

Financial Statements of the Government of New Zealand

For the Nine Months
Ended 31 March 2000



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COMMENTARY

OVERVIEW — NINE MONTHS TO MARCH 2000

	March 2000 Actual YTD	March 2000 Forecast YTD	Variance \$m	June 2000 Forecast	June 1999 Actual
Operating balance	1,831	1,050	781	14	1,777
Net worth	8,372	7,115	1,257	6,079	6,022
Net Crown debt	21,517	22,923	1,406	23,322	21,701

The **operating balance** for March was \$1,831 million, which was \$781 million ahead of forecast.

Compared with the PREFU forecast, the **operating balance** was higher than forecast largely due to:

- taxation revenue being \$360 million above forecast;
- expenses being \$177 million below forecast; and
- SOE/CE surplus being \$109 million above forecast.

Company Tax was higher-than-forecast by \$297 million largely owing to higher corporate profits than forecast in the PREFU.

Non-tax revenue was \$135 million above forecast largely due to compulsory fees being \$49 million above forecast and \$25 million received from IBM as part of the INCIS settlement.

Expenses were \$177 million below forecast with favourable variances across a number of functional categories such as Social security and welfare (\$50 million) and Primary services (\$33 million).

At this stage indications are that the year end outturn for 1999/2000 is likely to be slightly ahead of the BPS forecast of \$400 million, prior to valuation movements. Valuation movements such as the GSF unfunded liability and ARCIC outstanding claims liability are likely to have a significant positive impact on the year end outturn.

The improvement in **net worth** against forecast of \$1,257 million was due to:

- the higher-than-forecast operating surplus for the nine months ended 31 March 2000 (\$781 million); and

- positive revaluation movements of \$476 million largely due to the regular revaluation of the school property portfolio (\$362 million). Asset revaluations are not forecast as a matter of policy.

Net Crown debt was \$1,406 million lower than forecast largely due to two items which do not effect the operating balance:

- lower-than-forecast net purchases of physical assets (\$512 million); and
- higher-than-forecast issues of currency (\$276 million). Issues are not forecast as a matter of policy but set when the forecasts are finalised.

In addition, net cash flows from operations were favourable (\$418 million).

While some of the favourable variance against forecast in cash flows from operations and net purchase of physical assets is attributable to timing it is likely that a portion of these variances will be sustained for the full year.

Net Crown debt was estimated to be 21.0% of GDP at 31 March, compared to a forecast of 22.4%.

Forecast figures in these accounts were based on the 1999 Pre-election Economic and Fiscal Update (PREFU).

The Budget Policy Statement (BPS) incorporating updated forecasts was released on 8 March 2000.

Where possible, commentary has been included on the updated forecast when comparing the year to date results.

COMPARISON WITH FORECAST

Financial Performance

The financial statements for the nine months ended 31 March 2000 are compared against forecasts based on the 1999 Pre-election Economic and Fiscal Update (PREFU). The operating balance comprised:

Operating Balance	Actual \$million	Forecast \$million	Variance \$million
Revenue	28,110	27,615	495
Expenses	26,572	26,749	177
SOEs and Crown entities	293	184	109
Operating balance	1,831	1,050	781

Revenue

Overall revenue was \$495 million ahead of forecast.

Tax Revenue

Tax revenue is tracking slightly ahead of the revised BPS forecast. However, receipts are tracking slightly behind the revised BPS forecast.

The components of the year-to-date positive variance against PREFU forecast of \$360 million were:

Variations Against Forecast	\$million
Net companies	297
Goods and services	58
Customs Duty	54
Net other persons	(30)
Source deductions	(30)
Other taxation	11
Total Taxation Variance	360

- **Net Companies tax** was higher-than-forecast by \$297 million. This variance is due to higher projected corporate profits than forecast in PREFU reflecting recent growth in the economy.
- **Customs Duty** was higher than forecast by \$54 million largely due to increased imports. The major component of customs duty comes from fuel imports.

- The remaining tax types are within normal forecasting error range. Much of the timing differences outlined in the February financial statements have now reversed.

Non-tax Revenue

Other non-tax revenue was \$135 million above forecast largely due to compulsory fees received being higher-than-forecast by \$49 million. In addition, other operational revenue was higher-than-forecast by \$60 million, largely due to \$25 million received from IBM as part of the INCIS settlement.

Expenses

Total expenses for the period were \$177 million lower than forecast. This variance is largely due to favourable variances in some functional expense categories including:

- Social security and welfare being \$50 million below forecast largely reflecting reduced uptake of benefits due to improved labour market conditions.
- Primary services being \$33 million below forecast largely due to legislative changes affecting revenue and expenditure at an output class level at the Ministry of Agriculture and Forestry.

State-Owned Enterprises (SOEs) and Crown Entities

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

SOEs and Crown Entities	Actual \$million	Forecast \$million	Variance
SOEs			
Surplus	313	212	101
Distributions	(321)	(293)	(28)
	(8)	(81)	73
Crown Entities			
Surplus	406	396	10
Distributions	(105)	(131)	26
	301	265	36
Net Surplus	293	184	109

The SOEs and Crown entities surplus was ahead of forecast by \$109 million. The key components included:

- higher-than-forecast net surplus from electricity SOE's including ECNZ (\$24 million), Transpower (\$25 million) and Meridian Energy (\$24 million).
- higher-than-forecast surplus from Hospital and Health Services (\$28 million).

At this stage indications are that the year end result for 1999/2000 is likely to be slightly ahead of the BPS forecast of \$400 million, prior to valuation movements. Valuation movements such as the GSF unfunded liability and ARCIC outstanding claims liability are likely to have a significant positive impact on the year end outturn.

Net Cash Flows

Net cash flows for the nine months ended 31 March 2000 were as follows:

Net Cash Flows	Actual	Forecast	Variance	
	\$million	\$million	\$million	%
Operating activities	349	(69)	418	605.8
Investing activities (excluding net sales/(purchases) of marketable securities and deposits)	(979)	(1,667)	688	41.3
Amount required to be financed	(630)	(1,736)	1,106	63.7
Net sales/(purchases) of marketable securities and Deposits	1,029	2,906	(1,877)	(64.6)
Financing activities	(518)	(1,344)	826	61.5
Net Movement in Cash	(119)	(174)	55	31.6

The positive variance against forecast of \$418 million for **net cash outflows from operating activities** was largely due to:

- total cash disbursed to operations being lower than forecast (\$233 million);
- other receipts being higher than forecast (\$143 million)

Net cash outflows from investing activities (excluding net sales/(purchases) of marketable securities and deposits) had a positive variance against forecast of \$688 million.

