

Forecast Financial Statements

These forecasts have been prepared in accordance with the Public Finance Act 1989.

They are based on the accounting policies and assumptions that follow. As with all such assumptions, there is a degree of uncertainty surrounding them. This uncertainty increases as the forecast horizon extends.

The forecasts have been prepared in accordance with the Statement of Responsibility and reflect the judgements and information known at the time they were prepared. They reflect all government decisions and circumstances communicated to 2 May 2011.

The finalisation dates and key assumptions that underpin the preparation of the Forecast Financial Statements are outlined on pages 90 to 94.

Statement of Accounting Policies

Significant Accounting Policies

These forecast financial statements have been prepared in accordance with the accounting policies that are expected to be used in the comparable audited actual financial statements of the Government.

These forecast financial statements comply with generally accepted accounting practice (GAAP) as required by the Public Finance Act 1989 and have been prepared in accordance with *Financial Reporting Standard 42: Prospective Financial Statements*.

All forecasts use the accrual basis of accounting. Forecasts have been prepared for the consolidated financial statements of the Government reporting entity, which includes all entities controlled by the Government (as defined by applicable financial reporting standards).

The specific accounting policies are reproduced in full on the Treasury's website at <http://www.treasury.govt.nz/publications/guidance/reporting/accounting>

Changes in Accounting Policies

All policies have been applied on a consistent basis during the forecast period. There have been no changes in accounting policies during the period.

Forecast Policies

These forecast financial statements have been prepared on the basis of the Treasury's best professional judgement.

Actual financial results for the periods covered are likely to vary from the information presented. Factors that may lead to a material difference between information in these forecast financial statements and the actual reported results in future years are set out in the chapter on *Fiscal Risks*.

Key forecast assumptions used are set out on pages 90 to 94.

Government Reporting Entity as at 2 May 2011

These forecast financial statements are for the government reporting entity as specified in Part 3 of the Public Finance Act 1989. This comprises Ministers of the Crown and the following entities:

Core Crown	
Departments	
Agriculture and Forestry	Land Information New Zealand
Building and Housing	Māori Development
Canterbury Earthquake Response Authority	New Zealand Customs Service
Conservation	New Zealand Defence Force
Corrections	New Zealand Police
Crown Law Office	New Zealand Security Intelligence Service
Culture and Heritage	Office of the Clerk
Defence	Pacific Island Affairs
Economic Development	Parliamentary Counsel Office
Education	Parliamentary Service
Education Review Office	Prime Minister and Cabinet
Environment	Science and Innovation
Fisheries	Serious Fraud Office
Foreign Affairs and Trade	Social Development
Government Communications Security Bureau	State Services Commission
Health	Statistics
Inland Revenue	Transport
Internal Affairs	Treasury
Justice	Women's Affairs
Labour	
Offices of Parliament	Others
Controller and Auditor General	New Zealand Superannuation Fund
Office of the Ombudsmen	Reserve Bank of New Zealand
Parliamentary Commissioner for the Environment	

State-owned enterprises	
Air New Zealand Limited*	Mighty River Power Limited
Airways Corporation of New Zealand Limited	New Zealand Post Limited
Animal Control Products Limited	New Zealand Railways Corporation
AsureQuality Limited	Quotable Value Limited
Electricity Corporation of New Zealand Limited	Solid Energy New Zealand Limited
Genesis Power Limited	Terralink Limited (in liquidation)
Kordia Group Limited	Transpower New Zealand Limited
Landcorp Farming Limited	
Learning Media Limited	Subsidiaries of State-owned enterprises are consolidated by their parents and not listed separately in this table.
Meridian Energy Limited	
Meteorological Service of New Zealand Limited	*included for disclosure purposes as if it were a State-owned enterprise.

Crown entities

Accident Compensation Corporation	New Zealand Blood Service
Accounting Standards Review Board	New Zealand Film Commission
Alcohol Advisory Council of New Zealand	New Zealand Fire Service Commission
Arts Council of New Zealand Toi Aotearoa	New Zealand Historic Places Trust (Pouhere Taonga)
Broadcasting Commission	New Zealand Lotteries Commission
Broadcasting Standards Authority	New Zealand Productivity Commission
Career Services	New Zealand Qualifications Authority
Charities Commission	New Zealand Symphony Orchestra
Children's Commissioner	New Zealand Teachers Council
Civil Aviation Authority of New Zealand	New Zealand Tourism Board
Commerce Commission	New Zealand Trade and Enterprise
Crown Health Financing Agency	New Zealand Transport Agency
Crown Research Institutes (8)	New Zealand Venture Investment Fund Limited
District Health Boards (20)	New Zealand Walking Access Commission
Drug Free Sport New Zealand	Office of Film and Literature Classification
Earthquake Commission	Pharmaceutical Management Agency
Electoral Commission	Privacy Commissioner
Electricity Authority	Public Trust
Energy Efficiency and Conservation Authority	Radio New Zealand Limited
Environmental Risk Management Authority	Real Estate Agents Authority
Families Commission	Retirement Commissioner
Government Superannuation Fund Authority	School Boards of Trustees (2,483)
Guardians of New Zealand Superannuation	Securities Commission
Health and Disability Commissioner	Social Workers Registration Board
Health Quality and Safety Commission	Sport and Recreation New Zealand
Health Research Council of New Zealand	Standards Council
Health Sponsorship Council	Takeovers Panel
Housing New Zealand Corporation	Te Reo Whakapuaki Irirangi (Te Māngai Pāho)
Human Rights Commission	Te Taura Whiri i te Reo Māori (Māori Language Commission)
Independent Police Conduct Authority	Television New Zealand Limited
Law Commission	Tertiary Education Commission
Legal Services Agency	Tertiary Education Institutions (29)
Maritime New Zealand	Testing Laboratory Registration Council
Mental Health Commission	Transport Accident Investigation Commission
Museum of New Zealand Te Papa Tongarewa Board	
New Zealand Antarctic Institute	
New Zealand Artificial Limb Board	

Subsidiaries of Crown entities are consolidated by their parents and not listed separately in this table.

Organisations named or described in Schedule 4 of the Public Finance Act 1989

Agriculture and Marketing Research and Development Trust	New Zealand Government Property Corporation
Asia New Zealand Foundation	New Zealand Lottery Grants Board
Crown Fibre Holdings Limited	Ngāi Tahu Ancillary Claims Trust
Fish and Game Councils (12)	Pacific Co-operation Foundation
Health Benefits Limited	Pacific Island Business Development Trust
Leadership Development Centre Trust	Research and Education Advanced Network New Zealand Limited
Learning State Limited	Reserves Boards (23)
National Pacific Radio Trust	Road Safety Trust
New Zealand Fish and Game Council	Sentencing Council
New Zealand Game Bird Habitat Trust Board	The Māori Trustee

Forecast Statement of Financial Performance

for the years ending 30 June

		2010	2011	2011	2012	2013	2014	2015
	Note	Actual \$m	Previous Budget \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m
Revenue								
Taxation revenue	1	50,347	53,457	50,640	54,690	59,270	63,752	67,746
Other sovereign revenue	1	4,682	5,759	5,444	5,808	6,218	6,641	7,323
Total revenue levied through the Crown's sovereign power		55,029	59,216	56,084	60,498	65,488	70,393	75,069
Sales of goods and services		14,331	15,399	15,128	16,078	17,092	17,907	18,454
Interest revenue and dividends	2	2,315	4,063	2,618	3,051	3,390	3,654	4,086
Other revenue		3,050	3,103	6,339	3,106	3,206	3,308	3,374
Total revenue earned through the Crown's operations		19,696	22,565	24,085	22,235	23,688	24,869	25,914
Total revenue (excluding gains)		74,725	81,781	80,169	82,733	89,176	95,262	100,983
Expenses								
Transfer payments and subsidies	3	21,213	22,628	22,340	22,926	23,542	24,149	25,115
Personnel expenses	4	18,477	19,109	18,859	19,149	19,399	19,472	19,747
Depreciation and amortisation	5	4,229	4,428	4,786	4,631	4,805	4,943	5,047
Other operating expenses	5	31,338	35,927	38,137	37,792	35,577	35,922	36,204
Interest expenses	6	2,777	4,612	3,506	4,685	5,390	5,805	6,350
Insurance expenses	7	3,006	3,725	9,519	3,138	3,570	3,925	4,266
Forecast new operating spending	8	-	394	-	463	1,040	1,815	3,007
Top-down expense adjustment	8	-	(410)	(250)	(310)	(50)	(50)	(50)
Total expenses (excluding losses)		81,040	90,413	96,897	92,474	93,273	95,981	99,686
Operating balance before gains/(losses)		(6,315)	(8,632)	(16,728)	(9,741)	(4,097)	(719)	1,297
Net gains/(losses) on financial instruments	9	2,522	1,250	5,144	1,973	2,230	2,496	2,777
Net gains/(losses) on non-financial instruments	10	(960)	181	1,894	172	190	190	197
Total gains/(losses)		1,562	1,431	7,038	2,145	2,420	2,686	2,974
Net surplus from associates and joint ventures		227	134	253	303	327	325	316
Operating balance (including minority interest)		(4,526)	(7,067)	(9,437)	(7,293)	(1,350)	2,292	4,587
Attributable to minority interest		17	-	-	-	-	-	-
Operating balance	11	(4,509)	(7,067)	(9,437)	(7,293)	(1,350)	2,292	4,587

The accompanying notes and accounting policies are an integral part of these Statements.

