	(119)	(87)	(32)	(37)	(87)
(66)	(130)	Total Valuation Changes	(119)	(87)	(32)	(36.8)	(87)
		Physical Asset Movements					
791	320	Depreciation	345	348	(3)	(0.9)	872
(7)	2	Loss/(gain) on sale of physical assets	4	3	1	33.3	3
784	322	Total Physical Asset Movements	349	351	(2)	(0.6)	875
		Other Non-cash Items					
		Net surplus, less distributions, attributable to state-owned enterprises and Crown entities	(279)	(264)	(15)	(5.7)	(723)
(1,094)	(52)	Gain on sale of Vehicle Testing New Zealand Limited	-	-	-	-	-
(14)	(14)	Movement in pension liabilities	-	-	-	-	244
(201)	-	Other	20	-	20	-	-
208	(33)						
(1,101)	(99)	Total Other Non-cash Items	(259)	(264)	5	1.9	(479)
(36)	(5)	Total other investing and financing items	(2)	-	(2)	-	-
		Movements in Working Capital					
(164)	(601)	(Increase)/decrease in taxes receivable	(939)	(732)	(207)	(28.3)	(201)
(168)	196	(Increase)/decrease in other receivables	10	119	(109)	(91.6)	231
47	(16)	Decrease/(increase) in inventories	5	10	(5)	(50.0)	(55)
218	(846)	(Decrease)/increase in payables	(699)	(827)	128	15.5	(315)
(67)	(1,267)	Total movements in working capital	(1,623)	(1,430)	(193)	(13.5)	(340)
963	(284)	Net Cash Flows from Operations	(36)	(89)	53	59.6	734

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS (CONTINUED)

for the five months ended 30 November 2000

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
Reconciliation of Net Cash Flow From Operations With Net Cash Proceeds From Domestic Bonds							
963	(284)	Net Cash Flows From Operations	(36)	(89)	53	59.6	734
Investing flows							
<i>Net advances</i>							
4	-	Housing Corporation of New Zealand	-	-	-	-	-
101	6	Contact Energy Limited	-	-	-	-	-
(528)	(94)	Student loans	(150)	(120)	(30)	(25.0)	-
47	27	Residual Health Management Unit	-	-	-	-	-
(40)	(38)	Solid Energy New Zealand Limited	-	-	-	-	-
107	65	Other	46	14	32	228.6	(680)
(309)	(34)	Total Net Advances	(104)	(106)	2	1.9	(680)
(910)	(416)	Net purchase of physical assets	(397)	(500)	103	20.6	(1,354)
<i>Net investments</i>							
(46)	(20)	Hospital and health services	(45)	(45)	-	-	-
-	-	Capital Properties New Zealand Limited	62	63	(1)	(1.6)	-
(29)	(149)	At Work Insurance Limited	50	50	-	-	-
19	19	Vehicle Testing New Zealand Limited	-	-	-	-	-
(74)	12	Other	(16)	(12)	(4)	(33.3)	(55)
-	-	Capital Contingency Provision	-	-	-	-	(300)
(130)	(138)	Net sale/(purchase) of Investments	51	56	(5)	(8.9)	(355)
(386)	(872)	(Required to be financed)/ Available for debt repayment	(486)	(639)	153	23.9	(1,655)
<i>Used in:</i>							
Net (purchase)/sale of marketable securities and deposits							
1,983	(2)		(2,455)	(653)	(1,802)	(276.0)	57
1,597	(874)	Total Investing activities	(2,941)	(1,292)	(1,649)	(127.6)	(1,598)
(827)	(70)	Net issue/(repayment) of other New Zealand-dollar borrowing	494	(2,191)	2,685	122.5	126
(635)	(196)	Net issue/(repayment) of foreign currency borrowing	1,049	2,328	(1,279)	(54.9)	514
28	195	(Increase)/decrease in cash	134	2	132	-	121
275	234	Issues of circulating currency	287	177	110	62.1	177
(1,159)	163		1,964	316	1,648	-	938
438	(711)	Net (Cash Proceeds from)/Repayments of Domestic Bonds	(977)	(976)	(1)	(0.1)	(660)
Gross Cash Proceeds from Domestic Bonds							
1,924	893	Domestic bonds (market)	1,007	1,006	1	0.1	3,529
598	-	Domestic bonds (non-market)	71	71	-	-	297
345	148	Inflation bonds	-	-	-	-	-
2,867	1,041	Total Gross Cash Proceeds from Domestic Bonds	1,078	1,077	1	0.1	3,826
(3,011)	(330)	Repayment of domestic bonds (market)	(101)	(101)	-	-	(2,650)
(294)	-	Repayment of domestic bonds (non-market)	-	-	-	-	(516)
(438)	711	Net Cash Proceeds from/ (Repayments of) Domestic Bonds	977	976	1	0.1	660

The accompanying Notes are an integral part of these Statements.

STATEMENT OF BORROWINGS

as at 30 November 2000

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Outstanding Debt							
New Zealand-Dollar Debt							
22,239	23,406	Government stock	23,220	23,216	(4)	-	22,834
5,370	6,074	Treasury bills	6,151	4,718	(1,433)	(30.4)	5,885
230	281	Loans and foreign-exchange contracts	(48)	99	147	148.5	(159)
474	495	Retail stock	458	463	5	1.1	474
28,313	30,256	Total New Zealand-Dollar Debt	29,781	28,496	(1,285)	(4.5)	29,034
Foreign-Currency Debt							
4,329	3,683	United States dollars	5,109	5,015	(94)	(1.9)	4,153
2,054	2,199	Japanese yen	2,647	2,738	91	3.3	3,215
1,345	1,511	European and other currencies	1,829	2,055	226	11.0	1,837
7,728	7,393	Total Foreign-Currency Debt	9,585	9,808	223	2.3	9,205
36,041	37,649	Total Outstanding Debt	39,366	38,304	(1,062)	(2.8)	38,239
Less							
Financial Assets							
Marketable Securities and Deposits							
2,324	3,958	New Zealand dollars	3,679	2,401	1,278	53.2	1,816
4,467	4,093	United States dollars	5,274	5,430	(156)	(2.9)	4,360
2,277	2,189	Japanese yen	2,760	2,628	132	5.0	3,217
1,372	1,532	European and other currencies	2,168	2,000	168	8.4	1,886
10,440	11,772	Total Marketable Securities and Deposits	13,881	12,459	1,422	11.4	11,279
Advances and Cash							
259	309	Advances to state-owned enterprises and Crown entities	222	219	3	1.4	442
3,523	3,114	Student loans	3,665	3,642	23	0.6	4,104
213	320	Other advances	212	221	(9)	(4.1)	222
210	39	Cash	81	212	(131)	(61.8)	93
4,205	3,782	Total Advances and Cash	4,180	4,294	(114)	(2.7)	4,861
14,645	15,554	Total Financial Assets	18,061	16,753	1,308	7.8	16,140
21,396	22,095	Net Crown Debt	21,305	21,551	246	1.1	22,099
21,870	23,453	Net New Zealand-dollar debt	21,924	21,801	(123)	(0.6)	22,357
(474)	(1,358)	Net foreign-currency debt	(619)	(250)	369	147.6	(258)
21,396	22,095	Net Crown Debt	21,305	21,551	246	1.1	22,099

The accompanying Notes are an integral part of these Statements.