This was largely due to lower-than-forecast net purchases of physical assets (\$512 million) including:

- sale of forests as a component of Treaty settlements were not forecast (\$125 million); and
- delays in asset purchase programmes.

As a result, the **amount required to be financed** was \$1,106 million lower than forecast. This was reflected by:

- reduced sales of marketable securities and deposits; and
- reduced financing activities.

Financial Position

The Statement of Financial Position recording the Crown's assets, liabilities and net worth as at 31 March 2000 was made up of:

Financial Position	Actual \$million	Forecast \$million	Variance	
			\$million	%
SOEs and Crown entities	13,402	13,354	48	0.4
Physical assets	15,665	15,580	85	0.5
Other assets	16,105	15,932	173	1.1
	45,172	44,866	306	0.7
Net Crown debt	21,517	22,923	1,406	6.1
Other Liabilities	15,283	14,828	(455)	3.1
	36,800	37,751	951	2.5
Crown Balance (net worth)	8,372	7,115	1,257	17.7

Net Crown debt was \$1,406 million lower than forecast largely due to two items which do not effect the operating balance;

- lower-than-forecast net purchases of physical assets (\$512 million) due to:
 - delays in capital purchasing (mainly Defense); and
 - sale of forests as a component of Treaty settlements were not forecast (\$125 million).
- higher-than-forecast issues of currency (\$276 million). Issues are not forecast as a matter of policy but set when the forecasts are finalised.

In addition, net cash flows from operations were favourable (\$418 million).

While some of the favourable variance against forecast in cash flows from operations and net purchase of physical assets is attributable to timing it is likely that a portion of these variances will be sustained for the full year.

Net Crown Debt	Actual \$m	Forecast \$m	Variance \$m
Gross Borrowings	36,532	35,597	935
Less			
Marketable securities/ deposits	10,907	8,582	2,325
Advances and cash	4,108	4,092	16
Financial Assets	15,015	12,674	2,341
Net Crown Debt	21,517	22,923	1,406
Net Crown Debt to GDP Ratio	21.0%	22.4%	1.4%

Net Crown debt was estimated to be 21.0% of GDP at 31 March, compared to a forecast of 22.4%. This ratio is calculated using the actual nominal GDP number to December 1999.

COMPARISON WITH PREVIOUS YEAR

	March YTD				Year Ended 30 June			
	1999/2000 \$m	1998/99 \$m	\$m	%	1998/99 \$m	1997/98 \$m	1996/97 \$m	1995/96 \$m
Operating Statement								
Total taxation revenue	26,135	25,000	1,135	4.5	32,156	32,982	31,916	32,233
% of GDP	25.6%	25.4%			32.3%	37.0%	33.2%	34.9%
Total non tax revenue	1,975	2,088	(113)	(5.4)	4,201	2,599	2,862	2,826
Total Revenue	28,110	27,088	1,022	3.8	36,357	35,581	34,778	35,059
% of GDP	27.5%	27.6%			36.5%	39.9%	36.2%	38.0%
Social security and welfare	9,612	9,638	(26)	(0.3)	12,906	12,509	11,881	11,229
GSF pension expenses	491	517	(26)	(5.0)	1,132	494	739	1,011
Health	5,116	4,920	196	4.0	6,573	6,001	5,626	5,228
Education	4,575	4,332	243	5.6	5,899	5,714	5,335	4,949
Core government services	1,214	1,185	29	2.4	1,705	1,562	1,667	1,565
Other	3,843	3,591	252	7.0	5,141	5,114	4,621	4,661
Finance costs	1,779	1,949	(170)	(8.7)	2,516	2,804	3,072	3,703
Net foreign exchange (gains) losses	(58)	(51)	(7)	13.7	(47)	13	12	(603)
Total Expenses	26,572	26,081	491	1.9	35,825	34,211	32,953	31,743
% of GDP	26.0%	26.5%			36.0%	38.4%	34.3%	34.4%
SOE/Crown entities net surplus	293	817	(524)	(64.1)	1,245	1,164	83	(2)
Operating Balance	1,831	1,824	7	0.4	1,777	2,534	1,908	3,314
% of GDP	1.8%	1.9%			1.8%	2.8%	2.0%	3.6%
Financial Position								
SOEs and Crown entities	13,402	19,582	(6,180)	(31.2)	12,917	19,022	18,483	18,487
Physical assets	15,665	15,183	482	3.2	15,258	14,962	14,502	13,925
Other assets	31,120	27,757	3,363	12.1	30,048	28,372	24,983	26,509
Total Assets	60,187	62,522	(2,335)	(3.7)	58,223	62,356	57,968	58,921
Total Liabilities	51,815	50,507	1,308	2.6	52,201	52,435	50,498	55,577
Crown Balance (net worth)	8,372	12,015	(3,643)	(30.3)	6,022	9,921	7,470	3,344
% of GDP	8.2%	12.2%			6.1%	11.1%	7.8%	3.6%
Net Crown debt	21,517	23,898	(2,381)	(10.0)	21,701	24,069	25,324	28,637
% of GDP	21.0%	24.3%			21.8%	27.0%	26.4%	31.0%
GDP	102,289	98,257			99,505	98,140	96,031	92,347

Taxation revenue was \$1,135 million higher than in March 1999, largely reflecting the impacts of employment growth in conjunction with a slight increase in wage levels.

Non-tax revenue was \$113 million lower than the previous year, largely reflecting the gains on sale of Auckland and Wellington airports in 1998/99.

Health expenses were \$196 million higher than the previous year, largely due to increased spending including reducing the elective services backlog.

Education expenses were \$243 million higher than last year, largely due to increased salary costs as a result of the 1998/99 teachers pay settlement, increased spending on special education, and other initiatives.

The investment in SOEs and Crown entities were significantly lower than the previous year. This is due primarily to the recognition of the future cost of past ACC claims as a liability.