Forecast Statement of Financial Performance (continued) – Functional Expense Analysis

for the years ending 30 June

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total Crown expenses							
By functional classification							
Social security and welfare	24,206	26,127	25,637	26,353	27,432	28,469	29,701
GSF pension expenses	333	363	289	311	392	448	489
Health	12,673	13,379	13,118	13,787	13,659	13,634	13,639
Education	12,440	12,861	12,783	13,005	13,087	12,944	13,134
Core government services	2,830	3,922	6,083	5,440	4,165	4,218	4,318
Law and order	3,354	3,746	3,724	3,745	3,645	3,635	3,643
Defence	1,771	1,862	1,850	1,872	1,824	1,824	1,822
Transport and communications	7,991	8,184	8,244	8,584	8,635	8,894	9,111
Economic and industrial services	7,541	8,114	14,078	7,758	7,824	8,076	8,195
Primary services	1,373	1,742	1,624	1,700	1,661	1,662	1,673
Heritage, culture and recreation	2,584	3,344	3,805	3,327	2,975	2,959	2,989
Housing and community development	1,087	1,102	1,781	1,119	1,118	1,174	1,192
Other	80	1,071	625	635	476	474	473
Finance costs	2,777	4,612	3,506	4,685	5,390	5,805	6,350
Forecast new operating spending	-	394	-	463	1,040	1,815	3,007
Top-down expense adjustment	-	(410)	(250)	(310)	(50)	(50)	(50)
Total Crown expenses excluding losses	81,040	90,413	96,897	92,474	93,273	95,981	99,686

Below is an analysis of core Crown expenses by functional classification. Core Crown expenses include expenses incurred by Ministers, Departments, Offices of Parliament, the NZS Fund and the Reserve Bank, but not Crown entities and State-owned enterprises.

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Core Crown expenses							
By functional classification							
Social security and welfare	21,185	22,120	22,175	22,935	23,644	24,396	25,334
GSF pension expenses	328	357	281	302	383	439	480
Health	13,128	14,043	13,774	14,353	14,332	14,242	14,236
Education	11,724	11,992	12,039	12,257	12,266	12,077	12,236
Core government services	2,974	3,979	6,357	5,564	4,296	4,352	4,457
Law and order	3,191	3,537	3,526	3,555	3,438	3,423	3,418
Defence	1,814	1,912	1,890	1,911	1,863	1,863	1,862
Transport and communications	2,345	2,417	2,330	2,378	2,096	2,087	2,082
Economic and industrial services	2,839	2,828	2,755	2,235	1,901	1,849	1,872
Primary services	507	757	731	755	706	698	700
Heritage, culture and recreation	1,281	2,037	2,437	1,947	1,535	1,490	1,485
Housing and community development	306	370	1,046	333	299	287	290
Other	80	1,088	625	635	476	474	473
Finance costs	2,311	3,230	3,078	3,714	4,325	4,701	5,254
Forecast new operating spending	-	394	-	463	1,040	1,815	3,007
Top-down expense adjustment	-	(410)	(250)	(310)	(50)	(50)	(50)
Total core Crown expenses excluding losses	64,013	70,651	72,794	73,027	72,550	74,143	77,136

The accompanying notes and accounting policies are an integral part of these Statements.

Forecast Statement of Comprehensive Income

for the years ending 30 June

	2010 Actual \$m	2011 Previous Budget \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m	2014 Forecast \$m	2015 Forecast \$m
Revaluation of physical assets	196	-	69	-	-	-	-
Effective portion of changes in the fair value of cash flow hedges	(112)	5	(52)	3	-	-	-
Net change in fair value of cash flow hedges transferred to operating balance	(62)	(1)	(16)	-	-	-	-
Net change in fair value of cash flow hedges transferred to the hedged item	(3)	-	(8)	(7)	-	-	-
Foreign currency translation differences for foreign operations	(11)	-	(37)	(6)	(1)	2	(1)
Valuation gain/(losses) on investments available for sale taken to reserves	3	1	4	6	8	11	12
Other movements	(1)	(1)	8	50	10	7	4
Other comprehensive income for the year	10	4	(32)	46	17	20	15
Operating balance (including minority interest)	(4,526)	(7,067)	(9,437)	(7,293)	(1,350)	2,292	4,587
Total comprehensive income	(4,516)	(7,063)	(9,469)	(7,247)	(1,333)	2,312	4,602
Attributable to:							
- minority interest	(34)	-	-	-	-	-	-
- the Crown	(4,482)	(7,063)	(9,469)	(7,247)	(1,333)	2,312	4,602
Total comprehensive income	(4,516)	(7,063)	(9,469)	(7,247)	(1,333)	2,312	4,602

The accompanying notes and accounting policies are an integral part of these Statements.

Forecast Statement of Cash Flows

for the years ending 30 June

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Cash flows from operations							
Cash was provided from							
Taxation receipts	50,104	52,681	50,094	53,959	58,442	63,013	66,888
Other sovereign receipts	4,268	4,792	4,768	4,878	5,006	5,037	5,007
Sales of goods and services	14,411	15,173	15,027	16,046	17,081	17,765	18,386
Interest and dividend receipts	2,378	3,592	2,558	2,594	2,886	3,023	3,390
Other operating receipts	2,974	2,960	3,204	4,536	4,991	4,028	3,524
Total cash provided from operations	74,135	79,198	75,651	82,013	88,406	92,866	97,195
Cash was disbursed to							
Transfer payments and subsidies	21,335	22,642	22,426	23,435	23,669	24,280	25,257
Personnel and operating payments	50,767	54,693	56,604	59,108	58,402	56,363	56,150
Interest payments	2,420	3,979	3,378	4,583	5,349	5,546	6,235
Forecast new operating spending	-	394	-	463	1,040	1,815	3,007
Top-down expense adjustment	-	(410)	(250)	(310)	(50)	(50)	(50)
Total cash disbursed to operations	74,522	81,298	82,158	87,279	88,410	87,954	90,599
Net cash flows from operations	(387)	(2,100)	(6,507)	(5,266)	(4)	4,912	6,596
Cash flows from investing activities							
Cash was provided from/(disbursed to)							
Net purchase of physical assets	(5,865)	(7,842)	(7,302)	(7,852)	(6,871)	(7,003)	(6,698)
Net purchase of shares and other securities	2,092	(1,088)	(4,690)	5,831	6,682	(5,529)	5,446
Net purchase of intangible assets	(377)	(513)	(432)	(532)	(404)	(367)	(338)
Net repayment/(issues) of advances	(310)	(1,426)	(2,344)	(2,039)	(1,969)	(958)	(782)
Net acquisition of investments in associates	(198)	(468)	21	(137)	(167)	(187)	(681)
Forecast new capital spending	-	(282)	-	(242)	(454)	(651)	(800)
Balance sheet funding of new capital spending	-	-	-	100	450	650	800
Top-down capital adjustment	-	300	100	170	-	-	-
Net cash flows from investing activities	(4,658)	(11,319)	(14,647)	(4,701)	(2,733)	(14,045)	(3,053)
Net cash flows from operating and investing activities	(5,045)	(13,419)	(21,154)	(9,967)	(2,737)	(9,133)	3,543
Cash flows from financing activities							
Cash was provided from/(disbursed to)							
Issues of circulating currency	15	104	359	219	230	241	253
Net issue/(repayment) of Government stock ¹	7,157	11,718	19,705	4,774	232	7,797	(4,442)
Net issue/(repayment) of foreign-currency borrowings	3,296	(5,320)	(1,533)	(6,639)	(517)	(863)	(1,517)
Net issue/(repayment) of other New Zealand dollar borrowings	(3,764)	6,898	4,126	11,390	2,815	2,026	2,413
Net cash flows from financing activities	6,704	13,400	22,657	9,744	2,760	9,201	(3,293)
Net movement in cash	1,659	(19)	1,503	(223)	23	68	250
Opening cash balance	6,268	6,143	7,774	9,103	8,886	8,929	9,032
Foreign-exchange gains/(losses) on opening cash	(153)	2	(174)	6	20	35	50
Closing cash balance	7,774	6,126	9,103	8,886	8,929	9,032	9,332

Note 1: Net issues of Government stock is after elimination of holdings by entities such as NZS Fund, ACC and EQC. Further information on the proceeds repayments of Government stock ("domestic bonds") is available in note 22.

The accompanying notes and accounting policies are an integral part of these Statements.