STATEMENT OF BORROWINGS (CONTINUED)

as at 30 November 2000

Movements in Net Crown Debt Since 30 June 2000

	As at 1 July 2000 \$m	Increases/ Additions \$m	Decreases/ Disposals/ Repayments \$m	Foreign Exchange Contracts \$m	Currency Realignment \$m	Unamortised Premiums \$m	As at 30 November 2000 \$m
Outstanding Debt							
By Type							
New Zealand-dollar debt	28,313	2,076	(540)	-	-	(68)	29,781
Foreign-currency debt	7,728	3,644	(2,533)	(1)	780	(33)	9,585
Total Outstanding Debt	36,041	5,720	(3,073)	(1)	780	(101)	39,366
Less							
Financial Assets							
Marketable securities and deposits	10,440	31,882	(29,373)	(37)	977	(8)	13,881
Advances and cash	4,205	355	(385)	-	5	-	4,180
Total Financial Assets	14,645	32,237	(29,758)	(37)	982	(8)	18,061
Net Crown Debt	21,396	(26,517)	26,685	36	(202)	(93)	21,305

STATEMENT OF COMMITMENTS

as at 30 November 2000

	As at 30 November 2000 \$m	As at 30 June 2000 \$m	As at 30 November 1999 \$m
Capital Commitments			
Specialist military equipment	373	321	629
Land and buildings	105	87	422
Other plant and equipment	47	63	26
Investments	38	17	144
State-owned enterprises and Crown entities	1,057	1,016	1,049
Total Capital Commitments	1,620	1,504	2,270
Operating Commitments			
Non-cancellable accommodation leases	765	789	615
Other non-cancellable leases	1,860	1,858	2,963
Non-cancellable contracts for the supply of goods and services	298	432	372
Other operating commitments	1,166	1,071	1,010
State-owned enterprises and Crown entities	2,690	2,713	2,426
Total Operating Commitments	6,779	6,863	7,386
Total Commitments	8,399	8,367	9,656

Commitments of the Reserve Bank of New Zealand, state-owned enterprises and Crown entities are included in the Statement of Commitments. Commitments to state-owned enterprises and Crown entities are excluded.

STATEMENT OF CONTINGENT LIABILITIES

as at 30 November 2000

Quantifiable Contingent Liabilities

	As at 30 November 2000 \$m	As at 30 June 2000 \$m	As at 30 November 1999 \$m
Guarantees and Indemnities	419	592	375
Uncalled Capital	3,713	3,210	2,935
Legal Proceedings and Disputes	489	542	428
Other Contingent Liabilities	2,304	1,983	1,873
Total Quantifiable Contingent Liabilities	6,925	6,327	5,611

Contingent liabilities of the Reserve Bank of New Zealand, state-owned enterprises and Crown entities are included in the Statement of Contingent Liabilities. Contingent liabilities to state-owned enterprises and Crown entities are excluded.

STATEMENT OF ACCOUNTING POLICIES

as at 30 November 2000

Reporting Entity

These Financial Statements are for the Crown reporting entity as specified in Part III of the Public Finance Act 1989. This comprises:

- Ministers of the Crown
- Departments
- Offices of Parliament
- Reserve Bank of New Zealand
- State-owned enterprises
- Crown entities
- Public Trust Office

A schedule of entities included in the Crown reporting entity was set out on pages 85 and 86 of the 2000 December Economic and Fiscal Update (DEFU) published on 19 December 2000.

General Accounting Policies

These Financial Statements comply with generally accepted accounting practice. The measurement base applied is historical cost adjusted for revaluations of assets.

Revaluations are made to reflect the service potential or economic benefit obtained through control of the assets. The accrual basis of accounting has been used unless otherwise stated.

These Financial Statements have been prepared on a going concern basis and the policies have been applied consistently throughout the period.

Specific Accounting Policies

The specific accounting policies of the Crown were described on pages 98 to 111 of the 2000 DEFU. There have been no changes in accounting policies during the period 1 July 2000 to 30 November 2000.

Forecast Results and Assumptions

The forecast results in these Financial Statements have been derived from the forecasts released in the DEFU, on 19 December 2000.

The assumptions underlying the preparation of forecasts are set out in the Statement of Accounting Policies and Forecast Assumptions on pages 98 to 111 of the DEFU.

Comparative Figures

Comparative figures for the previous financial year are also presented in these Financial Statements.

Percentage variances between the actual and prior year balances exceeding 500% are not shown.

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m %		
NOTE 1: Direct Taxation							
Income Tax							
Individuals							
12,972	5,099	Source deductions	5,588	5,639	(51)	(0.9)	13,575
3,123	1,611	Other persons	1,963	1,927	36	1.9	3,520
(625)	(331)	Refunds	(383)	(370)	(13)	(3.5)	(719)
306	152	Fringe benefit tax	170	166	4	2.4	292
15,776	6,531	Total Individuals	7,338	7,362	(24)	(0.3)	16,668
Companies							
4,270	2,121	Gross companies	2,420	2,366	54	2.3	4,647
(112)	(50)	Refunds	(31)	(35)	4	11.4	(117)
4,158	2,071	Total Companies	2,389	2,331	58	2.5	4,530
Withholding Taxes							
723	261	Residents' interest income	372	335	37	11.0	942
735	306	Non-residents' income	226	210	16	7.6	631
58	19	Residents' dividend income	23	28	(5)	(17.9)	47
47	24	Foreign-source dividends	20	21	(1)	(4.8)	76
1,563	610	Total Withholding Taxes	641	594	47	7.9	1,696
21,497	9,212	Total Income Tax	10,368	10,287	81	0.8	22,894
Other Direct Taxation							
2	1	Estate and gift duties	1	1	-	-	2
2	1	Total Other Direct Taxation	1	1	-	-	2
21,499	9,213	Total Direct Taxation	10,369	10,288	81	0.8	22,896
NOTE 2: Indirect Taxation							
Goods and Services Tax							
14,085	5,591	Gross goods and services tax	6,136	6,060	76	1.3	14,746
(5,214)	(2,113)	Refunds	(2,563)	(2,475)	(88)	(3.6)	(5,642)
8,871	3,478	Total Goods and Services Tax	3,573	3,585	(12)	(0.3)	9,104
Excise Duties							
808	357	Petroleum fuels	343	347	(4)	(1.2)	816
777	371	Tobacco products	303	314	(11)	(3.5)	762
442	193	Alcoholic beverages	189	189	-	-	445
2,027	921	Total Excise Duties	835	850	(15)	(1.8)	2,023
Other Indirect Taxation							
612	265	Customs duty	310	271	39	14.4	633
507	205	Road user charges	217	216	1	0.5	545
177	21	Stamp, cheque and credit card duties	25	23	2	8.7	67
176	73	Motor vehicle fees	74	73	1	1.4	176
108	68	Gaming duties	83	81	2	2.5	205
58	48	Energy resources levy	47	47	-	-	99
1,638	680	Total Other Indirect Taxation	756	711	45	6.3	1,725
12,536	5,079	Total Indirect Taxation	5,164	5,146	18	0.3	12,852