Net Crown debt has reduced primarily due to the sale proceeds from asset sales (such as Contact Energy Limited) being applied to debt reduction.



FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

for the nine months ended 31 March 2000

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m		Note	Current Year Actual vs Forecast				Annual Forecast
				Actual \$m	Forecast \$m	Variance \$m	%	\$m
		Revenue						
		Levied through the Crown's Sovereign Power						
20,289	16,221	Direct taxation	1	16,878	16,647	231	1.4	21,041
11,867	8,779	Indirect taxation	2	9,257	9,128	129	1.4	12,319
32,156	25,000	Total taxation revenue		26,135	25,775	360	1.4	33,360
300	220	Compulsory fees, fines, penalties and levies		266	217	49	22.6	287
32,456	25,220	Total Revenue Levied through the Crown's Sovereign Power		26,401	25,992	409	1.6	33,647
		Earned through the Crown's Operations						
2,901	1,105	Investment income	3	935	932	3	0.3	1,146
683	490	Sales of goods and services		499	476	23	4.8	670
401	285	Other operational revenue	4	275	215	60	27.9	292
(84)	(12)	Unrealised (losses)/gains arising from revaluations of commercial forests		-	-	-	-	-
3,901	1,868	Total Revenue Earned through the Crown's Operations		1,709	1,623	86	5.3	2,108
36,357	27,088	Total Revenue		28,110	27,615	495	1.8	35,755
		Expenses	5					
		By functional classification						
12,906	9,638	Social security and welfare		9,612	9,662	50	0.5	12,963
1,132	517	GSF pension expenses		491	488	(3)	(0.6)	656
6,573	4,920	Health		5,116	5,114	(2)	-	6,816
5,899	4,332	Education		4,575	4,613	38	0.8	6,373
1,705	1,185	Core government services		1,214	1,238	24	1.9	1,677
1,499	1,069	Law and order		1,081	1,076	(5)	(0.5)	1,452
1,030	747	Defence		885	902	17	1.9	1,176
1,029	672	Transport and communications Economic and industrial services		756	778	22	2.8	1,075
858	609	Primary services		602	597	(5)	(0.8)	809
334	225	Heritage, culture and recreation		176	209	33	15.8	307
316	213	Housing and community development		281	293	12	4.1	388
41	31	Other		27	34	7	20.6	48
34	25	Finance costs	5	35	9	(26)	(288.9)	149
2,516	1,949	Net foreign-exchange (gains)/losses		1,779	1,762	(17)	(1.0)	2,310
(47)	(51)	Provision for future initiatives		(58)	(26)	32	123.1	(26)
-	-			-	-	-	-	10
35,825	26,081	Total Expenses		26,572	26,749	177	0.7	36,183
532	1,007	Revenue Less Expenses		1,538	866	672	77.6	(428)
1,245	817	Net surplus, less distributions attributable to State-owned enterprises and Crown entities	8	293	184	109	59.2	442
1,777	1,824	Operating Balance		1,831	1,050	781	74.4	14

The accompanying Notes are an integral part of these Statements.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2000

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
Assets								
230	270	Cash and bank balances		119	56	63	112.5	10
11,153	8,208	Marketable securities and deposits		10,907	8,582	2,325	27.1	8,136
3,628	3,707	Advances	6	3,989	4,036	(47)	(1.2)	4,008
5,250	6,070	Receivables	7	6,269	6,077	192	3.2	5,231
321	319	Inventories		341	321	20	6.2	323
12,917	19,582	State-owned enterprises and Crown entities	8	13,402	13,354	48	0.4	13,703
270	186	Other investments	9	269	280	(11)	(3.9)	278
15,258	15,183	Physical assets	10	15,665	15,580	85	0.5	15,592
422	561	Commercial forests		395	422	(27)	(6.4)	422
8,770	8,431	State highways	11	8,828	8,828	-	-	8,847
4	5	Intangible assets		3	4	(1)	(25.0)	4
58,223	62,522	Total Assets		60,187	57,540	2,647	4.6	56,554
Liabilities								
5,005	4,305	Payables and provisions	12	4,507	4,328	(179)	(4.1)	4,496
1,960	2,023	Currency issued		2,252	1,976	(276)	(14.0)	1,976
36,712	36,083	Borrowings		36,532	35,597	(935)	(2.6)	35,476
8,524	8,096	Pension liabilities		8,524	8,524	-	-	8,527
52,201	50,507	Total Liabilities		51,815	50,425	(1,390)	(2.8)	50,475
6,022	12,015	Total Assets Less Total Liabilities		8,372	7,115	1,257	17.7	6,079
Crown Balance								
(1,197)	5,272	Accumulated operating balance		675	(147)	822	-	(1,183)
7,219	6,743	Revaluation reserve	13	7,697	7,262	435	6.0	7,262
6,022	12,015	Crown Balance		8,372	7,115	1,257	17.7	6,079

The accompanying Notes are an integral part of these Statements.

STATEMENT OF MOVEMENTS IN EQUITY

for the nine months ended 31 February 2000

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
9,921	9,921	Opening Crown balance	6,022	6,022	-	-	6,022
1,777	1,824	Operating balance for the period	1,831	1,050	781	74.4	14
466	270	Net revaluations	519	43	476	-	43
2,243	2,094	Total Recognised Revenues and Expenses	2,350	1,093	1,257	115.0	57
(6,142)	-	Accident Rehabilitation and Compensation Insurance Corporation recognition policy change	-	-	-	-	-
6,022	12,015	Closing Crown Balance	8,372	7,115	1,257	17.7	6,079