Forecast Statement of Cash Flows (continued)

for the years ending 30 June

	2010 Actual \$m	2011 Previous Budget \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m	2014 Forecast \$m	2015 Forecast \$m
Reconciliation between the net cash flows from operations and the operating balance							
Net cash flows from operations	(387)	(2,100)	(6,507)	(5,266)	(4)	4,912	6,596
<i>Items included in the operating balance but not in net cash flows from operations</i>							
Gains/(losses)							
Net gains/(losses) on financial instruments	2,522	1,250	5,144	1,973	2,230	2,496	2,777
Net gains/(losses) on non-financial instruments	(960)	181	1,894	172	190	190	197
Total gains/(losses)	1,562	1,431	7,038	2,145	2,420	2,686	2,974
Other non-cash items in operating balance							
Depreciation and amortisation	(4,229)	(4,428)	(4,786)	(4,631)	(4,805)	(4,943)	(5,047)
Write-down on initial recognition of financial assets	(855)	(896)	(805)	(806)	(809)	(816)	(817)
Impairment on financial assets (excl. receivables)	33	5	52	85	97	113	115
Decrease/(increase) in defined benefit retirement plan liabilities	284	337	382	377	314	265	231
Decrease/(increase) in insurance liabilities	(974)	(1,329)	(5,922)	1,269	853	(863)	(1,728)
Other	244	135	256	307	325	325	315
Total other non-cash items	(5,497)	(6,176)	(10,823)	(3,399)	(4,025)	(5,919)	(6,931)
Movements in working capital							
Increase/(decrease) in receivables	(338)	225	3,779	(1,081)	(1,687)	(452)	387
Increase/(decrease) in accrued interest	(420)	(162)	(68)	356	488	410	628
Increase/(decrease) in inventories	78	51	150	70	46	8	28
Increase/(decrease) in prepayments	18	(7)	(13)	(3)	(2)	1	(16)
Decrease/(increase) in deferred revenue	(202)	109	195	62	28	19	-
Decrease/(increase) in payables/provisions	677	(438)	(3,188)	(177)	1,386	627	921
Total movements in working capital	(187)	(222)	855	(773)	259	613	1,948
Operating balance	(4,509)	(7,067)	(9,437)	(7,293)	(1,350)	2,292	4,587

The accompanying notes and accounting policies are an integral part of these Statements.

Forecast Statement of Changes in Net Worth

for the years ending 30 June

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening net worth	99,515	96,479	94,988	85,519	78,272	76,939	79,251
Operating balance (including minority interest)	(4,526)	(7,067)	(9,437)	(7,293)	(1,350)	2,292	4,587
Net revaluations	196	-	69	-	-	-	-
Transfers to/(from) reserves	(96)	4	(44)	53	10	7	4
(Gains)/losses transferred to the statement of financial performance	(60)	(1)	(16)	-	-	-	-
Other movements	(30)	1	(41)	(7)	7	13	11
Total comprehensive income	(4,516)	(7,063)	(9,469)	(7,247)	(1,333)	2,312	4,602
Transactions with minority interest in Air New Zealand	(11)	-	-	-	-	-	-
Closing net worth	94,988	89,416	85,519	78,272	76,939	79,251	83,853

The accompanying notes and accounting policies are an integral part of these Statements.

Forecast Statement of Financial Position

as at 30 June

		2010	2011	2011	2012	2013	2014	2015
	Note	Actual \$m	Previous Budget \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m
Assets								
Cash and cash equivalents	12	7,774	6,126	9,103	8,886	8,929	9,032	9,332
Receivables	12	13,884	14,038	17,514	16,709	15,269	15,108	15,705
Marketable securities, deposits and derivatives in gain	12	43,687	46,220	49,006	43,034	36,404	41,989	37,607
Share investments	12	12,179	17,771	14,206	16,095	18,540	21,506	24,042
Advances	12	18,447	20,411	19,851	22,433	24,635	25,140	25,634
Inventory		1,160	1,228	1,309	1,380	1,426	1,434	1,461
Other assets		1,661	1,488	1,668	1,662	1,655	1,648	1,645
Property, plant and equipment	14	113,330	117,742	116,933	121,186	124,305	127,114	129,471
Equity accounted investments ¹		9,049	9,440	9,398	9,613	9,815	10,010	10,295
Intangible assets and goodwill	15	2,184	2,596	2,524	2,714	2,703	2,679	2,629
Forecast for new capital spending (net)	8	-	282	-	142	146	147	147
Top-down capital adjustment		-	(425)	(100)	(270)	(270)	(270)	(270)
Total assets		223,355	236,917	241,412	243,584	243,557	255,537	257,698
Liabilities								
Issued currency		4,020	4,251	4,380	4,598	4,828	5,070	5,323
Payables	17	9,931	10,001	9,169	9,603	9,608	9,887	10,221
Deferred revenue		1,628	1,222	1,433	1,371	1,343	1,323	1,324
Borrowings		69,733	89,416	91,003	101,383	104,652	113,994	111,023
Insurance liabilities	18	27,131	28,635	31,802	30,533	29,680	30,543	32,271
Retirement plan liabilities	19	9,940	8,821	9,271	8,895	8,580	8,316	8,085
Provisions	20	5,984	5,155	8,835	8,929	7,927	7,153	5,598
Total liabilities		128,367	147,501	155,893	165,312	166,618	176,286	173,845
Total assets less total liabilities		94,988	89,416	85,519	78,272	76,939	79,251	83,853
Net worth								
Taxpayer funds	21	31,087	26,983	21,720	14,463	13,161	15,482	20,095
Property, plant and equipment revaluation reserve	21	63,593	62,086	63,600	63,614	63,576	63,554	63,532
Other reserves	21	(94)	(100)	(203)	(207)	(200)	(187)	(176)
Total net worth attributable to the Crown		94,586	88,969	85,117	77,870	76,537	78,849	83,451
Net worth attributable to minority interest		402	447	402	402	402	402	402
Total net worth		94,988	89,416	85,519	78,272	76,939	79,251	83,853

Note 1: Tertiary education institutions constitute most equity accounted investments.

The accompanying notes and accounting policies are an integral part of these Statements.

Forecast Statement of Borrowings

as at 30 June

	2010 Actual \$m	2011 Previous Budget \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m	2014 Forecast \$m	2015 Forecast \$m
Borrowings							
Government stock	27,926	41,328	47,016	52,145	52,880	61,635	58,273
Treasury bills	7,625	9,509	6,698	7,707	7,682	7,655	7,645
Government retail stock	309	337	270	270	270	270	270
Settlement deposits with Reserve Bank	6,679	7,602	6,736	6,736	6,736	6,736	6,736
Derivatives in loss	2,376	1,369	1,777	1,559	1,524	1,443	1,398
Finance lease liabilities	920	1,037	1,231	1,492	1,372	1,715	1,723
Other borrowings	23,898	28,234	27,275	31,474	34,188	34,540	34,978
Total borrowings	69,733	89,416	91,003	101,383	104,652	113,994	111,023
Total sovereign-guaranteed debt	50,017	65,890	68,536	74,900	75,307	83,807	80,284
Total non-sovereign-guaranteed debt	19,716	23,526	22,467	26,483	29,345	30,187	30,739
Total borrowings	69,733	89,416	91,003	101,383	104,652	113,994	111,023
Net debt:							
Core Crown borrowings ¹	58,583	73,196	76,945	83,195	84,614	94,171	91,758
Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	308	(31)	(167)	(231)	(231)	(266)	(316)
Gross sovereign-issued debt²	58,891	73,165	76,778	82,964	84,383	93,905	91,442
Less core Crown financial assets ³	57,209	61,317	65,089	59,728	54,517	60,909	56,717
Net core Crown debt (incl. NZS Fund)⁴	1,682	11,848	11,689	23,236	29,866	32,996	34,725
Add back NZS Fund holdings of core Crown financial assets and NZS Fund financial assets ⁵	14,189	16,575	17,854	19,068	20,493	22,032	23,684
Net core Crown debt (excl. NZS Fund)⁴	15,871	28,423	29,543	42,304	50,359	55,028	58,409
Core Crown advances	10,867	11,542	11,959	12,568	13,260	13,961	14,466
Net core Crown debt (excl. NZS Fund and advances)⁶	26,738	39,965	41,502	54,872	63,619	68,989	72,875
Gross debt:							
Gross sovereign-issued debt ²	58,891	73,165	76,778	82,964	84,383	93,905	91,442
Less Reserve Bank settlement cash and bank bills	(6,900)	(7,796)	(6,800)	(6,800)	(6,800)	(6,800)	(6,800)
Add back changes to DMO borrowing owing to settlement cash ⁷	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Gross sovereign-issued debt excluding Reserve Bank settlement cash and bank bills⁴	53,591	66,969	71,578	77,764	79,183	88,705	86,242

Notes on borrowings

Total borrowings can be split into sovereign-guaranteed and non-sovereign-guaranteed debt. This split reflects the fact that borrowings by State-owned enterprises and Crown entities are not explicitly guaranteed by the Crown. No other debt of State-owned enterprises and Crown entities is currently guaranteed by the Crown.

1. Core Crown borrowings in this instance includes unsettled purchases of securities (classified as accounts payable in the statement of financial position).
2. Gross sovereign-issued debt (GSID) represents debt issued by the sovereign (the core Crown) and includes any Government stock held by the NZS Fund, ACC and EQC.
3. Core Crown financial assets exclude receivables.
4. Net core Crown debt represents GSID less financial assets. This can provide information about the sustainability of the Government's accounts, and is used by some international agencies when determining the credit worthiness of a country.
5. Adding back the NZS Fund assets provides the financial liabilities less financial assets of the core Crown, excluding those assets set aside to meet part of the future cost of New Zealand Superannuation.
6. Net core Crown debt (excluding NZS Fund and advances) excludes financial assets which are held for public policy rather than treasury management purposes.
7. The Reserve Bank has used \$1.6 billion of settlement cash to purchase reserves that were to have been funded by the NZDMO borrowing. Therefore, the impact of settlement cash on GSID is adjusted by this amount.

The accompanying notes and accounting policies are an integral part of these Statements.