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
NOTE 3: Investment Income							
Interest Income							
426	172	Marketable securities, deposits, mortgages and cash balances	194	183	11	6.0	431
249	98	Advances	116	117	(1)	(0.9)	301
46	19	Student loans	23	20	3	15.0	48
		Other entities					
721	289	Total Interest Income	333	320	13	4.1	780
Dividend Income							
15	15	Dividends from state-owned enterprises	-	-	-	-	-
-	-	Electricity Corporation of New Zealand Limited	7	7	-	-	-
-	-	Genesis Power	11	11	-	-	-
133	100	Landcorp	29	29	-	-	-
-	-	Meridian Energy Limited	21	21	-	-	-
18	-	Mighty River Power Limited	-	-	-	-	-
51	36	New Zealand Post Limited	15	15	-	-	-
103	63	Television New Zealand Limited	42	42	-	-	-
14	6	Trans Power New Zealand Limited	7	3	4	133.3	266
12	-	Other	-	-	-	-	-
87	87	Housing Corporation Of New Zealand	12	-	12	-	-
16	22	Housing New Zealand Limited	3	3	-	-	3
		Other dividends					
449	329	Total Dividend Income	147	131	16	12.2	269
Other Investment Income							
(25)	(22)	Gains/(losses) on marketable securities and deposits	51	20	31	155.0	20
14	14	Gain on sale of Vehicle Testing	-	-	-	-	-
(2)	-	New Zealand Limited	1	4	(3)	(75.0)	4
		Other					
(13)	(8)	Total Other Investment Income	52	24	28	116.7	24
1,157	610	Total Investment Income	532	475	57	12.0	1,073

NOTE 4: Other Operational Revenue

92	45	Recoveries from Accident Compensation Corporation	46	44	2	4.5	102
46	12	Contributions to Government	10	11	(1)	(9.1)	22
27	16	Superannuation Fund	27	24	3	12.5	60
25	14	Petroleum royalties	13	12	1	8.3	29
10	4	Cost recovery income from Fisheries	4	4	-	-	10
143	68	Income from Earthquake Commission	52	43	9	20.9	109
		Other					
343	159	Total Other Operational Revenue	152	138	14	10.1	332

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
NOTE 5: Expenses by Input Type							
12,960	5,403	Subsidies and transfer payments (see analysis below)	5,537	5,529	(8)	(0.1)	13,363
16,792	6,533	Operating expenses (see analysis below)	6,910	6,972	62	0.9	17,467
		Personnel					
2,527	1,036	Personnel expenses (excluding pension expenses)	1,067	1,081	14	1.3	2,630
679	264	GSF Pension expenses	275	286	11	3.8	680
(201)	-	Movement in GSF unfunded pension liability	-	-	-	-	244
57	26	Other pension expenses	25	23	(2)	(8.7)	53
		Depreciation					
709	285	Physical assets	310	313	3	1.0	789
82	35	State highways	35	35	-	-	83
262	110	Rental and leasing costs	108	109	1	0.9	255
(7)	2	Loss/(gain) on sale of assets	4	3	(1)	(33.3)	3
2,373	984	Finance costs (see analysis below)	1,057	1,055	(2)	(0.2)	2,527
997	527	Net foreign-exchange losses/ (gains) on liabilities	822	972	150	15.4	972
(1,059)	(558)	Net foreign-exchange (gains)/ losses on assets	(854)	(1,015)	(161)	(15.9)	(1,015)
-	-	Provision for future initiatives	-	-	-	-	60
36,171	14,647	Total Expenses	15,296	15,363	67	0.4	38,111
Analysis of Subsidies and Transfer Payments							
		Social Assistance Grants					
5,068	2,095	New Zealand superannuation	2,197	2,196	(1)	-	5,261
1,433	602	Domestic purposes benefit	601	597	(4)	(0.7)	1,437
1,937	808	Community wage	769	764	(5)	(0.7)	1,864
910	394	Family support	381	379	(2)	(0.5)	921
376	187	Student allowances	194	190	(4)	(2.1)	388
2,863	1,174	Other social assistance grants	1,252	1,254	2	0.2	3,107
136	58	Subsidies	57	59	2	3.4	136
		Other Transfer Payments					
219	81	Official development assistance	78	82	4	4.9	227
18	4	Other	8	8	-	-	22
12,960	5,403	Total Subsidies and Transfer Payments	5,537	5,529	(8)	(0.1)	13,363
Analysis of Operating Expenses							
		Education purchases					
325	132	Early childhood education	142	148	6	4.1	335
3,405	1,410	Primary and secondary education	1,462	1,462	-	-	3,545
1,380	578	Tertiary education and training	632	629	(3)	(0.5)	1,496
6,400	2,651	Health purchases	2,842	2,852	10	0.4	6,734
424	172	Science purchases	190	190	-	-	467
4,858	1,590	Other operating expenses	1,642	1,691	49	2.9	4,890
16,792	6,533	Total Operating Expenses	6,910	6,972	62	0.9	17,467
Analysis of Finance Costs							
		Interest					
1,993	832	New Zealand dollars	861	870	9	1.0	2,105
355	141	Foreign currencies	188	171	(17)	(9.9)	380
25	11	Other finance costs	8	14	6	42.9	42
2,373	984	Total Finance Costs	1,057	1,055	(2)	(0.2)	2,527

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
NOTE 6: Advances							
Advances to state-owned Enterprises and Crown Entities							
		Housing Corporation of New Zealand	137	136	1	0.7	174
137	168	Zealand	137	136	1	0.7	174
80	101	Residual Health Management Unit	39	39	-	-	15
-	-	HHS's/DHB's	-	-	-	-	210
41	37	Solid Energy New Zealand Limited	43	43	-	-	43
1	3	Terralink NZ Limited	3	1	2	200.0	-
259	309	Total Advances to state-owned Enterprises and Crown Entities	222	219	3	1.4	442
Other Advances							
3,523	3,114	Student loans	3,665	3,642	23	0.6	4,104
117	212	Contact Energy Limited	117	117	-	-	117
29	28	Forestry encouragement loans	26	29	(3)	(10.3)	29
36	36	Maori Development rural lending	39	40	(1)	(2.5)	49
7	8	Catchment authorities	9	9	-	-	6
24	36	Other	21	26	(5)	(19.2)	21
3,736	3,434	Total Other Advances	3,877	3,863	14	0.4	4,326
3,995	3,743	Total Advances	4,099	4,082	17	0.4	4,768

NOTE 7: Receivables							
4,225	4,662	Taxes receivable	5,164	4,957	207	4.2	4,426
1,029	897	Accounts receivable	998	867	131	15.1	913
175	186	Receivable from the sale and purchase of Maui gas	119	121	(2)	(1.7)	95
91	202	Prepayments	168	188	(20)	(10.6)	56
5,520	5,947	Total Receivables	6,449	6,133	316	5.2	5,490

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: Ownership Interest in State-owned Enterprises and Crown Entities

	Investment as at 1 July 2000 \$m	Net surplus \$m	Distributions to Crown \$m	Net surplus after distributions \$m	Net revaluations to revaluation reserve \$m	Net capital contributions /(withdrawals) by Crown \$m	Investment as at 30 November 2000 \$m
State-owned enterprises	5,507	179	(132)	47	3	(49)	5,508
Crown entities	8,885	245	(13)	232	(1)	2	9,118
Total State-owned Enterprises and Crown Entities	14,392	424	(145)	279	2	(47)	14,626