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS

for the nine months ended 31 March 2000

Prior Year 30 June 1999 \$m	Actual 31 March 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							
12,328	9,156	Source deductions	9,552	9,565	(13)	(0.1)	12,666
3,566	2,795	Other persons	2,804	2,763	41	1.5	3,516
(1,189)	(804)	Refunds	(832)	(743)	(89)	(12.0)	(1,036)
329	249	Fringe benefit tax	229	244	(15)	(6.1)	326
15,034	11,396	Total Individuals	11,753	11,829	(76)	(0.6)	15,472
Companies							
4,467	3,558	Gross companies	3,673	3,652	21	0.6	4,739
(646)	(449)	Refunds	(475)	(523)	48	9.2	(602)
3,821	3,109	Total Companies	3,198	3,129	69	2.2	4,137
1,654	1,260	Withholding taxes	1,124	1,085	39	3.6	1,453
2	2	Other direct taxation	1	1	-	-	2
20,511	15,767	Total Direct Taxation	16,076	16,044	32	0.2	21,064
Indirect Taxation							
Goods and services tax							
12,628	9,205	Gross goods and services tax	9,968	9,817	151	1.5	13,204
(4,194)	(3,140)	Refunds	(3,589)	(3,388)	(201)	(5.9)	(4,487)
8,434	6,065	Total goods and services tax	6,379	6,429	(50)	(0.8)	8,717
1,864	1,378	Excise duties	1,468	1,501	(33)	(2.2)	1,995
1,575	1,132	Other indirect taxation	1,174	1,108	66	6.0	1,532
11,873	8,575	Total Indirect Taxation	9,021	9,038	(17)	(0.2)	12,244
32,384	24,342	Total Taxation Receipts	25,097	25,082	15	0.1	33,308
251	186	Compulsory fees, fines, penalties and levies	220	193	27	14.0	263
Other Receipts							
1,034	531	Interest, profits and dividends	849	782	67	8.6	941
642	461	Sales of goods and services	490	458	32	7.0	631
372	265	Other operating receipts	251	207	44	21.3	335
2,048	1,257	Total Other Receipts	1,590	1,447	143	9.9	1,907
34,683	25,785	Total cash provided from operations	26,907	26,722	185	0.7	35,478
Cash was disbursed to							
4,536	3,353	Departmental outputs	3,497	3,520	23	0.7	4,678
14,402	10,760	Other outputs	11,305	11,545	240	2.1	15,570
2,398	1,955	Finance costs	1,941	1,881	(60)	(3.2)	2,447
134	106	Subsidies	92	108	16	14.8	156
Current transfers							
12,601	9,530	Social assistance grants	9,553	9,547	(6)	(0.1)	12,730
220	165	Other transfers	170	190	20	10.5	231
-	-	Provision for future initiatives	-	-	-	-	10
34,291	25,869	Total cash disbursed to operations	26,558	26,791	233	0.9	35,822
392	(84)	Net Cash Flows From Operations	349	(69)	418	-	(344)

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS (CONTINUED)

for the nine months ended 31 March 2000

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
392	(84)	Subtotal (brought forward)	349	(69)	418	-	(344)
		Cash Flows From Investing Activities					
		Cash was provided from					
2,738	442	Net (purchase)/sale of investments	(106)	(197)	91	46.2	3,104
(1,184)	2,394	Net sale/(purchase) of marketable securities and deposits	1,029	2,906	(1,877)	(64.6)	-
239	116	Sale of physical assets	180	32	148	462.5	150
1,793	2,952	Total cash provided	1,103	2,741	(1,638)	(59.8)	3,254
		Cash was disbursed to					
179	276	Net increase in advances	246	331	85	25.7	189
1,142	776	Purchase of physical assets	807	1,171	364	31.1	1,561
1,321	1,052	Total cash disbursed	1,053	1,502	449	29.9	1,750
472	1,900	Net Cash Flows From Investing Activities	50	1,239	(1,189)	(96.0)	1,504
864	1,816	Net Cash Flows From Operating and Investing Activities	399	1,170	(771)	(65.9)	1,160
		Cash Flows From Financing Activities					
		Cash was Provided From					
151	214	Issues of circulating currency	292	16	276	-	16
4,756	4,000	Issues of Government stock	2,243	-	2,243	-	-
1,124	859	Other New Zealand-dollar borrowing ¹	396	678	(282)	(41.6)	101
2,703	2,703	Borrowing in foreign currencies ¹	591	-	591	-	-
8,734	7,776	Total Cash Provided	3,522	694	2,828	407.5	117
		Cash was Disbursed to					
1,882	1,838	Repayment of Government stock	3,305	1,520	(1,785)	(117.4)	948
3,915	2,794	Repayment of other New Zealand-dollar borrowing ¹	689	-	(689)	-	-
3,763	4,876	Repayment of foreign-currency borrowing ¹	46	518	472	91.1	549
9,560	9,508	Total Cash Disbursed	4,040	2,038	(2,002)	(98.2)	1,497
(826)	(1,732)	Net Cash Flows From Financing Activities	(518)	(1,344)	826	61.5	(1,380)
38	84	Net Movement in Cash	(119)	(174)	55	31.6	(220)
171	171	Opening Cash Balance	230	230	-	-	230
21	15	Foreign-exchange gains/(losses) on opening cash	8	-	8	-	-
230	270	Closing Cash Balance	119	56	63	112.5	10

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 nine months ended 31 March 2000

Prior Year 30 June 1999 \$m	Actual 31 March 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							
1,777	1,824	Operating Balance	1,831	1,050	781	74.4	14
<i>Items included in the operating balance but not in net cash flows from operations</i>							
Valuation Changes							
84	12	Revaluation of commercial forests	-	-	-	-	-
(44)	(35)	Unrealised net foreign-exchange gains	(102)	(20)	(82)	(410)	(20)
40	(23)	Total Valuation Changes	(102)	(20)	(82)	(410.0)	(20)
Physical Asset Movements							
765	564	Depreciation	592	602	(10)	(1.7)	833
26	(2)	(Gain)/loss on sale of physical assets	(13)	-	(13)	-	-
791	562	Total Physical Asset Movements	579	602	(23)	(3.8)	833
Other Non-cash Items							
(1,245)	(817)	Net surplus, less distributions, attributable to State-owned enterprises and Crown entities	(249)	(184)	(65)	(35.3)	(442)
(1,625)	-	Gain on sale of Contact Energy Limited and Airport Companies	-	-	-	-	-
-	-	Gain on sale of Vehicle Testing New Zealand Limited	(14)	(14)	-	-	(14)
429	-	Movement in pension liabilities	-	-	-	-	3
5	40	Other	(47)	-	(47)	-	(39)
(2,436)	(777)	Total Other Non-cash Items	(310)	(198)	(112)	(56.6)	(492)
69	(62)	Total other investing and financing items	13	-	13	-	(43)
Movements in Working Capital							
(135)	(968)	Increase in taxes receivable	(817)	(716)	(101)	(14.1)	(68)
(75)	62	(Increase)/decrease in other receivables	(202)	(80)	(122)	(152.5)	(37)
(19)	(17)	(Increase)/decrease in inventories	(20)	-	(20)	-	(2)
380	(685)	(Decrease)/increase in payables	(623)	(707)	84	11.9	(529)
151	(1,608)	Total movements in working capital	(1,662)	(1,503)	(159)	(10.6)	(636)
392	(84)	Net Cash Flows from Operations	349	(69)	418	-	(344)

The accompanying Notes are an integral part of these Statements.