Statement of Actual Commitments

as at 31 March 2011

	As at 31 Mar 2011 \$m	As at 30 June 2010 \$m
Capital commitments		
Specialist military equipment	387	422
Land and buildings	820	849
Other property, plant and equipment	7,025	6,370
Other capital commitments	220	224
Tertiary Education Institutions	302	302
Total capital commitments	8,754	8,167
Operating commitments		
Non-cancellable accommodation leases	2,871	2,862
Other non-cancellable leases	3,209	3,230
Non-cancellable contracts for the supply of goods and services	2,253	2,258
Other operating commitments	7,340	9,376
Tertiary Education Institutions	304	304
Total operating commitments	15,977	18,030
Total commitments	24,731	26,197
Total commitments by segment		
Core Crown	12,751	20,983
Crown entities	11,137	13,811
State-owned enterprises	7,917	7,242
Inter-segment eliminations	(7,074)	(15,839)
Total commitments	24,731	26,197

Statement of Actual Contingent Liabilities and Assets

as at 31 March 2011

	As at 31 Mar 2011 \$m	As at 30 June 2010 \$m
Quantifiable contingent liabilities		
Guarantees and indemnities	102	106
Uncalled capital	4,340	2,310
Legal proceedings and disputes	401	414
Other contingent liabilities	3,361	3,535
Total quantifiable contingent liabilities	8,204	6,365
Total quantifiable contingent liabilities by segment		
Core Crown	7,874	6,050
Crown entities	261	171
State-owned enterprises	69	144
Inter-segment eliminations	-	-
Total quantifiable contingent liabilities	8,204	6,365
Quantifiable contingent assets by segment		
Core Crown	701	570
Crown entities	3	2
Total quantifiable contingent assets	704	572

The accompanying notes and accounting policies are an integral part of these Statements.

More information on contingent liabilities (quantified and unquantified) is outlined in the *Fiscal Risks* chapter.

Notes to the Forecast Financial Statements

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m
NOTE 1: Revenue collected through the Crown's sovereign power							
Taxation revenue (accrual)							
Individuals							
Source deductions	21,774	20,174	20,670	21,165	23,129	24,722	26,339
Other persons	3,987	4,403	3,822	4,342	4,672	4,654	4,748
Refunds	(1,831)	(1,484)	(1,681)	(1,656)	(1,701)	(1,574)	(1,435)
Fringe benefit tax	461	430	461	430	457	481	505
Total individuals	24,391	23,523	23,272	24,281	26,557	28,283	30,157
Corporate tax							
Gross companies tax	6,698	8,214	6,907	7,978	8,293	8,979	9,381
Refunds	(379)	(376)	(363)	(400)	(446)	(465)	(460)
Non-resident withholding tax	884	628	498	508	573	643	688
Foreign-source dividend w/holding payments	(3)	8	1	1	1	1	1
Total corporate tax	7,200	8,474	7,043	8,087	8,421	9,158	9,610
Other direct income tax							
Resident w/holding tax on interest income	1,804	1,465	1,707	1,665	1,986	2,527	3,084
Resident w/holding tax on dividend income	130	240	203	209	292	470	489
Estate and gift duties	2	1	2	-	-	-	-
Total other direct income tax	1,936	1,706	1,912	1,874	2,278	2,997	3,573
Total direct income tax	33,527	33,703	32,227	34,242	37,256	40,438	43,340
Goods and services tax							
Gross goods and services tax	19,797	23,968	23,253	26,007	28,354	31,536	33,143
Refunds	(7,880)	(9,524)	(10,047)	(10,965)	(11,928)	(13,981)	(14,675)
Total goods and services tax	11,917	14,444	13,206	15,042	16,426	17,555	18,468
Other indirect taxation							
Road user charges	910	955	995	1,049	1,134	1,214	1,289
Petroleum fuels excise - domestic production	805	907	862	886	903	940	975
Alcohol excise - domestic production	600	657	625	665	700	732	765
Tobacco excise - domestic production	217	209	238	251	259	257	259
Petroleum fuels excise - imports ¹	622	600	650	668	681	709	735
Alcohol excise - imports ¹	225	242	234	250	263	274	287
Tobacco excise - imports ¹	851	1,020	953	1,005	1,035	1,029	1,034
Other customs duty	175	198	154	130	110	95	80
Gaming duties	219	228	218	223	223	226	228
Motor vehicle fees	171	175	169	168	171	174	177
Energy resources levies	39	38	36	38	36	36	36
Approved issuer levy and cheque duty	69	81	73	73	73	73	73
Total other indirect taxation	4,903	5,310	5,207	5,406	5,588	5,759	5,938
Total indirect taxation	16,820	19,754	18,413	20,448	22,014	23,314	24,406
Total taxation revenue	50,347	53,457	50,640	54,690	59,270	63,752	67,746
Other sovereign revenue (accrual)							
ACC levies	3,261	3,823	3,670	3,882	3,992	4,072	4,187
Fire Service levies	301	309	313	309	315	322	328
EQC levies	86	87	87	89	90	91	92
Other miscellaneous items	1,034	1,540	1,374	1,528	1,821	2,156	2,716
Total other sovereign revenue	4,682	5,759	5,444	5,808	6,218	6,641	7,323
Total sovereign revenue	55,029	59,216	56,084	60,498	65,488	70,393	75,069

Note 1: Customs excise-equivalent duty.

Notes to the Forecast Financial Statements

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 1 (continued): Receipts collected through the Crown's sovereign power							
Taxation receipts (cash)							
Individuals							
Source deductions	21,744	20,314	20,575	21,066	23,031	24,621	26,234
Other persons	4,630	4,875	4,320	4,765	5,057	5,090	5,200
Refunds	(2,793)	(2,255)	(2,445)	(2,394)	(2,390)	(2,254)	(2,172)
Fringe benefit tax	469	433	456	424	450	473	500
Total individuals	24,050	23,367	22,906	23,861	26,148	27,930	29,762
Corporate tax							
Gross companies tax	8,650	9,051	7,871	8,369	8,556	9,209	9,626
Refunds	(1,644)	(1,314)	(970)	(799)	(811)	(785)	(821)
Non-resident withholding tax	889	627	494	508	573	643	688
Foreign-source dividend w/holding payments	6	8	1	1	1	1	1
Total corporate tax	7,901	8,372	7,396	8,079	8,319	9,068	9,494
Other direct income tax							
Resident w/holding tax on interest income	1,833	1,463	1,714	1,664	1,985	2,526	3,083
Resident w/holding tax on dividend income	114	240	202	208	291	469	488
Estate and gift duties	2	1	2	-	-	-	-
Total other direct income tax	1,949	1,704	1,918	1,872	2,276	2,995	3,571
Total direct income tax	33,900	33,443	32,220	33,812	36,743	39,993	42,827
Goods and services tax							
Gross goods and services tax	18,797	23,052	22,056	25,135	27,472	30,679	32,234
Refunds	(7,456)	(9,124)	(9,393)	(10,394)	(11,361)	(13,418)	(14,111)
Total goods and services tax	11,341	13,928	12,663	14,741	16,111	17,261	18,123
Other indirect taxation							
Petroleum fuels excise - domestic production	805	907	862	886	903	940	975
Tobacco excise - domestic production	214	209	238	251	259	257	259
Customs duty	1,805	2,060	1,991	2,053	2,089	2,107	2,136
Road user charges	908	955	995	1,049	1,134	1,214	1,289
Alcohol excise - domestic production	622	657	625	665	700	732	765
Gaming duties	218	228	220	223	223	226	228
Motor vehicle fees	195	175	169	168	171	174	177
Energy resources levies	37	38	36	38	36	36	36
Approved issuer levy and cheque duty	59	81	75	73	73	73	73
Total other indirect taxation	4,863	5,310	5,211	5,406	5,588	5,759	5,938
Total indirect taxation	16,204	19,238	17,874	20,147	21,699	23,020	24,061
Total taxation receipts	50,104	52,681	50,094	53,959	58,442	63,013	66,888
Other sovereign receipts (cash)							
ACC levies	3,291	3,761	3,688	3,804	3,928	3,921	3,860
Fire Service levies	301	309	313	309	315	322	328
EQC levies	86	87	90	88	90	91	92
Other miscellaneous items	590	635	677	677	673	703	727
Total other sovereign receipts	4,268	4,792	4,768	4,878	5,006	5,037	5,007
Total sovereign receipts	54,372	57,473	54,862	58,837	63,448	68,050	71,895