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual
			Actual	Forecast	Variance		Forecast
			\$m	\$m	\$m	%	\$m
NOTE 9: Other Investments							
111	31	International Bank for Reconstruction and Development	111	111	-	-	111
78	86	Public Trust Office	78	78	-	-	78
109	96	Asian Development Bank	104	104	-	-	109
40	60	Other	67	71	(4)	(5.6)	43
338	273	Total Other Investments	360	364	(4)	(1.1)	341
NOTE 10: Physical Assets							
By Type							
Cost or Valuation							
1,830	2,330	Land	1,815	1,840	(25)	(1.4)	1,845
441	525	Properties intended for sale	431	420	11	2.6	420
8,749	7,955	Buildings	8,756	8,819	(63)	(0.7)	9,182
2,753	2,468	Specialist military equipment	2,864	2,886	(22)	(0.8)	3,034
2,097	2,135	Other plant and equipment	2,174	2,211	(37)	(1.7)	2,395
2,637	2,513	Other assets	2,656	2,627	29	1.1	2,627
18,507	17,926	Total Cost or Valuation	18,696	18,803	(107)	(0.6)	19,503
Accumulated Depreciation							
866	688	Buildings	931	928	(3)	(0.3)	1,136
487	413	Specialist military equipment	391	392	1	0.3	472
1,182	1,170	Other plant and equipment	1,247	1,275	28	2.2	1,417
-	7	Other assets	1	1	-	-	2
2,535	2,278	Total Accumulated Depreciation	2,570	2,596	26	1.0	3,027
Net Book Value							
1,830	2,330	Land	1,815	1,840	(25)	(1.4)	1,845
441	525	Properties intended for sale	431	420	11	2.6	420
7,883	7,267	Buildings	7,825	7,891	(66)	(0.8)	8,046
2,266	2,055	Specialist military equipment	2,473	2,494	(21)	(0.8)	2,562
915	965	Other plant and equipment	927	936	(9)	(1.0)	978
2,637	2,506	Other assets	2,655	2,626	29	1.1	2,625
15,972	15,648	Total Net Book Value	16,126	16,207	(81)	(0.5)	16,476
Movements since 30 June							
Cost or Valuation							
17,467	17,467	Opening balance	18,507	18,507	-	-	18,507
407	260	Net additions	186	296	(110)	(37.2)	996
633	199	Revaluations	3	-	3	-	-
18,507	17,926	Total Cost or Valuation	18,696	18,803	(107)	(0.6)	19,503
Accumulated Depreciation							
2,209	2,209	Opening balance	2,535	2,535	-	-	2,535
(194)	(54)	Disposals	(278)	(253)	25	9.9	(298)
709	285	Depreciation charged for the period	310	313	3	1.0	789
(189)	(162)	Revaluations	3	1	(2)	(200.0)	1
2,535	2,278	Total Accumulated Depreciation	2,570	2,596	26	1.0	3,027
15,972	15,648	Net Physical Assets	16,126	16,207	(81)	(0.5)	16,476

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m	Current Year Actual vs Forecast			Annual Forecast
		Actual \$m	Forecast \$m	Variance \$m	%

NOTE 11: State Highways

Cost or Valuation							
8,770	8,770	Opening balance	8,911	8,911	-	-	8,911
201	67	Net additions	78	78	-	-	187
(60)	-	Net revaluations	-	-	-	-	-
8,911	8,837	Total Cost or Valuation	8,989	8,989	-	-	9,098
Accumulated Depreciation							
-	-	Opening balance	-	-	-	-	-
82	35	Depreciation charged for the period	35	35	-	-	83
(82)	-	Net revaluations	-	-	-	-	-
-	35	Total Accumulated Depreciation	35	35	-	-	83
8,911	8,802	Net State Highways	8,954	8,954	-	-	9,015

NOTE 12: Payables and Provisions

1,714	1,678	Taxes repayable	1,774	1,709	(65)	(3.8)	1,711
1,243	1,511	Accounts payable	1,436	1,479	43	2.9	1,514
1,363	421	Accruals and provisions	679	671	(8)	(1.2)	1,015
		National Provident Fund					
433	423	guarantee	480	433	(47)	(10.9)	433
		National Provident Fund Board					
105	96	indemnity	35	35	-	-	-
		Provisions for employee					
382	340	entitlements	398	390	(8)	(2.1)	425
5,240	4,469	Total Payables and Provisions	4,802	4,717	(85)	(1.8)	5,098

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 2000 \$m	Actual 30 November 1999 \$m		Current Year Actual vs Forecast				Annual
			Actual \$m	Forecast \$m	Variance		Forecast \$m
			\$m	\$m	\$m	%	\$m
NOTE 13: Revaluation Reserve							
7,219	7,219	Opening Balance	8,201	8,201	-	-	8,201
Net Revaluations							
22	-	State highways	-	-	-	-	-
516	361	Land and buildings	-	-	-	-	-
195	-	Specialist military equipment	-	-	-	-	-
111	-	Other assets	-	(1)	1	100.0	(1)
268	42	State-owned enterprises and Crown entities	2	3	(1)	(33.3)	3
1,112	403	Total Net Revaluations	2	2	-	-	2
(130)	(33)	Transfers to accumulated operating balance	(6)	(13)	7	54	(13)
8,201	7,589	Closing Revaluation Reserve	8,197	8,190	7	0.1	8,190



**FORECAST TRACKS FOR
THE YEAR ENDED
30 JUNE 2001**

INTRODUCTION

The following tables detail the month-by-month profile of the Government's fiscal forecasts for the 2000/01 year. The monthly track is published for the:

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Movements in Equity
- Statement of Cash Flows
- Statement of Borrowings

The release of the monthly forecast track provides additional information on the timing and magnitude of revenue and expense flows through the financial year. The monthly financial statements for the year will compare actual results against these forecasts.

The monthly forecast track is based on the revised full-year forecasts released in the 2000 December Economic and Fiscal Update (DEFU) on 19 December 2000.

In the charts, the results to the end of September 2000 are spread equally over the three months (as financial statements are not published for July and August). This may mask any fluctuations in those months.

Figures 1.1, 1.2 and 1.3 (page 34) illustrate the forecast track for the operating balance (surplus/deficit, total revenue and expenses) and net Crown debt.

ACCOUNTING POLICIES

There are a number of areas that are not forecast as a matter of policy, and as a result the actual results could differ significantly from that forecast. These areas include:

- Exchange rates have been assumed as those prevailing at 31 October 2000. Therefore net foreign-exchange gains are constant in the Statement of Financial Performance.
- No asset valuations are forecast. Physical assets, commercial forests and investments in SOEs and Crown entities may alter as new valuations are performed during the year.
- The amount of currency issued is assumed to be constant.

The accounting policies and forecast assumptions underlying the preparation of the following forecasts are set out in detail on pages 98 to 111 of the DEFU.

STATEMENT OF FINANCIAL PERFORMANCE

Operating Balance

The operating balance is forecast to peak in March at \$1.9 billion before it falls to a surplus of \$765 million in June. The large increase in expenditure between May and June reflects, in part, the forecasting policies for other expenses and the provision for future initiatives outlined on the following page.

In addition, due to the Crown's revenue recognition policies, tax revenue peaks in particular months, with the result that the operating balance is uneven during the year.

Revenue

The largest components of tax revenue are source deductions, other persons (includes unincorporated businesses, partnerships and individuals' terminal tax), companies and goods and services tax.

Revenue from source deductions accrues relatively evenly throughout the year as it is recognised when individuals are paid wages and salaries.

Other persons revenue and companies tax are recognised on the basis of the issue of assessments for terminal tax and on the basis of payment due dates for provisional tax. This results in these tax types being forecast to peak in November and March, which reflects the recognition of provisional tax revenue for taxpayers with 31 March balance dates.

GST is recognised when the liability to the Crown is incurred and accordingly accrues relatively evenly throughout the year.

Non tax revenue is generally relatively even throughout the year, except for investment income. This peaks in March and June reflecting

the recognition of dividends from State-owned enterprises and Crown entities.

Expenses

Social security and welfare

Monthly fluctuations mainly reflect the number of days in the month as social assistance grants are accrued on a daily basis. In addition expenses increase in December due to the seasonal increase in unemployment as students claim benefits.

Education

Expenses reduce in December and January as a result of the school and university holidays.

Other expenses

The 'other' expense category largely reflects forecast expenses relating to the settlement of Treaty of Waitangi claims. The forecast claims have been allocated to the June period in accordance with the Crown's forecasting policy.