STATEMENT OF CASH FLOWS (CONTINUED)

for the nine months ended 31 March 2000

Prior Year 30 June 1999 \$m	Actual 31 March 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							
392	(84)	Net Cash Flows From Operations	349	(69)	418	-	(344)
Investing flows							
<i>Net advances</i>							
212	-	HCNZ	29	-	29	-	-
11	11	Contact Energy Limited	11	11	-	-	-
(470)	(388)	Student loans	(384)	(323)	(61)	(18.9)	-
43	34	Residual Health Management Unit	47	27	20	74.1	-
-	-	Solid Energy New Zealand Limited	(38)	(42)	4	9.5	-
25	67	Other	89	(4)	93	-	(189)
(179)	(276)	Total Net Advances	(246)	(331)	85	25.7	(189)
(903)	(660)	Net purchase of physical assets	(627)	(1,139)	512	45.0	(1,411)
<i>Net investments</i>							
(45)	(29)	Hospital and Health Services	(28)	(70)	42	59.9	-
487	487	Auckland and Wellington Airports	-	-	-	-	-
-	-	At Work Insurance Limited	(99)	(149)	50	33.6	-
-	-	Vehicle Testing New Zealand Limited	19	22	(3)	(12.7)	-
2,331	-	Contact Energy Limited	2	-	2	-	-
(35)	(16)	Other	-	-	-	-	3,104
2,738	442	Net (purchase)/sale of Investments (Required to be financed)/ Available for debt repayment	(106)	(197)	91	46.2	3,104
2,048	(578)		(630)	(1,736)	1,106	63.7	1,160
<i>Used in:</i>							
Net sale/(purchase) of marketable securities and deposits							
(1,184)	2,394		1,029	2,906	(1,877)	(64.6)	-
864	1,816	Total Investing activities	399	1,170	(771)	(65.9)	1,160
(2,791)	(2,173)	Net (repayment)/issue of other New Zealand-dollar borrowing	(293)	678	(971)	(143.2)	101
(1,060)	(1,935)	Net issue/(repayment) of foreign currency borrowing	545	(518)	1,063	205.2	(549)
(38)	(84)	Decrease/(increase) in cash	119	174	(55)	(31.6)	220
151	214	Issues of circulating currency	292	16	276	-	16
(3,738)	(3,978)		663	350	313	89.4	(212)
(2,874)	(2,162)	Net (Cash Proceeds From)/Repayments of Domestic Bonds	1,062	1,520	(458)	(30.1)	948
Gross Cash Proceeds From Domestic Bonds							
3,450	2,896	Domestic bonds (market)	1,356	1,360	(4)	(0.3)	1,932
977	828	Domestic bonds (non-market)	546	277	269	97.1	277
329	276	Inflation bonds (market)	-	-	-	-	-
-	-	Inflation bonds (non-market)	341	148	193	130.4	148
4,756	4,000	Total Gross Cash Proceeds From Domestic Bonds	2,243	1,785	458	25.7	2,357
(1,782)	(1,763)	Repayment of domestic bonds (market)	(3,011)	(3,011)	-	-	(3,011)
(100)	(75)	Repayment of domestic bonds (non-market)	(294)	(294)	-	-	(294)
2,874	2,162	Net Cash (Repayment of)/ Proceeds from Domestic Bonds	(1,062)	(1,520)	458	30.1	(948)

The accompanying Notes are an integral part of these Statements.

STATEMENT OF BORROWINGS

as at 31 March 2000

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
Outstanding Debt							
New Zealand-Dollar Debt							
22,701	21,998	Government stock	21,625	21,163	(462)	(2.2)	21,735
5,881	6,503	Treasury bills	5,785	6,698	913	13.6	6,231
299	302	Loans and foreign-exchange contracts	349	321	(28)	(8.7)	230
-	180	Reserve Bank bills	-	-	-	-	-
729	790	Retail stock	485	561	76	13.5	557
29,610	29,773	Total New Zealand-Dollar Debt	28,244	28,743	499	1.7	28,753
Foreign-Currency Debt							
3,565	2,471	United States dollars	5,205	3,390	(1,815)	(53.5)	3,259
1,706	2,006	Japanese yen	1,816	1,924	108	5.6	1,924
1,831	1,833	European and other currencies	1,267	1,540	273	17.7	1,540
7,102	6,310	Total Foreign-Currency Debt	8,288	6,854	(1,434)	(20.9)	6,723
36,712	36,083	Total Outstanding Debt	36,532	35,597	(935)	(2.6)	35,476
Less							
Financial Assets							
Marketable Securities and Deposits							
3,601	1,267	New Zealand dollars	2,106	1,266	840	66.4	952
3,857	2,628	United States dollars	5,675	3,821	1,854	48.5	3,689
1,827	2,153	Japanese yen	1,816	1,717	99	5.8	1,717
1,868	2,160	European and other currencies	1,310	1,778	(468)	(26.3)	1,778
11,153	8,208	Total Marketable Securities and Deposits	10,907	8,582	2,325	27.1	8,136
Advances and Cash							
299	689	Advances to State-owned enterprises and Crown entities	257	314	(57)	(18.2)	323
3,002	2,906	Student loans	3,429	3,387	42	1.2	3,462
327	112	Other advances	303	335	(32)	(9.6)	223
230	270	Cash	119	56	63	112.5	10
3,858	3,977	Total Advances and Cash	4,108	4,092	16	0.4	4,018
15,011	12,185	Total Financial Assets	15,015	12,674	2,341	18.5	12,154
21,701	23,898	Net Crown Debt	21,517	22,923	1,406	6.1	23,322
22,309	24,529	Net New Zealand-dollar debt	22,127	23,384	1,257	5.4	23,783
(608)	(631)	Net foreign-currency debt	(610)	(461)	149	32.3	(461)
21,701	23,898	Net Crown Debt	21,517	22,923	1,406	6.1	23,322

The accompanying Notes are an integral part of these Statements.