Notes to the Forecast Financial Statements

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 2: Interest revenue and dividends							
<i>By type</i>							
Interest revenue	1,926	3,482	2,265	2,569	2,880	3,039	3,385
Dividends	389	581	353	482	510	615	701
Total interest revenue and dividends	2,315	4,063	2,618	3,051	3,390	3,654	4,086
<i>By source</i>							
Core Crown	2,135	2,487	2,185	2,134	2,552	2,773	3,103
Crown entities	1,146	939	1,106	768	944	1,104	1,281
State-owned enterprises	626	1,550	763	1,021	1,041	1,045	1,057
Inter-segment eliminations	(1,592)	(913)	(1,436)	(872)	(1,147)	(1,268)	(1,355)
Total interest revenue and dividends	2,315	4,063	2,618	3,051	3,390	3,654	4,086
NOTE 3: Transfer payments and subsidies							
New Zealand Superannuation	8,290	8,822	8,833	9,575	10,214	10,887	11,666
Domestic Purposes benefit	1,693	1,756	1,765	1,895	1,950	1,997	2,062
Unemployment benefit	930	969	959	1,029	1,007	900	862
Invalid's benefit	1,303	1,319	1,307	1,347	1,382	1,414	1,452
Family tax credit	2,168	2,239	2,214	2,178	2,149	2,101	2,097
Accommodation supplement	1,154	1,221	1,202	1,264	1,295	1,306	1,335
Sickness benefit	710	760	742	782	807	832	860
Student allowances	570	656	626	627	570	525	507
Disability allowances	411	421	410	411	406	415	425
Other social assistance benefits	2,525	2,801	2,750	2,637	2,639	2,642	2,659
Total social assistance grants	19,754	20,964	20,808	21,745	22,419	23,019	23,925
Subsidies							
KiwiSaver subsidies	1,024	1,179	1,039	656	614	596	631
Other transfer payments							
Official development assistance	435	485	493	525	509	534	559
Total transfer payments and subsidies	21,213	22,628	22,340	22,926	23,542	24,149	25,115
NOTE 4: Personnel expenses							
Core Crown	5,991	6,076	5,905	6,021	5,969	6,010	6,078
Crown entities	10,043	10,516	10,309	10,440	10,685	10,659	10,813
State-owned enterprises	2,455	2,526	2,654	2,697	2,754	2,812	2,866
Inter-segment eliminations	(12)	(9)	(9)	(9)	(9)	(9)	(10)
Total personnel expenses	18,477	19,109	18,859	19,149	19,399	19,472	19,747
NOTE 5: Depreciation, amortisation and other operating expenses							
Core Crown	34,226	38,677	41,663	40,197	37,681	37,473	37,689
Crown entities	18,392	17,903	18,064	18,390	18,166	18,175	18,252
State-owned enterprises	9,494	10,237	9,826	10,560	11,185	11,683	11,997
Inter-segment eliminations	(26,545)	(26,462)	(26,630)	(26,724)	(26,650)	(26,466)	(26,687)
Total depreciation, amortisation and other operating expenses	35,567	40,355	42,923	42,423	40,382	40,865	41,251

Notes to the Forecast Financial Statements

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m

NOTE 6: Interest expenses

By type

Interest on financial liabilities	2,724	4,537	3,427	4,592	5,260	5,662	6,199
Interest unwind on provisions	53	75	79	93	130	143	151
Total interest expenses	2,777	4,612	3,506	4,685	5,390	5,805	6,350

By source

Core Crown	2,311	3,230	3,078	3,714	4,325	4,701	5,254
Crown entities	245	181	247	272	286	301	301
State-owned enterprises	845	1,733	1,010	1,392	1,442	1,537	1,601
Inter-segment eliminations	(624)	(532)	(829)	(693)	(663)	(734)	(806)
Total interest expenses	2,777	4,612	3,506	4,685	5,390	5,805	6,350

NOTE 7: Insurance expenses

By entity

ACC	2,922	3,668	3,103	3,042	3,423	3,777	4,118
EQC	64	39	6,389	78	128	128	128
Other	20	18	27	18	19	20	20
Total insurance expenses	3,006	3,725	9,519	3,138	3,570	3,925	4,266

NOTE 8: Forecast new spending and top-down expense adjustment

Forecast new operating spending

Unallocated new spending from Budget 2011	-	394	-	463	240	215	217
Forecast new spending for Budget 2012	-	-	-	-	800	800	800
Forecast new spending for Budget 2013	-	-	-	-	-	800	800
Forecast new spending for Budget 2014	-	-	-	-	-	-	1,190
Total forecast new operating spending	-	394	-	463	1,040	1,815	3,007

Operating top-down adjustment

	-	(410)	(250)	(310)	(50)	(50)	(50)
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Unallocated new spending from Budget 2011 represents expenses included in Budget 2011 that have yet to be allocated.

Forecast for future new spending indicates the expected spending increases from future Budgets.

	2011	2012	2013	2014	2015	Post-2015	Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

Forecast new capital spending (annual)

Unallocated new spending from Budget 2011	-	142	4	1	-	-	147
Forecast new spending for Budget 2012	-	100	350	200	150	100	900
Forecast new spending for Budget 2013	-	-	100	350	200	250	900
Forecast new spending for Budget 2014	-	-	-	100	350	450	900
Forecast new spending for Budget 2015	-	-	-	-	100	800	900
Balance sheet funding of new capital spending	-	(100)	(450)	(650)	(800)	(1,600)	(3,600)
Total forecast new capital spending	-	142	4	1	-	-	147

Forecast new capital spending (cumulative)

	-	142	146	147	147		
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Capital top-down adjustment (cumulative)

	(100)	(270)	(270)	(270)	(270)		
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Unallocated new spending from Budget 2011 represents capital spending included in Budget 2011 that has yet to be allocated.

Forecast for future new spending indicates the expected capital spending increases from future Budgets.

These forecasts assume that, instead of borrowing to fund this new capital spending, the Government will source funding from its existing balance sheet. The forecasts therefore assume that the allowance for new capital spending (\$900 million each Budget spread across five years) will be met through a corresponding reduction in assets. This is referred to as "balance sheet funding of new capital spending".

Notes to the Forecast Financial Statements

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m
NOTE 9: Gains and losses on financial instruments							
<i>By source</i>							
Core Crown	2,094	1,231	4,455	1,546	1,650	1,760	1,874
Crown entities	787	209	1,082	688	842	1,024	1,187
State-owned enterprises	(105)	(11)	(163)	(68)	(68)	(76)	(63)
Inter-segment eliminations	(254)	(179)	(230)	(193)	(194)	(212)	(221)
Net gains/(losses) on financial instruments	2,522	1,250	5,144	1,973	2,230	2,496	2,777
NOTE 10: Gains and losses on non-financial instruments							
<i>By type</i>							
Actuarial gains/(losses) on GSF liability	(1,231)	-	287	-	-	-	-
Actuarial gains/(losses) on ACC outstanding claims	410	-	1,251	-	-	-	-
Other	(139)	181	356	172	190	190	197
Net gains/(losses) on non-financial instruments	(960)	181	1,894	172	190	190	197
<i>By source</i>							
Core Crown	(1,351)	21	445	(8)	-	(6)	(3)
Crown entities	398	(17)	1,241	(1)	(1)	(1)	(1)
State-owned enterprises	(7)	177	208	180	191	197	200
Inter-segment eliminations	-	-	-	1	-	-	1
Net gains/(losses) on non-financial instruments	(960)	181	1,894	172	190	190	197
NOTE 11: Source of operating balance							
Core Crown	(7,000)	(9,082)	(10,891)	(10,350)	(4,455)	(821)	1,221
Crown entities	2,373	1,423	1,415	2,533	2,615	2,617	2,763
State-owned enterprises	635	1,014	964	981	1,173	1,245	1,387
Inter-segment eliminations	(517)	(422)	(925)	(457)	(683)	(749)	(784)
Total operating balance	(4,509)	(7,067)	(9,437)	(7,293)	(1,350)	2,292	4,587
NOTE 12: Financial assets							
Cash and cash equivalents	7,774	6,126	9,103	8,886	8,929	9,032	9,332
Tax receivables	6,864	6,288	6,449	6,788	6,811	6,794	6,816
Trade and other receivables	7,020	7,750	11,065	9,921	8,458	8,314	8,889
Student loans (refer note 13)	6,790	7,300	7,325	7,822	8,279	8,722	9,125
Kiwibank mortgages	10,419	12,411	11,255	13,493	15,363	15,450	15,536
Long-term deposits	2,784	2,240	2,161	2,047	1,929	2,156	2,386
IMF financial assets	2,199	2,546	2,307	2,528	2,716	2,717	2,582
Other advances	1,238	700	1,271	1,118	993	968	973
Share investments	12,179	17,771	14,206	16,095	18,540	21,506	24,042
Derivatives in gain	2,972	1,771	3,053	2,394	2,010	1,573	1,374
Other marketable securities	35,732	39,663	41,485	36,065	29,749	35,543	31,265
Total financial assets	95,971	104,566	109,680	107,157	103,777	112,775	112,320
Financial assets by entity							
NZDMO	23,097	24,360	28,326	20,413	12,450	16,681	10,102
Reserve Bank of New Zealand	19,125	18,928	17,781	17,628	17,512	17,584	17,153
NZS Fund	15,552	16,452	18,629	19,543	20,940	22,463	23,961
Other core Crown	16,643	16,777	17,501	17,694	18,111	18,405	18,876
Intra-segment eliminations	(8,437)	(6,845)	(8,196)	(6,769)	(5,775)	(5,384)	(4,410)
Total core Crown segment	65,980	69,672	74,041	68,509	63,238	69,749	65,682
ACC portfolio	16,985	18,897	20,842	23,742	27,080	30,749	34,733
EQC portfolio	6,003	6,424	8,190	6,168	4,203	3,786	3,984
Other Crown entities	6,631	6,352	6,388	6,343	6,393	6,576	6,798
Intra-segment eliminations	(1,483)	(1,482)	(1,523)	(1,532)	(1,542)	(1,551)	(1,562)
Total Crown entities segment	28,136	30,191	33,897	34,721	36,134	39,560	43,953
Total state-owned enterprises segment	16,064	18,987	17,613	19,624	21,384	21,854	22,248
Inter-segment eliminations	(14,209)	(14,284)	(15,871)	(15,697)	(16,979)	(18,388)	(19,563)
Total financial assets	95,971	104,566	109,680	107,157	103,777	112,775	112,320