Provision for future initiatives

This represents a provision for 2000 Budget initiatives which have yet to be fully developed.

The provision for future initiatives has been included in the month of June. As these initiatives have yet to be developed there has been no apportionment of the provision over the forecast period to 31 May. Variances between actual results and forecasts within the relevant functional classification may occur once these initiatives are finalised and implemented.

Net surplus attributable to state-owned enterprises and Crown entities

The majority of the fluctuation in the net surplus attributable to state-owned enterprises and Crown entities is due to the dividend flows mentioned above. The ACC forecast valuation change occurs as at 30 June 2001, and therefore impacts the month of June only.

STATEMENT OF FINANCIAL POSITION

The movements in the forecast Statement of Financial Position are largely a result of transactions reported in the Statement of Financial Performance and Statement of Cash Flows.

Crown balance

Over the forecast period the Crown balance moves in line with the forecast operating balance peaking at \$10,460 million in March and ending the year at \$9,350 million.

Net Crown Debt

Net Crown debt is forecast to rise to \$22,099 million by 30 June 2001, from \$21,776 million at 31 October 2000. This increase is largely owing to the net purchase of physical assets (\$1,354 million by June 2001) partially offset by positive net cash outflows from operations (\$734 million by June 2001) reflecting the cash impacts of the operating balance forecast.

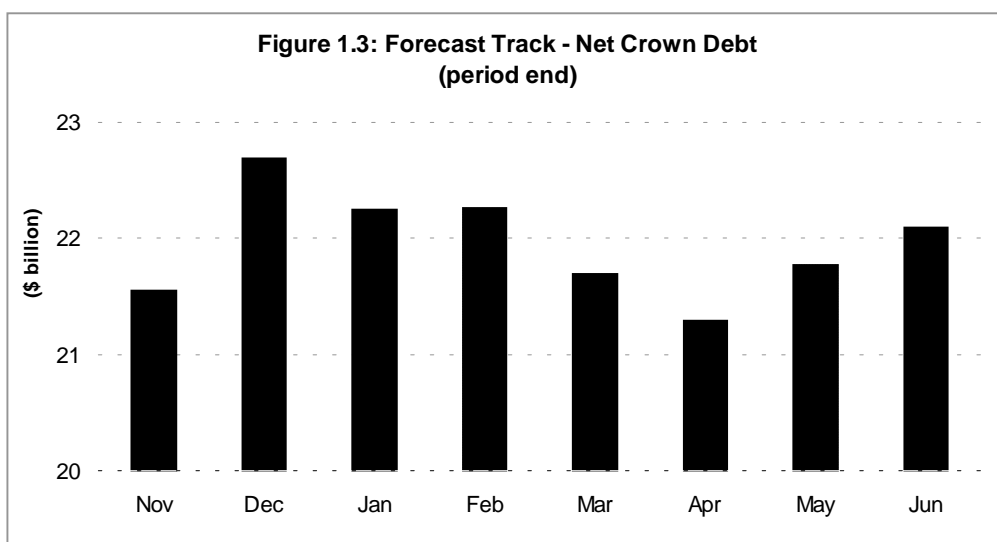
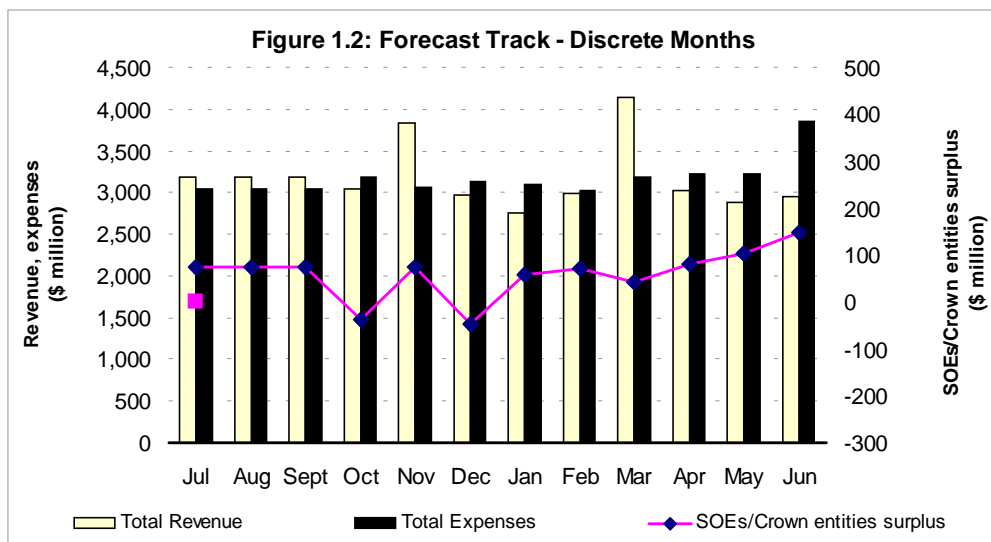
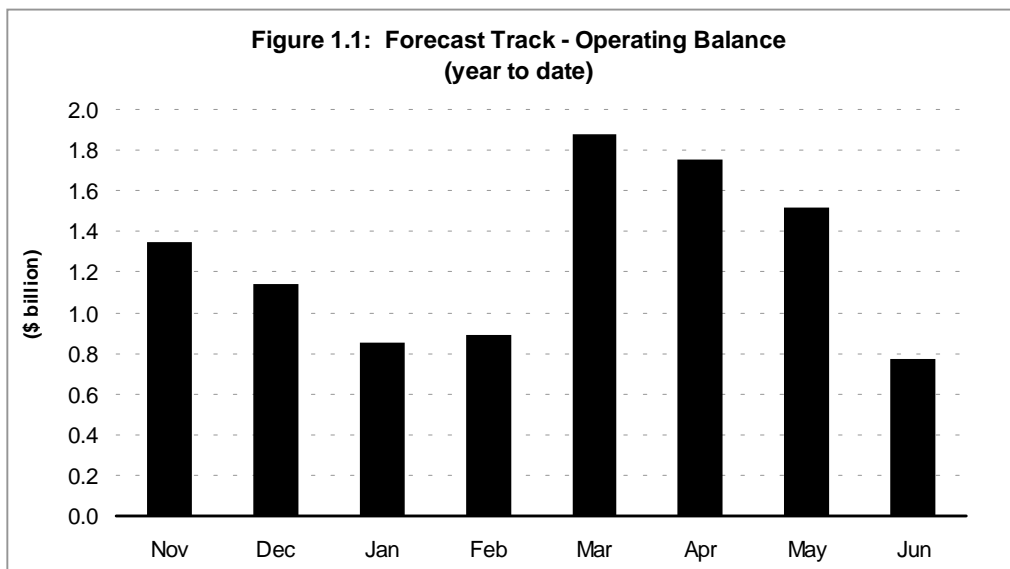
The rise in net Crown debt will not occur evenly as net cashflows from operations fluctuate significantly over the forecast period, largely owing to the uneven timing of taxation receipts.

STATEMENT OF CASH FLOWS

The monthly forecast track for cash flows is affected by the same factors influencing the Statement of Financial Performance. In addition, no GST returns are required for the month of December, instead there are two collection dates in January due to the statutory holiday period. This results in a significant cash flow difference between these two months.

Net cash flows from operations differ from the operating balance. This difference arises as some items, such as depreciation and the net surplus or deficit attributable to SOEs and Crown entities, affect the operating balance but do not have associated cash flow impacts.