STATEMENT OF BORROWINGS (CONTINUED)

as at 31 March 2000

Movements in Net Crown Debt Since 1 July 1999

	As at 1 July 1999 \$m	Increases/ Additions \$m	Decreases/ Disposals/ Repayments \$m	Foreign Exchange Contracts \$m	Currency Realignment \$m	Unamortised Premiums \$m	As at 31 March 2000 \$m
Outstanding Debt							
By Type							
New Zealand-dollar debt	29,610	2,722	(3,867)	-	-	(221)	28,244
Foreign-currency debt	7,102	2,169	(1,520)	(9)	567	(21)	8,288
Total Outstanding Debt	36,712	4,891	(5,387)	(9)	567	(242)	36,532
Less							
Financial Assets							
Marketable securities and deposits	11,153	47,557	(48,539)	36	743	(43)	10,907
Advances and cash	3,858	722	(476)	-	4	-	4,108
Total Financial Assets	15,011	48,279	(49,015)	36	747	(43)	15,015
Net Crown Debt	21,701	(43,388)	43,628	(45)	(180)	(199)	21,517

STATEMENT OF COMMITMENTS

as at 31 March 2000

	As at 31 March 2000 \$m	As at 30 June 1999 \$m	As at 31 March 1999 \$m
Capital Commitments			
Specialist military equipment	366	361	495
Land and buildings	350	125	139
Other plant and equipment	24	32	44
Investments	14	232	262
State-owned enterprises and Crown entities	1,079	1,207	1,198
Total Capital Commitments	1,833	1,957	2,138
Operating Commitments			
Non-cancellable accommodation leases	609	638	654
Other non-cancellable leases	2,972	2,443	3,595
Non-cancellable contracts for the supply of goods and services	316	454	319
Other operating commitments	1,134	909	917
State-owned enterprises and Crown entities	2,417	2,516	3,541
Total Operating Commitments	7,448	6,960	9,026
Total Commitments	9,281	8,917	11,164

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 31 March 2000

Quantifiable Contingent Liabilities

	As at 31 March 2000 \$m	As at 30 June 1999 \$m	As at 31 March 1999 \$m
Guarantees and Indemnities	480	541	402
Uncalled Capital	3,027	2,820	2,821
Legal Proceedings and Disputes	533	464	530
Other Contingent Liabilities	1,809	1,610	1,735
Total Quantifiable Contingent Liabilities	5,849	5,435	5,488

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 31 March 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 54 and 55 of the Financial Statements of the Government of New Zealand for the six months ended 31 December 1999.

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 36 to 43 of the Financial Statements of the Government of New Zealand for the six months ended 31 December 1999. There have been no changes in accounting policies during the period 31 December 1999 to 31 March 2000.

Forecast Results and Assumptions

The forecast results in these Financial Statements have been derived from the forecasts released in the PREFU, on 21 October 1999.

The assumptions underlying the preparation of forecasts are set out in the Statement of Accounting Policies and Forecast Assumptions on pages 108 to 122 of the PREFU.

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 1999 \$m	Actual 31 March 1999 \$m		Current Year Actual vs Forecast				Annual Forecast
			Actual \$m	Forecast \$m	Variance \$m	%	\$m
NOTE 1: Direct Taxation							
Income Tax							
Individuals							
12,295	9,142	Source deductions	9,494	9,524	(30)	(0.3)	12,666
3,024	2,732	Other persons	2,824	2,830	(6)	(0.2)	3,115
(701)	(432)	Refunds	(458)	(434)	(24)	(5.5)	(650)
323	246	Fringe benefit tax	232	247	(15)	(6.1)	326
14,941	11,688	Total Individuals	12,092	12,167	(75)	(0.6)	15,457
Companies							
3,851	3,356	Gross companies	3,738	3,458	280	8.1	4,294
(157)	(100)	Refunds	(80)	(97)	17	17.5	(157)
3,694	3,256	Total Companies	3,658	3,361	297	8.8	4,137
Withholding Taxes							
864	702	Residents' interest income	516	506	10	2.0	683
717	549	Non-residents' income	549	546	3	0.5	689
63	27	Residents' dividend income	31	7	24	342.9	14
8	(2)	Foreign-source dividends	31	59	(28)	(47.5)	59
1,652	1,276	Total Withholding Taxes	1,127	1,118	9	0.8	1,445
20,287	16,220	Total Income Tax	16,877	16,646	231	1.4	21,039
Other Direct Taxation							
2	1	Estate and gift duties	1	1	-	-	2
2	1	Total Other Direct Taxation	1	1	-	-	2
20,289	16,221	Total Direct Taxation	16,878	16,647	231	1.4	21,041

NOTE 2: Indirect Taxation

Goods and Services Tax							
12,844	9,427	Gross goods and services tax	10,365	9,994	371	3.7	13,424
(4,440)	(3,304)	Refunds	(3,859)	(3,546)	(313)	(8.8)	(4,667)
8,404	6,123	Total Goods and Services Tax	6,506	6,448	58	0.9	8,757
Excise Duties							
802	621	Petroleum fuels	619	645	(26)	(4.0)	854
714	526	Tobacco products	559	546	13	2.4	706
432	332	Alcoholic beverages	333	325	8	2.5	436
1,948	1,479	Total Excise Duties	1,511	1,516	(5)	(0.3)	1,996
Other Indirect Taxation							
528	387	Customs duty	476	422	54	12.8	562
468	353	Road user charges	381	379	2	0.5	510
94	130	Stamp, cheque and credit card duties	41	38	3	7.9	56
174	112	Motor vehicle fees	132	131	1	0.8	179
155	123	Gaming duties	131	127	4	3.1	169
96	72	Energy resources levy	79	67	12	17.9	90
1,515	1,177	Total Other Indirect Taxation	1,240	1,164	76	6.5	1,566
11,867	8,779	Total Indirect Taxation	9,257	9,128	129	1.4	12,319