Notes to the Forecast Financial Statements

	2010 Actual \$m	2011 Previous Budget \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m	2014 Forecast \$m	2015 Forecast \$m
NOTE 13: Student loans							
Nominal value (including accrued interest)	11,145	12,050	12,024	12,909	13,731	14,528	15,270
Opening book value	6,553	6,874	6,790	7,325	7,822	8,279	8,722
Amount borrowed in current year	1,525	1,616	1,579	1,590	1,615	1,644	1,648
Less initial write down to fair value	(728)	(772)	(707)	(707)	(709)	(716)	(717)
Repayments made during the year	(754)	(826)	(786)	(834)	(927)	(1,000)	(1,076)
Interest unwind	463	506	501	534	576	613	646
(Impairment)/reversal of impairment	(280)	(110)	(64)	(110)	(110)	(110)	(110)
Other movements	11	12	12	24	12	12	12
Closing book value	6,790	7,300	7,325	7,822	8,279	8,722	9,125
NOTE 14: Property, plant and equipment							
<i>By class of asset</i>							
Net carrying value							
Land (valuation)	16,688	16,570	16,803	16,892	16,990	17,090	17,193
Buildings (valuation)	24,019	25,831	24,822	25,232	25,436	25,718	25,609
Electricity distribution network (cost)	2,251	2,887	2,812	3,553	4,104	4,327	4,607
Electricity generation assets (valuation)	13,642	12,333	13,953	14,915	15,468	15,642	16,121
Aircraft (excluding military) (valuation)	1,731	2,347	2,083	2,587	2,864	3,280	3,409
State highways (valuation)	24,838	25,596	25,838	26,504	27,273	28,171	29,236
Rail network (valuation)	12,437	13,224	12,554	12,755	12,803	12,790	12,755
Specialist military equipment (valuation)	3,413	3,835	3,382	3,377	3,210	3,383	3,579
Specified cultural and heritage assets (valuation)	8,505	8,645	8,522	8,559	8,590	8,616	8,645
Other plant and equipment (cost)	5,806	6,474	6,164	6,812	7,567	8,097	8,317
Total property, plant and equipment	113,330	117,742	116,933	121,186	124,305	127,114	129,471
<i>By source</i>							
Core Crown	29,986	31,877	30,334	30,595	30,460	30,923	31,023
Crown entities	48,109	49,453	49,722	50,949	52,148	53,212	54,386
State-owned enterprises	35,235	36,412	36,877	39,642	41,697	42,979	44,062
Inter-segment eliminations	-	-	-	-	-	-	-
Total property, plant and equipment	113,330	117,742	116,933	121,186	124,305	127,114	129,471
<i>Schedule of movements</i>							
Cost or valuation							
Opening balance	119,547	125,897	123,941	131,282	139,383	146,482	153,015
Additions (refer below for further breakdown)	6,555	8,221	7,964	8,628	7,433	7,444	7,055
Disposals	(977)	(229)	(308)	(287)	(233)	(749)	(342)
Net revaluations	(1,143)	-	(226)	-	-	-	-
Other	(41)	(273)	(89)	(240)	(101)	(162)	(108)
Total cost or valuation	123,941	133,616	131,282	139,383	146,482	153,015	159,620
Accumulated depreciation and impairment							
Opening balance	9,412	12,263	10,611	14,349	18,197	22,177	25,901
Eliminated on disposal	(587)	(64)	(108)	(73)	(73)	(426)	(109)
Eliminated on revaluation	(1,349)	-	(168)	-	-	-	-
Depreciation expense	3,582	3,834	3,767	4,032	4,192	4,328	4,440
Other	(447)	(159)	247	(111)	(139)	(178)	(83)
Total accumulated depreciation and impairment	10,611	15,874	14,349	18,197	22,177	25,901	30,149
Total property, plant and equipment	113,330	117,742	116,933	121,186	124,305	127,114	129,471
<i>Additions - by functional classification</i>							
Transport	2,383	2,494	2,947	2,685	2,502	2,851	2,408
Economic	1,425	1,793	1,507	2,573	2,187	1,434	1,863
Education	725	936	943	865	786	741	738
Health	430	932	716	605	498	412	459
Defence	526	936	597	726	451	591	595
Other	1,066	1,130	1,254	1,174	1,009	1,415	992
Total additions to property, plant and equipment	6,555	8,221	7,964	8,628	7,433	7,444	7,055

Note 1: These additions do not include any purchases which may result from the allocation of the net forecast for new capital spending (separately disclosed in the Statement of Financial Position).

Notes to the Forecast Financial Statements

	2010 Actual \$m	2011 Previous Budget \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m	2014 Forecast \$m	2015 Forecast \$m
NOTE 15: Intangible assets and goodwill							
<i>By type</i>							
Net Kyoto position ¹	212	231	444	444	444	444	444
Goodwill	487	457	484	484	484	484	484
Other intangible assets	1,485	1,908	1,596	1,786	1,775	1,751	1,701
Total intangible assets and goodwill	2,184	2,596	2,524	2,714	2,703	2,679	2,629
<i>By source</i>							
Core Crown	1,122	1,327	1,375	1,498	1,515	1,518	1,503
Crown entities	417	503	444	500	507	493	466
State-owned enterprises	645	766	705	716	680	669	659
Inter-segment eliminations	-	-	-	-	1	(1)	1
Total intangible assets and goodwill	2,184	2,596	2,524	2,714	2,703	2,679	2,629

Note 1: The New Zealand Government has committed under the Kyoto Protocol to ensuring that New Zealand's average net emissions of greenhouse gases over 2008 to 2012 (the first commitment period of the Kyoto Protocol, or CP1) are reduced to 1990 levels, or to take responsibility for the difference. New Zealand can meet its commitment through emissions reductions and use of the Kyoto Protocol flexibility mechanisms such as Joint Implementation, the Clean Development Mechanism, and offsetting increased emissions against carbon removed by forests.

To assist New Zealand in meeting its Kyoto Protocol commitments, an Emissions Trading Scheme (ETS) was established (refer note 20). These two initiatives should be looked at together when understanding New Zealand's international climate change obligations. The asset reported in these financial statements could be significantly reduced if international units are transferred offshore through foresters participating in the ETS. This, combined with other ETS variables, has a significant impact on the Government's net fiscal position from the Kyoto Protocol, which will crystallise when the first Kyoto commitment period is settled up post-2012.

These financial statements report on the New Zealand Government's international climate change obligations for the first commitment period, but not for future commitment periods which are currently being negotiated.

The latest Net Position estimate for 2011 can be found on the Ministry for the Environment's website:
www.mfe.govt.nz/issues/climate/greenhouse-gas-emissions/net-position

NOTE 16: NZS Fund

Revenue	433	520	495	551	574	603	642
Less current tax expense	(27)	310	795	367	404	443	484
Less other expenses	502	135	267	172	189	207	221
Add gains/(losses)	1,750	978	3,576	1,215	1,360	1,506	1,647
Operating balance	1,708	1,053	3,009	1,227	1,341	1,459	1,584
Opening net worth	13,688	16,066	15,656	18,668	19,901	21,251	22,720
Gross contribution from the Crown	250	-	-	-	-	-	-
Operating balance	1,708	1,053	3,009	1,227	1,341	1,459	1,584
Other movements in reserves	10	5	3	6	9	10	12
Closing net worth	15,656	17,124	18,668	19,901	21,251	22,720	24,316
<i>Comprising:</i>							
Financial assets	15,552	16,452	18,629	19,543	20,940	22,463	23,961
Net other assets	104	672	39	358	311	257	355
Closing net worth	15,656	17,124	18,668	19,901	21,251	22,720	24,316

NOTE 17: Payables

<i>By type</i>							
Accounts payable	6,703	6,242	5,941	6,161	5,960	5,945	6,028
Taxes repayable	3,228	3,759	3,228	3,442	3,648	3,942	4,193
Total payables	9,931	10,001	9,169	9,603	9,608	9,887	10,221
<i>By source</i>							
Core Crown	7,120	7,011	6,160	6,371	6,249	6,537	6,741
Crown entities	4,390	3,680	4,747	4,663	4,618	4,667	4,709
State-owned enterprises	4,652	4,876	4,842	4,917	5,099	5,132	5,236
Inter-segment eliminations	(6,231)	(5,566)	(6,580)	(6,348)	(6,358)	(6,449)	(6,465)
Total payables	9,931	10,001	9,169	9,603	9,608	9,887	10,221

Notes to the Forecast Financial Statements

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m

NOTE 18: Insurance liabilities

By entity

ACC liability	26,997	28,483	26,761	27,687	28,926	30,381	32,088
EQC property damage claims ¹	88	86	4,985	2,785	685	85	100
Other insurance liabilities	46	66	56	61	69	77	83
Total insurance liabilities	27,131	28,635	31,802	30,533	29,680	30,543	32,271

¹ The majority of the 2011 forecast balance relates to the Canterbury earthquakes.

ACC liability

Calculation information

PricewaterhouseCoopers Actuarial Pty Ltd has prepared an independent actuarial estimate of the ACC outstanding claims liability as at 31 December 2010. This estimate includes the expected future payments relating to accidents that occurred prior to balance date (whether or not the associated claims have been reported to, or accepted by, ACC) and also the expected future administrative expenses of managing these claims.

The key economic variables that impact on changes to the valuation are the long-term Labour Cost Index (LCI), average weekly earnings and the discount rate. Discount rates were derived from the yield curve for New Zealand government bonds. For these forecast statements, the claims liability has been updated for the latest discount rate as at 31 March 2011. The equivalent single effective discount rate, taking into account ACC's projected future cash flow patterns, is a short-term discount rate of 5.98% and a long-term discount rate of 6%. Other key variables in each valuation are the forecast increases in claim costs over and above the economic variables above, and the assumed rate at which long-term claimants will leave the scheme over the period. This assessment is largely based on scheme history.