2000/2001 FISCAL YEAR



STATEMENT OF FINANCIAL PERFORMANCE

Forecast Track for the year ending 30 June 2001

Based on the December Economic and Fiscal Update 2000

	YTD actual		YTD forecast							
	Sept \$m	Oct \$m	Nov \$m	Dec \$m	Jan \$m	Feb \$m	Mar \$m	Apr \$m	May \$m	June \$m
Revenue										
Levied through the Crown's sovereign power										
Direct taxation	5,935	7,661	10,288	11,951	13,480	15,150	18,018	19,737	21,289	22,896
Indirect taxation	3,045	4,086	5,146	6,252	7,300	8,469	9,498	10,638	11,798	12,852
Total taxation revenue	8,980	11,747	15,434	18,203	20,780	23,619	27,516	30,375	33,087	35,748
Compulsory fees, fines, penalties and levies	91	119	129	158	183	209	239	267	295	353
Total revenue levied through the Crown's sovereign power	9,071	11,866	15,563	18,361	20,963	23,828	27,755	30,642	33,382	36,101
Earned through the Crown's operations										
Investment income	241	399	475	544	621	680	801	860	926	1,073
Sales of goods and services	165	223	264	313	359	408	463	512	571	647
Other operational revenue	90	118	138	190	214	237	266	291	314	332
Unrealised losses arising from revaluations of commercial forests	-	-	-	-	-	-	-	-	-	-
Total revenue earned through the Crown's operations	496	740	877	1,047	1,194	1,325	1,530	1,663	1,811	2,052
Total revenue	9,567	12,606	16,440	19,408	22,157	25,153	29,285	32,305	35,193	38,153
Expenses										
By functional classification										
Social security and welfare	3,285	4,388	5,474	6,602	7,745	8,767	9,861	10,998	12,116	13,264
GSF Pension expense	163	220	286	344	402	459	516	574	630	924
Health	1,810	2,431	3,027	3,640	4,246	4,855	5,484	6,071	6,679	7,288
Education	1,678	2,278	2,795	3,283	3,755	4,270	4,880	5,467	6,120	6,774
Core government services	343	455	498	620	733	869	977	1,116	1,248	1,540
Law and order	383	518	657	779	902	1,018	1,148	1,271	1,396	1,557
Defence	268	362	456	550	641	737	836	960	1,050	1,143
Transport and communications	180	268	395	520	622	724	811	897	977	1,048
Economic and industrial services	287	374	454	539	627	727	820	916	1,012	1,146
Primary services	58	79	113	138	162	186	211	236	261	298
Heritage, culture and recreation	61	91	156	195	242	277	313	361	400	444
Housing and community development	16	27	16	20	24	28	33	38	43	56
Other	5	23	24	25	26	27	28	29	30	85
Finance costs	619	833	1,055	1,279	1,501	1,716	1,926	2,136	2,336	2,527
Net foreign-exchange gains	(37)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)	(43)
Provision for future initiatives	-	-	-	-	-	-	-	-	-	60
Total expenses	9,119	12,304	15,363	18,491	21,585	24,617	27,801	31,027	34,255	38,111
Revenue less expenses	448	302	1,077	917	572	536	1,484	1,278	938	42
Net surplus, less distributions, attributable to State-owned enterprises and Crown entities	227	190	264	218	275	347	391	472	576	723
Operating balance	675	492	1,341	1,135	847	883	1,875	1,750	1,514	765

STATEMENT OF FINANCIAL POSITION

Forecast Track for the year ending 30 June 2001

Based on the December Economic and Fiscal Update 2000

	YTD actual		YTD forecast							
	Sept \$m	Oct \$m	Nov \$m	Dec \$m	Jan \$m	Feb \$m	Mar \$m	Apr \$m	May \$m	June \$m
Assets										
Cash and bank balances	104	218	212	201	224	230	238	240	247	93
Marketable securities and deposits	11,352	12,577	12,459	12,217	12,050	11,986	11,999	12,020	12,047	11,279
Advances	4,077	4,077	4,082	4,088	4,101	4,277	4,602	4,667	4,697	4,768
Receivables	6,451	6,323	6,133	6,928	6,213	6,089	6,404	5,713	5,726	5,490
Inventories	278	269	264	264	264	264	302	302	302	329
State-owned enterprises and Crown entities	14,624	14,537	14,636	14,717	14,760	14,817	14,826	14,933	15,024	15,204
Other investments	360	360	364	364	364	364	364	364	364	341
Physical assets	15,894	16,094	16,207	16,258	16,186	16,309	16,331	16,354	16,351	16,476
Commercial forests	370	370	370	370	370	370	370	370	370	370
State highways	8,931	8,938	8,954	8,963	8,972	8,981	8,989	8,998	9,006	9,015
Intangible assets	2	2	2	2	2	2	2	2	2	2
Contingency capital provision	-	-	-	-	-	-	-	-	-	300
Total assets	62,443	63,765	63,683	64,372	63,506	63,689	64,427	63,963	64,136	63,667
Liabilities										
Payables and provisions	5,005	5,304	4,717	4,738	4,716	4,732	4,704	4,677	4,541	5,098
Currency issued	2,299	2,413	2,413	2,413	2,413	2,413	2,413	2,413	2,413	2,413
Borrowings	37,556	38,648	38,304	39,196	38,622	38,753	38,527	38,215	38,760	38,239
Pension liabilities	8,323	8,323	8,323	8,323	8,323	8,323	8,323	8,323	8,323	8,567
Total liabilities	53,183	54,688	53,757	54,670	54,074	54,221	53,967	53,628	54,037	54,317
Total assets less total liabilities	9,260	9,077	9,926	9,702	9,432	9,468	10,460	10,335	10,099	9,350
Crown balance										
Accumulated operating balance	1,070	887	1,736	1,512	1,242	1,278	2,270	2,145	1,909	1,160
Revaluation reserve	8,190	8,190	8,190	8,190	8,190	8,190	8,190	8,190	8,190	8,190
Crown balance	9,260	9,077	9,926	9,702	9,432	9,468	10,460	10,335	10,099	9,350

STATEMENT OF MOVEMENT IN EQUITY

Forecast Track for the year ending 30 June 2001

Based on the December Economic and Fiscal Update 2000

	YTD actual		YTD forecast							
	Sept \$m	Oct \$m	Nov \$m	Dec \$m	Jan \$m	Feb \$m	Mar \$m	Apr \$m	May \$m	June \$m
Opening Crown balance	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583	8,583
Operating balance for the period	675	492	1,341	1,135	847	883	1,875	1,750	1,514	765
Net revaluations	2	2	2	2	2	2	2	2	2	2
Total recognised revenues and expenses	677	494	1,343	1,137	849	885	1,877	1,752	1,516	767
Closing Crown balance	9,260	9,077	9,926	9,720	9,432	9,468	10,460	10,335	10,099	9,350