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m	Current Year Actual vs Forecast				Annual Forecast \$m
		Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 3: Investment Income						
Interest Income						
343	283	313	257	56	21.8	344
229	172	163	195	(32)	(16.4)	253
58	43	35	39	(4)	(10.3)	60
630	498	511	491	20	4.1	657
Dividend Income						
57	-	15	30	(15)	(50.0)	-
14	9	7	9	(2)	(22.2)	-
81	81	103	85	18	21.2	-
-	-	133	100	33	33.0	-
102	32	51	55	(4)	(7.3)	-
17	17	-	-	-	-	-
3	3	7	3	4	133.3	-
8	6	5	11	(6)	(54.5)	330
65	36	-	-	-	-	-
-	-	12	-	12	-	-
122	92	87	127	(40)	(31.5)	-
77	77	16	7	9	128.6	137
546	353	436	427	9	2.1	467
Other Investment Income						
13	54	(26)	-	(26)	-	-
86	-	-	-	-	-	-
-	-	14	14	-	-	14
1,421	-	-	-	-	-	-
204	204	-	-	-	-	-
1	(4)	-	-	-	-	8
1,725	254	(12)	14	(26)	(185.7)	22
2,901	1,105	935	932	3	0.3	1,146
NOTE 4: Other Operational Revenue						
142	102	81	75	6	8.0	109
53	42	18	17	1	5.9	46
26	17	33	19	14	73.7	30
31	23	21	26	(5)	(19.2)	31
10	7	7	7	-	-	10
139	94	115	71	44	62.0	66
401	285	275	215	60	27.9	292

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 5: Expenses by Input Type							
12,892	9,683	Subsidies and transfer payments (see analysis below)	9,644	9,704	60	0.6	13,035
15,681	11,310	Operating expenses (see analysis below)	12,028	12,079	51	0.4	16,510
Personnel							
2,541	1,879	Personnel expenses (excluding pension expenses)	1,869	1,913	44	2.3	2,548
703	517	GSF Pension expenses	491	488	(3)	(0.6)	653
429	-	Movement in GSF unfunded pension liability	-	-	-	-	3
50	38	Other pension expenses	43	41	(2)	(4.9)	53
Depreciation							
684	503	Physical assets	530	540	10	1.9	750
81	61	State highways	62	62	-	-	83
269	194	Rental and leasing costs	197	186	(11)	(5.9)	254
26	(2)	(Gain)/loss on sale of assets	(13)	-	13	-	-
2,516	1,949	Finance costs (see analysis below)	1,779	1,762	(17)	(1.0)	2,310
(22)	59	Net foreign-exchange losses/ (gains) on liabilities	624	357	(267)	(74.8)	357
(25)	(110)	Net foreign-exchange (gains)/ losses on assets	(682)	(383)	299	78.1	(383)
-	-	Provision for future initiatives	-	-	-	-	10
35,825	26,081	Total Expenses	26,572	26,749	177	0.7	36,183
Analysis of Subsidies and Transfer Payments							
5,064	3,812	Social Assistance Grants	3,752	3,763	11	0.3	5,015
1,451	1,095	New Zealand superannuation	1,080	1,072	(8)	(0.7)	1,433
369	369	Domestic purposes benefit	-	-	-	-	-
1,487	1,016	Unemployment benefit	1,490	1,506	16	1.1	1,990
915	683	Community wage	684	696	12	1.7	954
378	253	Family support	244	250	6	2.4	393
2,901	2,211	Student allowances	2,128	2,125	(3)	(0.1)	2,882
110	81	Other social assistance grants	97	104	7	6.7	138
Subsidies							
204	151	Other Transfer Payments	152	172	20	11.6	213
13	12	Official development assistance	17	16	(1)	(6.3)	17
		Other					
12,892	9,683	Total Subsidies and Transfer Payments	9,644	9,704	60	0.6	13,035
Analysis of Operating Expenses							
294	216	Education purchases	236	228	(8)	(3.5)	317
3,146	2,360	Early childhood education	2,555	2,544	(11)	(0.4)	3,443
1,357	1,004	Primary and secondary education	1,018	1,036	18	1.7	1,408
6,107	4,582	Tertiary education and training	4,775	4,781	6	0.1	6,373
405	289	Health purchases	312	313	1	0.3	420
4,372	2,859	Science purchases	3,132	3,177	45	1.4	4,549
15,681	11,310	Total Operating Expenses	12,028	12,079	51	0.4	16,510
Analysis of Finance Costs							
2,129	1,638	Interest	1,501	1,514	13	0.9	1,974
343	272	New Zealand dollars	259	230	(29)	(12.6)	313
44	39	Foreign currencies	19	18	(1)	(5.6)	23
2,516	1,949	Total Finance Costs	1,779	1,762	(17)	(1.0)	2,310

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m		Annual Current Year Actual vs Forecast Forecast				
			Actual \$m	Forecast \$m	Variance \$m	%	Forecast \$m
NOTE 6: Advances							
Advances to State-owned Enterprises and Crown Entities							
-	218	Contact Energy Limited	-	-	-	-	-
169	332	Housing Corporation of New Zealand	137	169	(32)	(18.9)	192
127	136	Residual Health Management Unit	80	100	(20)	(20.0)	89
-	-	Solid Energy New Zealand Limited	39	42	(3)	(7.1)	42
3	3	Terralink NZ Limited	1	3	(2)	(66.7)	-
299	689	Total Advances to State-owned Enterprises and Crown Entities	257	314	(57)	(18.2)	323
Other Advances							
3,002	2,906	Student loans	3,429	3,387	42	1.2	3,462
217		Contact Energy Limited	207	206	1	0.5	116
34	35	Forestry encouragement loans	28	34	(6)	(17.6)	35
34	33	Maori Development rural lending	36	36	-	-	40
8	9	Catchment authorities	7	7	-	-	7
34	35	Other	25	52	(27)	(51.9)	25
3,329	3,018	Total Other Advances	3,732	3,722	10	0.3	3,685
3,628	3,707	Total Advances	3,989	4,036	(47)	(1.2)	4,008
NOTE 7: Receivables							
4,061	4,894	Taxes receivable	4,878	4,777	101	2.1	4,129
976	944	Accounts receivable	1,025	1,039	(14)	(1.3)	906
132	137	Receivable from the sale and purchase of Maui gas	180	117	63	53.8	112
81	95	Prepayments	186	144	42	29.2	84
5,250	6,070	Total Receivables	6,269	6,077	192	3.2	5,231