Presentation approach

The projected outstanding claims liability is included within total liabilities. ACC has available to it a portfolio of assets that partially offset the claims liability. The assets (less cross holdings of New Zealand Government stock) are included in the asset portion of the Crown's overall statement of financial position.

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m

Gross ACC liability

Opening gross liability	26,446	27,169	26,997	26,761	27,687	28,926	30,381
Net change	551	1,314	(236)	926	1,239	1,455	1,707
Closing gross liability	26,997	28,483	26,761	27,687	28,926	30,381	32,088

Less net assets available to ACC

Opening net asset value	13,695	16,607	16,745	20,236	23,162	26,509	30,172
Net change	3,050	2,282	3,491	2,926	3,347	3,663	4,012
Closing net asset value	16,745	18,889	20,236	23,162	26,509	30,172	34,184

Net ACC reserves (net liability)

Opening reserves position	(12,751)	(10,562)	(10,252)	(6,525)	(4,525)	(2,417)	(209)
Net change	2,499	968	3,727	2,000	2,108	2,208	2,305
Closing reserves position (net liability)	(10,252)	(9,594)	(6,525)	(4,525)	(2,417)	(209)	2,096

Notes to the Forecast Financial Statements

	2010 Actual \$m	2011 Previous Budget \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m	2014 Forecast \$m	2015 Forecast \$m
NOTE 19: Retirement plan liabilities							
Government Superannuation Fund	9,936	8,817	9,268	8,891	8,577	8,312	8,081
Other funds	4	4	3	4	3	4	4
Total retirement plan liabilities	9,940	8,821	9,271	8,895	8,580	8,316	8,085

The net liability of the Government Superannuation Fund (GSF) liabilities has been calculated by the Government Actuary as at 31 January 2011. The liability arises from closed schemes for past and present public sector employees as set out in the Government Superannuation Fund Act 1956. A Projected Unit Credit method is used to calculate the liability as at 31 January 2011, based on membership data as at that date. The funding method requires the benefits payable from GSF in respect of past service to be calculated and then discounted back to the valuation date.

The net GSF liability at this valuation was calculated using discount rates derived from the market yield curve as at the balance date and then blended to the long-term discount rate of 6% (long-term rate unchanged from 30 June 2010). Other principal long-term financial assumptions were an inflation rate, as measured by the Consumer Price Index, of 4.6% for 2011 decreasing to 2.6% in 2012 and decreasing further to 2.5% from 2013 and an annual salary growth rate, before any promotional effects, of 3% (unchanged from 30 June 2010).

The 2010/11 projected reduction in the net GSF liability is \$668 million, reflecting a decrease in the GSF liability of \$384 million and an increase in the GSF assets of \$284 million.

The decrease in the GSF liability of \$384 million includes an actuarial gain between 1 July 2010 and 31 January 2011, of \$61 million owing to experience adjustments. In addition to the actuarial gain, changes in the current service cost, interest cost and benefits paid to members give an overall net projected change of \$384 million.

The increase in the value of the net assets of GSF of \$284 million includes an actuarial gain, from 1 July 2010 to 31 January 2011, of \$227 million. The balance of \$57 million is the total of the expected investment returns and contributions received, offset by the benefits paid to members.

The changes in the projected net GSF liability from 2010/11 onwards reflect the net of the expected current service cost, interest cost, investment returns and contributions.

	2010 Actual \$m	2011 Previous Budget \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m	2014 Forecast \$m	2015 Forecast \$m
GSF net defined benefit retirement liability							
GSF liability							
Opening GSF liability	11,792	12,204	12,881	12,497	12,176	11,916	11,701
Net projected change	1,089	(320)	(384)	(321)	(260)	(215)	(184)
Closing GSF liability	12,881	11,884	12,497	12,176	11,916	11,701	11,517
Less net assets available to GSF							
Opening net asset value	2,804	3,050	2,945	3,229	3,285	3,339	3,389
Investment valuation changes	285	151	404	180	185	188	190
Contribution and other income less pension payments	(144)	(134)	(120)	(124)	(131)	(138)	(143)
Closing net asset value	2,945	3,067	3,229	3,285	3,339	3,389	3,436
Net GSF liability							
Opening unfunded liability	8,988	9,154	9,936	9,268	8,891	8,577	8,312
Net projected change	948	(337)	(668)	(377)	(314)	(265)	(231)
Closing unfunded liability	9,936	8,817	9,268	8,891	8,577	8,312	8,081

Notes to the Forecast Financial Statements

	2010 Actual \$m	2011 Previous Budget \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m	2014 Forecast \$m	2015 Forecast \$m
NOTE 20: Provisions							
Provision for ETS credits	74	722	928	1,241	1,061	693	(76)
Provision for future Retail Deposit Guarantee							
Scheme payments	748	-	-	-	-	-	-
Provision for National Provident Fund guarantee	1,007	883	965	925	884	843	802
Provision for employee entitlements	2,836	2,516	2,896	2,919	2,988	2,882	2,905
Other provisions	1,319	1,034	4,046	3,844	2,994	2,735	1,967
Total provisions	5,984	5,155	8,835	8,929	7,927	7,153	5,598
By source							
Core Crown	3,424	2,788	6,258	6,433	5,392	4,538	2,904
Crown entities	1,695	1,563	1,698	1,705	1,721	1,736	1,742
State-owned enterprises	925	862	952	882	918	995	1,080
Inter-segment eliminations	(60)	(58)	(73)	(91)	(104)	(116)	(128)
Total provisions	5,984	5,155	8,835	8,929	7,927	7,153	5,598

Provision for ETS credits

The Emissions Trading Scheme (ETS) was established to encourage reduction in greenhouse gas emissions. The ETS creates tradable units (the NZ Unit) which the Government can allocate freely or sell to entities. The allocation of NZ Units creates a provision (and an expense if allocated for free). The provision is reduced, and revenue recognised, as NZ Units are surrendered to the Crown by emitters. Emitters can also use international Kyoto Units to settle their emission obligation, which might occur where emissions exceed the number of allocated NZ Units. In the ETS transition period to the end of 2012, emitters can also use the NZ\$25 price option to settle their emission obligation.

Until the end of 2012, the Government's net position regarding its climate change obligations will be determined by the net Kyoto position and the provision for ETS credits. After 2012, the net position will depend on any future international climate change commitments.

The carbon price is assumed to remain constant over the forecast period and is based on the estimated current carbon price of €10.95 with an exchange rate of 0.5387 (a carbon price of NZ\$20.33).

The ETS impact on the fiscal forecast is as follows:

Revenue	23	378	378	379	580	783	1,191
Expenses	80	1,007	1,232	692	400	415	422
OBEGAL	(57)	(629)	(854)	(313)	180	368	769
Provision for ETS credits	74	722	928	1,241	1,061	693	(76)

Notes to the Forecast Financial Statements

	2010 Actual \$m	2011 Previous Budget \$m	2011 Forecast \$m	2012 Forecast \$m	2013 Forecast \$m	2014 Forecast \$m	2015 Forecast \$m
NOTE 21: Net worth attributable to the Crown							
Taxpayer funds	31,087	26,983	21,720	14,463	13,161	15,482	20,095
Property, plant and equipment revaluation reserve	63,593	62,086	63,600	63,614	63,576	63,554	63,532
Investment revaluation reserve	59	62	63	69	77	88	100
Cash flow hedge reserve	(143)	(186)	(219)	(223)	(223)	(223)	(223)
Foreign currency translation reserve	(10)	24	(47)	(53)	(54)	(52)	(53)
Total net worth attributable to the Crown	94,586	88,969	85,117	77,870	76,537	78,849	83,451
Taxpayer Funds							
Opening taxpayer funds	36,382	34,027	31,087	21,720	14,463	13,161	15,482
Operating balance excluding minority interest	(4,509)	(7,067)	(9,437)	(7,293)	(1,350)	2,292	4,587
Transfers from/(to) other reserves	(786)	23	70	36	48	29	26
Closing taxpayer funds	31,087	26,983	21,720	14,463	13,161	15,482	20,095
Property, plant and equipment revaluation reserve							
Opening revaluation reserve	62,612	62,110	63,593	63,600	63,614	63,576	63,554
Net revaluations	196	-	69	-	-	-	-
Transfers from/(to) other reserves	785	(24)	(62)	14	(38)	(22)	(22)
Closing property, plant and equipment revaluation reserve	63,593	62,086	63,600	63,614	63,576	63,554	63,532
Investment revaluation reserve							
Opening investment revaluation reserve	56	61	59	63	69	77	88
Valuation gain/(losses) on investments available for sale taken to reserves	3	1	4	6	8	11	12
Closing investment revaluation reserve	59	62	63	69	77	88	100
Cash flow hedge reserve							
Opening cash flow hedge reserve	18	(190)	(143)	(219)	(223)	(223)	(223)
Transfer into reserve	(96)	5	(52)	3	-	-	-
Transfer to the statement of financial performance	(62)	(1)	(16)	-	-	-	-
Transfer to initial carrying value of hedged item	(3)	-	(8)	(7)	-	-	-
Closing cash flow hedge reserve	(143)	(186)	(219)	(223)	(223)	(223)	(223)
Foreign currency translation reserve							
Opening foreign currency translation reserve	-	24	(10)	(47)	(53)	(54)	(52)
Movement arising from translation of foreign operations	(10)	-	(37)	(6)	(1)	2	(1)
Closing foreign currency translation reserve	(10)	24	(47)	(53)	(54)	(52)	(53)