STATEMENT OF CASHFLOWS

Forecast Track for the year ending 30 June 2001

Based on the December Economic and Fiscal Update 2000

	YTD actual				YTD forecast					
	Sept \$m	Oct \$m	Nov \$m	Dec \$m	Jan \$m	Feb \$m	Mar \$m	Apr \$m	May \$m	June \$m
Cash flows from operations										
Cash was provided from										
Direct taxation										
Individuals										
Source deductions	3,337	4,395	5,553	6,727	7,897	9,008	10,123	11,265	12,397	13,575
Other persons	918	1,058	1,830	1,876	2,018	2,306	3,164	3,760	3,859	4,001
Refunds	(429)	(538)	(634)	(709)	(784)	(842)	(887)	(975)	(1,075)	(1,200)
Fringe benefit tax	95	186	187	188	263	264	265	266	290	291
Total individuals	3,921	5,101	6,936	8,082	9,394	10,736	12,665	14,316	15,471	16,667
Companies										
Gross companies	1,233	1,676	2,316	2,585	2,852	3,298	3,861	4,442	4,694	5,147
Refunds	(129)	(177)	(257)	(324)	(394)	(460)	(504)	(542)	(575)	(617)
Total companies	1,104	1,499	2,059	2,261	2,458	2,838	3,357	3,900	4,119	4,530
Withholding taxes	374	549	665	778	994	1,076	1,221	1,431	1,570	1,692
Other direct taxation	-	1	1	1	1	1	1	2	2	2
Total direct taxation	5,399	7,150	9,661	11,122	12,847	14,651	17,244	19,649	21,162	22,891
Indirect taxation										
Goods and services tax										
Gross goods and services tax	3,376	4,711	5,838	6,326	8,245	9,435	10,528	11,930	13,090	14,336
Refunds	(1,299)	(1,734)	(2,208)	(2,605)	(3,079)	(3,522)	(3,973)	(4,394)	(4,856)	(5,292)
Total goods and services tax	2,077	2,977	3,630	3,721	5,166	5,913	6,555	7,536	8,234	9,044
Excise duties	401	558	729	929	1,151	1,270	1,412	1,570	1,743	1,938
Other indirect taxation	404	547	695	848	985	1,116	1,290	1,440	1,617	1,756
Total indirect taxation	2,882	4,082	5,054	5,498	7,302	8,299	9,257	10,546	11,594	12,738
Total taxation receipts	8,281	11,232	14,715	16,620	20,149	22,950	26,501	30,195	32,756	35,629
Compulsory fees, fines, penalties and levies	79	101	129	160	184	209	237	264	292	351
Other receipts										
Interest, profits and dividends	206	324	353	400	462	518	627	677	732	835
Sales of goods and services	178	235	266	318	364	414	470	522	581	623
Other operating receipts	90	142	154	172	186	201	219	235	251	265
Total other receipts	474	701	773	890	1,012	1,133	1,316	1,434	1,564	1,723
Total cash provided from operations	8,834	12,034	15,617	17,670	21,345	24,292	28,054	31,893	34,612	37,703
Cash was disbursed to										
Departmental outputs	1,117	1,402	1,846	2,207	2,568	2,921	3,288	3,675	4,032	4,634
Other outputs	4,187	5,698	7,025	8,289	9,758	10,998	12,465	14,022	15,359	16,286
Finance costs	581	883	1,168	1,257	1,439	1,619	1,830	2,144	2,487	2,516
Subsidies	32	49	59	70	81	113	126	138	151	178
Current transfers										
Social assistance grants	3,429	4,515	5,516	6,819	7,863	8,837	9,830	10,918	11,956	13,043
Other transfers	70	79	92	111	127	159	195	213	231	252
Provision for future initiatives	-	-	-	-	-	-	-	-	-	60
Total cash disbursed to operations	9,416	12,626	15,706	18,753	21,836	24,647	27,734	31,110	34,216	36,969
Net cash flows from operations	(582)	(592)	(89)	(1,083)	(491)	(355)	320	783	396	734

STATEMENT OF CASHFLOWS (CONTINUED)

Forecast Track for the year ending 30 June 2001

Based on the December Economic and Fiscal Update 2000

	YTD actual				YTD forecast					
	Sept \$m	Oct \$m	Nov \$m	Dec \$m	Jan \$m	Feb \$m	Mar \$m	Apr \$m	May \$m	June \$m
Subtotal (brought forward)	(582)	(592)	(89)	(1,083)	(491)	(355)	320	783	396	734
Cash flows from investing activities										
Cash was provided from										
Sale of physical assets	20	19	29	60	68	74	80	89	107	125
Total cash provided	20	19	29	60	68	74	80	89	107	125
Cash was disbursed to										
Net (sale)/purchase of investments	(58)	(101)	(56)	36	65	93	123	153	182	55
Net purchase/(sale) of marketable securities and deposits	24	1,099	653	689	515	219	258	997	575	(57)
Net increase of advances	63	91	106	82	76	259	577	644	700	680
Purchase of physical assets	246	324	529	706	858	1,026	1,175	1,277	1,400	1,479
Contingency capital provision	-	-	-	-	-	-	-	-	-	300
Total cash disbursed	275	1,413	1,232	1,513	1,514	1,597	2,133	3,071	2,857	2,457
Net cash flows from investing activities	(255)	(1,394)	(1,203)	(1,453)	(1,446)	(1,523)	(2,053)	(2,982)	(2,750)	(2,332)
Net cash flows from operating and investing activities	(837)	(1,986)	(1,292)	(2,536)	(1,937)	(1,878)	(1,733)	(2,199)	(2,354)	(1,598)
Cash flows from financing activities										
Cash was provided from										
Issue of circulating currency	63	177	177	177	177	177	177	177	177	177
Issues of Government stock	550	790	976	1,263	1,555	(894)	(505)	(116)	(273)	660
Other New Zealand-dollar borrowing ¹	146	659	(2,191)	(1,117)	(1,800)	790	459	483	590	126
Borrowing in foreign currencies ¹	2,003	2,410	2,328	2,200	2,015	1,821	1,626	1,681	1,893	514
Total cash provided	2,762	4,036	1,290	2,523	1,947	1,894	1,757	2,225	2,387	1,477
Cash was disbursed to										
Repayment of Government stock	101	101	-	-	-	-	-	-	-	-
Repayment of other New Zealand-dollar borrowing ¹	362	393	-	-	-	-	-	-	-	-
Repayment of foreign-currency borrowing ¹	1,569	1,550	-	-	-	-	-	-	-	-
Total cash disbursed	2,032	2,044	-	-	-	-	-	-	-	-
Net cash flows from financing activities	730	1,992	1,290	2,523	1,947	1,894	1,757	2,225	2,387	1,477
Net movement in cash	(107)	6	(2)	(13)	10	16	24	26	33	(121)
Opening cash balance	210	210	210	210	210	210	210	210	210	210
Foreign-exchange gains on opening cash	1	2	4	4	4	4	4	4	4	4
Closing cash balance	104	218	212	201	224	230	238	240	247	93

¹ Issues and repayments of other New Zealand-dollar borrowing and foreign-currency borrowing are forecast on a net basis. Actual issues and repayments are reported on a gross basis.

STATEMENT OF CASHFLOWS (CONTINUED)