NOTES TO THE FINANCIAL STATEMENTS

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

	Investment as at 1 July 1999 \$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 31 March 2000 \$m
State-owned enterprises	4,951	313	(321)	(8)	70	95	5,108
Crown entities	7,966	406	(105)	301	(1)	28	8,294
Total State-owned Enterprises and Crown Entities	12,917	719	(426)	293	69	123	13,402

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m	Current Year Actual vs Forecast				Annual Forecast	
		Actual \$m	Forecast \$m	Variance \$m	%	\$m	
NOTE 9: Other Investments							
31	29	International Bank for Reconstruction and Development	31	31	-	-	31
86	-	Public Trust Office	86	86	-	-	86
96	96	Asian Development Bank	96	96	-	-	96
57	61	Other	56	67	(11)	(16.4)	65
270	186	Total Other Investments	269	280	(11)	(3.9)	278
NOTE 10: Physical Assets							
By Type							
Cost or Valuation							
1,763	2,301	Land	2,282	1,785	497	27.8	1,722
525	-	Properties intended for sale	448	525	(77)	(14.7)	525
8,228	8,188	Buildings	8,180	8,517	(337)	(4.0)	8,632
2,357	2,299	Specialist military equipment	2,511	2,693	(182)	(6.8)	2,737
2,083	2,033	Other plant and equipment	2,175	2,281	(106)	(4.6)	2,517
2,511	2,502	Other assets	2,516	2,514	2	0.1	2,360
17,467	17,323	Total Cost or Valuation	18,112	18,315	(203)	(1.1)	18,493
Accumulated Depreciation							
710	690	Buildings	793	962	169	17.6	1,027
356	326	Specialist military equipment	452	463	11	2.4	499
1,138	1,119	Other plant and equipment	1,194	1,302	108	8.3	7
5	5	Other assets	8	8	-	-	1,368
2,209	2,140	Total Accumulated Depreciation	2,447	2,735	288	10.5	2,901
Net Book Value							
1,763	2,301	Land	2,282	1,785	497	27.8	1,722
525	-	Properties intended for sale	448	525	(77)	(14.7)	525
7,518	7,498	Buildings	7,387	7,555	(168)	(2.2)	7,605
2,001	1,973	Specialist military equipment	2,059	2,230	(171)	(7.7)	2,238
945	914	Other plant and equipment	981	979	2	0.2	2,510
2,506	2,497	Other assets	2,508	2,506	2	0.1	992
15,258	15,183	Total Net Book Value	15,665	15,580	85	0.5	15,592
Movements since 30 June							
Cost or Valuation							
16,977	16,977	Opening balance	17,467	17,467	-	-	17,467
556	295	Net additions	356	848	(492)	(58.0)	1,026
(66)	51	Revaluations	289	-	289	-	-
17,467	17,323	Total Cost or Valuation	18,112	18,315	(203)	(1.1)	18,493
Accumulated Depreciation							
2,015	2,015	Opening balance	2,209	2,209	-	-	2,209
(267)	(219)	Disposals	(131)	(14)	117	-	(58)
684	503	Depreciation charged for the period	530	540	10	1.9	750
(223)	(159)	Revaluations	(161)	-	161	-	-
2,209	2,140	Total Accumulated Depreciation	2,447	2,735	288	10.5	2,901
15,258	15,183	Net Physical Assets	15,665	15,580	85	0.5	15,592

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m	Current Year Actual vs Forecast				Annual Forecast
		Actual \$m	Forecast \$m	Variance \$m	%	\$m

NOTE 11: State Highways

Cost or Valuation							
8,359	8,359	Opening balance	8,770	8,770	-	-	8,770
148	133	Net additions	120	120	-	-	160
263	-	Net revaluations	-	-	-	-	-
8,770	8,492	Total Cost or Valuation	8,890	8,890	-	-	8,930
Accumulated Depreciation							
-	-	Opening balance	-	-	-	-	-
81	61	Depreciation charged for the period	62	62	-	-	83
(81)	-	Net revaluations	-	-	-	-	-
-	61	Total Accumulated Depreciation	62	62	-	-	83
8,770	8,431	Net State Highways	8,828	8,828	-	-	8,847

NOTE 12: Payables and Provisions

1,686	1,581	Taxes repayable	1,507	1,684	177	10.5	1,686
1,219	1,046	Accounts payable	1,559	1,253	(306)	(24.4)	1,075
1,247	865	Accruals and provisions	603	560	(43)	(7.7)	897
		National Provident Fund					
423	423	guarantee	423	423	-	-	423
		National Provident Fund Board					
96	96	indemnity	96	96	-	-	96
		Provisions for employee					
334	294	entitlements	319	312	(7)	(2.2)	319
5,005	4,305	Total Payables and Provisions	4,507	4,328	(179)	(4.1)	4,496

NOTES TO THE FINANCIAL STATEMENTS

Prior Year 30 June 1999 \$m	Actual 31 March 1999 \$m		Current Year Actual vs Forecast				Annual
			Actual	Forecast	Variance		Forecast
			\$m	\$m	\$m	%	\$m
NOTE 13: Revaluation Reserve							
6,789	6,789	Opening Balance	7,219	7,219	-	-	7,219
Net Revaluations							
344	-	State highways	-	-	-	-	-
245	314	Land and buildings	449	-	449	-	-
(109)	(106)	Specialist military equipment	-	-	-	-	-
21	2	Other assets	1	-	1	-	-
		State-owned enterprises and Crown entities	69	43	26	60.5	43
(35)	60		69	43	26	60.5	43
466	270	Total Net Revaluations	519	43	476	-	43
		Transfers to accumulated operating balance	(41)	-	(41)	-	-
(36)	(316)		(41)	-	(41)	-	-
7,219	6,743	Closing Revaluation Reserve	7,697	7,262	435	6.0	7,262