Forecast Track for the year ending 30 June 2001

Based on the December Economic and Fiscal Update 2000

	YTD actual				YTD forecast					
	Sept \$m	Oct \$m	Nov \$m	Dec \$m	Jan \$m	Feb \$m	Mar \$m	Apr \$m	May \$m	June \$m
Reconciliation between the operating balance and net cash flows from operations										
Operating Balance	675	492	1,341	1,135	847	883	1,875	1,750	1,514	765
<i>Items included in the operating balance but not in net cash flows from operations</i>										
Valuation Changes										
Revaluation of commercial forests	-	-	-	-	-	-	-	-	-	-
Unrealised net foreign-exchange gains	(87)	(43)	(87)	(87)	(87)	(87)	(87)	(87)	(87)	(87)
Total Valuation Changes	(87)	(43)	(87)	(87)	(87)	(87)	(87)	(87)	(87)	(87)
Physical Asset Movements										
Depreciation	202	273	348	420	492	564	637	709	782	872
Gains on sale of physical assets	(3)	3	3	3	3	3	3	3	3	3
Total Physical Asset Movements	199	276	351	423	495	567	640	712	785	875
Other Non-cash Items										
Net surplus, less distributions, attributable to state-owned enterprises and Crown entities	(227)	(190)	(264)	(218)	(275)	(347)	(391)	(472)	(576)	(723)
Movement in pension liabilities	-	-	-	-	-	-	-	-	-	244
Other	19	20	-	-	-	-	-	-	-	-
Total Other Non-cash Items	(208)	(170)	(264)	(218)	(275)	(347)	(391)	(472)	(576)	(479)
Total Other Investing and Financing Items	(7)	(10)	-	-	-	-	-	-	-	-
Movements in working capital										
(Increase) in taxes receivable	(1,093)	(823)	(732)	(1,591)	(639)	(680)	(1,027)	(184)	(346)	(201)
(Increase)/decrease in other receivables	162	(210)	119	183	(54)	111	143	(9)	140	231
(Increase) in inventories	(4)	5	10	10	10	10	(28)	(28)	(28)	(55)
Decrease in payables	(219)	(109)	(827)	(938)	(788)	(812)	(805)	(899)	(1,006)	(315)
Total movements in working capital	(1,154)	(1,137)	(1,430)	(2,336)	(1,471)	(1,371)	(1,717)	(1,120)	(1,240)	(340)
Net cash flows from operations	(582)	(592)	(89)	(1,083)	(491)	(355)	320	783	396	734

STATEMENT OF CASHFLOWS (CONTINUED)

Forecast Track for the year ending 30 June 2001

Based on the December Economic and Fiscal Update 2000

	YTD actual				YTD forecast					
	Sept \$m	Oct \$m	Nov \$m	Dec \$m	Jan \$m	Feb \$m	Mar \$m	Apr \$m	May \$m	June \$m
Reconciliation of net cash flows from operations with net cash proceeds from domestic bonds										
Net cash flows from operations	(582)	(592)	(89)	(1,083)	(491)	(355)	320	783	396	734
Investing flows										
Total net advances	(63)	(91)	(106)	(82)	(76)	(259)	(577)	(644)	(700)	(680)
Net purchase of physical assets	(226)	(305)	(500)	(646)	(790)	(952)	(1,095)	(1,188)	(1,293)	(1,354)
Net sale/(purchase) of Investments	58	101	56	(36)	(65)	(93)	(123)	(153)	(182)	(55)
Capital Contingency Provision (Required to be financed)/Available for debt repayment	-	-	-	-	-	-	-	-	-	(300)
	(813)	(887)	(639)	(1,847)	(1,422)	(1,659)	(1,475)	(1,202)	(1,779)	(1,655)
Used in:										
Net sale/(purchase) of marketable securities and deposits	(24)	(1,099)	(653)	(689)	(515)	(219)	(258)	(997)	(575)	57
Total Investing Activities	(837)	(1,986)	(1,292)	(2,536)	(1,937)	(1,878)	(1,733)	(2,199)	(2,354)	(1,598)
Net issues/(repayment) of other New Zealand-dollar borrowing	(216)	266	(2,191)	(1,117)	(1,800)	790	459	483	590	126
Net issues/(repayment) of foreign currency borrowing	434	860	2,328	2,200	2,015	1,821	1,626	1,681	1,893	514
Decrease/(increase) in cash	106	(6)	2	13	(10)	(16)	(24)	(26)	(33)	121
Issue of circulating currency	63	177	177	177	177	177	177	177	177	177
	387	1,297	316	1,273	382	2,772	2,238	2,315	2,627	938
Net cash repayment of/(proceeds from) domestic bonds	(450)	(689)	(976)	(1,263)	(1,555)	894	505	116	273	(660)
Gross cash proceeds from domestic bonds										
Domestic bonds (market)	479	719	1,006	1,292	1,584	1,975	2,364	2,753	3,142	3,529
Domestic bonds (non-market)	71	71	71	71	71	297	297	297	297	297
Inflation bonds	-	-	-	-	-	-	-	-	-	-
Total gross cash proceeds from domestic bonds	550	790	1,077	1,363	1,655	2,272	2,661	3,050	3,439	3,826
Repayment of domestic bonds (market)	(100)	(101)	(101)	(100)	(100)	(2,650)	(2,650)	(2,650)	(2,650)	(2,650)
Repayment of domestic bonds (non-market)	-	-	-	-	-	(516)	(516)	(516)	(516)	(516)
Net cash (repayment of)/ proceeds from domestic bonds	450	689	976	1,263	1,555	(894)	(505)	(116)	273	660

STATEMENT OF BORROWINGS

Forecast Track for the year ending 30 June 2001

Based on the December Economic and Fiscal Update 2000

	YTD actual				YTD forecast					
	Sept \$m	Oct \$m	Nov \$m	Dec \$m	Jan \$m	Feb \$m	Mar \$m	Apr \$m	May \$m	June \$m
Outstanding debt										
New Zealand-dollar debt										
Government stock	22,687	22,924	23,216	23,502	23,789	21,356	21,738	22,126	22,525	22,834
Treasury bills	5,414	5,778	4,718	5,525	4,784	7,549	6,985	6,334	6,517	5,885
Loans and foreign-exchange contracts	(20)	(66)	99	99	99	49	(3)	(53)	(103)	(159)
Retail stock	462	459	463	465	466	468	470	471	472	474
Total New Zealand-dollar debt	28,543	29,095	28,496	29,591	29,138	29,422	29,190	28,878	29,411	29,034
Foreign-currency debt										
United States dollars	4,259	4,725	5,015	5,326	5,205	5,052	5,058	5,058	5,070	4,153
Japanese yen	3,157	2,687	2,738	2,410	2,410	2,410	2,410	2,410	2,410	3,215
European and other currencies	1,597	2,141	2,055	1,869	1,869	1,869	1,869	1,869	1,869	1,837
Total foreign-currency debt	9,013	9,553	9,808	9,605	9,484	9,331	9,337	9,337	9,349	9,205
Total outstanding debt	37,556	38,648	38,304	39,196	38,622	38,753	38,527	38,215	38,760	38,239
Less										
Financial assets										
Marketable securities and deposits										
New Zealand dollars	1,761	2,636	2,401	2,360	2,317	2,400	2,413	2,434	2,451	1,816
United States dollars	4,665	4,955	5,430	4,904	5,105	4,955	4,955	4,955	4,962	4,360
Japanese yen	3,330	2,822	2,628	2,889	2,628	2,628	2,628	2,628	2,628	3,217
European and other currencies	1,596	2,164	2,000	2,064	2,000	2,003	2,003	2,003	2,006	1,886
Total marketable securities and deposits	11,352	12,577	12,459	12,217	12,050	11,986	11,999	12,020	12,047	11,279
Advances and cash										
Advances to State-owned enterprises and Crown entities	220	220	219	219	219	294	334	334	364	442
Student loans	3,642	3,642	3,642	3,646	3,658	3,758	4,040	4,103	4,103	4,104
Other advances	215	215	221	223	224	225	228	230	230	222
Cash	104	218	212	201	224	230	238	240	247	93
Total advances and cash	4,181	4,295	4,294	4,289	4,325	4,507	4,840	4,907	4,944	4,861
Total financial assets	15,533	16,872	16,753	16,506	16,375	16,493	16,839	16,927	16,991	16,140
Net Crown debt	22,023	21,776	21,551	22,690	22,247	22,260	21,688	21,288	21,769	22,099
Net New Zealand-dollar debt	22,600	22,204	21,801	22,942	22,496	22,515	21,937	21,537	22,016	22,357
Net foreign-currency debt	(577)	(428)	(250)	(252)	(249)	(255)	(249)	(249)	(247)	(258)
Net Crown debt	22,023	21,776	21,551	22,690	22,247	22,260	21,688	21,288	21,769	22,099