Notes to the Forecast Financial Statements

	2010	2011	2011	2012	2013	2014	2015
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 22: Reconciliation of core Crown operating cash flows to residual core Crown cash							
Core Crown cash flows from operations							
Total tax receipts	50,631	53,348	51,076	55,084	59,471	64,063	68,062
Total other sovereign receipts	566	582	645	645	640	670	695
Interest, profits and dividends	1,897	1,572	1,810	1,469	1,791	1,910	2,161
Sale of goods and services and other receipts	2,658	2,214	2,141	2,496	2,131	2,075	2,091
Transfer payments and subsidies	(21,605)	(22,726)	(22,480)	(23,448)	(23,712)	(24,323)	(25,300)
Personnel and operating costs	(37,157)	(40,498)	(41,435)	(42,107)	(40,624)	(39,545)	(39,633)
Finance costs	(1,981)	(2,847)	(2,558)	(3,493)	(4,166)	(4,351)	(5,035)
Forecast for future new operating spending	-	(394)	-	(463)	(1,040)	(1,815)	(3,007)
Top-down expense adjustment	-	410	250	310	50	50	50
Net cash flows from core Crown operations	(4,991)	(8,339)	(10,551)	(9,507)	(5,459)	(1,266)	84
Net purchase of physical assets	(1,778)	(2,258)	(1,886)	(1,863)	(1,439)	(2,014)	(1,634)
Net increase in advances	(926)	(905)	(1,334)	(879)	(940)	(897)	(679)
Net purchase of investments	(1,055)	(1,843)	(1,280)	(1,261)	(1,109)	(1,215)	(1,822)
Contribution to NZS Fund	(250)	-	-	-	-	-	-
Forecast for future new capital spending	-	(282)	-	(242)	(454)	(651)	(800)
Balance sheet funding of new capital spending	-	-	-	100	450	650	800
Top-down capital adjustment	-	300	100	170	-	-	-
Residual cash	(9,000)	(13,327)	(14,951)	(13,482)	(8,951)	(5,393)	(4,051)
Financed by:							
Other net sale/(purchase) of marketable securities and deposits	2,002	(286)	(5,883)	6,733	6,983	(4,595)	6,032
Total operating and investing activities	(6,998)	(13,613)	(20,834)	(6,749)	(1,968)	(9,988)	1,981
Used in:							
Net (repayment)/issue of other New Zealand dollar borrowing	(3,938)	5,815	1,679	8,295	478	964	1,606
Net (repayment)/issue of foreign currency borrowing	3,368	(5,320)	(1,734)	(6,871)	(573)	(872)	(1,523)
Issues of circulating currency	15	104	359	219	230	241	253
Decrease/(increase) in cash	(817)	14	551	(1)	1	-	1
	(1,372)	613	855	1,642	136	333	337
Net cash inflow/(outflow) to be offset by domestic bonds	(8,370)	(13,000)	(19,979)	(5,107)	(1,832)	(9,655)	2,318
Gross cash proceeds from domestic bonds							
Domestic bonds (market)	12,424	12,776	20,760	13,635	11,721	9,548	7,556
Domestic bonds (non-market)	799	224	372	187	504	247	365
Total gross cash proceeds from domestic bonds	13,223	13,000	21,132	13,822	12,225	9,795	7,921
Repayment of domestic bonds (market)	(4,197)	-	-	(7,602)	(9,992)	-	(9,984)
Repayment of domestic bonds (non-market)	(656)	-	(1,153)	(1,113)	(401)	(140)	(255)
Net cash proceeds from domestic bonds	8,370	13,000	19,979	5,107	1,832	9,655	(2,318)

Forecast Statement of Segments

	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2010	2010	2010	2010	2010
	Actual	Actual	Actual	Actual	Actual
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance for the year ended 30 June 2010					
Revenue					
Taxation revenue	50,744	-	-	(397)	50,347
Other sovereign revenue	1,015	4,840	-	(1,173)	4,682
Sales of goods and services	1,387	14,107	11,979	(13,142)	14,331
Interest revenue and dividends	2,135	1,146	626	(1,592)	2,315
Other revenue	935	12,553	974	(11,412)	3,050
Total revenue (excluding gains)	56,216	32,646	13,579	(27,716)	74,725
Expenses					
Social assistance and official development assistance	21,484	-	-	(271)	21,213
Personnel expenses	5,991	10,043	2,455	(12)	18,477
Other operating expenses	34,227	21,379	9,512	(26,545)	38,573
Interest expenses	2,311	245	845	(624)	2,777
Forecast for future new spending and top-down adjustment	-	-	-	-	-
Total expenses (excluding losses)	64,013	31,667	12,812	(27,452)	81,040
Operating balance before	(7,797)	979	767	(264)	(6,315)
Total gains/(losses)	742	1,185	(112)	(253)	1,562
Net surplus/(deficit) from associates and joint ventures	55	209	(37)	-	227
Attributable to minority interest in Air NZ	-	-	17	-	17
Operating balance	(7,000)	2,373	635	(517)	(4,509)
Expenses by functional classification					
Social security and welfare	21,185	3,848	-	(827)	24,206
Health	13,128	11,070	-	(11,525)	12,673
Education	11,724	9,010	23	(8,317)	12,440
Transport and communications	2,345	2,108	5,977	(2,439)	7,991
Other	13,320	5,386	5,967	(3,720)	20,953
Finance costs	2,311	245	845	(624)	2,777
Forecast for future new spending and top-down adjustment	-	-	-	-	-
Total Crown expenses (excluding losses)	64,013	31,667	12,812	(27,452)	81,040
Statement of Financial Position as at 30 June 2010					
Assets					
Cash and cash equivalents	4,973	2,392	585	(176)	7,774
Receivables	8,776	4,713	1,740	(1,345)	13,884
Other financial assets	52,232	21,031	13,740	(12,690)	74,313
Property, plant and equipment	29,986	48,109	35,235	-	113,330
Equity accounted investments	28,663	7,760	223	(27,597)	9,049
Intangible assets and goodwill	1,122	417	645	-	2,184
Inventory and other assets	1,463	326	1,071	(39)	2,821
Forecast for new capital spending and top-down adjustment	-	-	-	-	-
Total assets	127,215	84,748	53,239	(41,847)	223,355
Liabilities					
Borrowings	57,583	4,835	19,747	(12,432)	69,733
Other liabilities	24,963	33,421	6,612	(6,362)	58,634
Total liabilities	82,546	38,256	26,359	(18,794)	128,367
Total assets less total liabilities	44,669	46,492	26,880	(23,053)	94,988
Net worth					
Taxpayer funds	28,761	19,316	9,373	(26,363)	31,087
Reserves	15,908	27,176	17,064	3,351	63,499
Net worth attributable to minority interest in Air NZ	-	-	443	(41)	402
Total net worth	44,669	46,492	26,880	(23,053)	94,988

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2011	2011	2011	2011	2011
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance for the year ended 30 June 2011					
Revenue					
Taxation revenue	51,189	-	-	(549)	50,640
Other sovereign revenue	1,346	5,209	-	(1,111)	5,444
Sales of goods and services	1,487	14,391	12,640	(13,390)	15,128
Interest revenue and dividends	2,185	1,106	763	(1,436)	2,618
Other revenue	743	16,308	1,017	(11,729)	6,339
Total revenue (excluding gains)	56,950	37,014	14,420	(28,215)	80,169
Expenses					
Social assistance and official development assistance	22,396	-	-	(56)	22,340
Personnel expenses	5,905	10,309	2,654	(9)	18,859
Other operating expenses	41,665	27,566	9,841	(26,630)	52,442
Interest expenses	3,078	247	1,010	(829)	3,506
Forecast for future new spending and top-down adjustment	(250)	-	-	-	(250)
Total expenses (excluding losses)	72,794	38,122	13,505	(27,524)	96,897
Operating balance before	(15,844)	(1,108)	915	(691)	(16,728)
Total gains/(losses)	4,900	2,323	45	(230)	7,038
Net surplus/(deficit) from associates and joint ventures	53	200	4	(4)	253
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating balance	(10,891)	1,415	964	(925)	(9,437)
Expenses by functional classification					
Social security and welfare	22,175	4,103	-	(641)	25,637
Health	13,774	11,285	-	(11,941)	13,118
Education	12,039	9,341	24	(8,621)	12,783
Transport and communications	2,330	2,093	6,135	(2,314)	8,244
Other	19,648	11,053	6,336	(3,178)	33,859
Finance costs	3,078	247	1,010	(829)	3,506
Forecast for future new spending and top-down adjustment	(250)	-	-	-	(250)
Total Crown expenses (excluding losses)	72,794	38,122	13,505	(27,524)	96,897
Statement of Financial Position as at 30 June 2011					
Assets					
Cash and cash equivalents	6,481	2,366	425	(169)	9,103
Receivables	8,956	8,218	2,223	(1,883)	17,514
Other financial assets	58,604	23,313	14,965	(13,819)	83,063
Property, plant and equipment	30,334	49,722	36,876	1	116,933
Equity accounted investments	29,878	7,977	382	(28,839)	9,398
Intangible assets and goodwill	1,374	444	705	1	2,524
Inventory and other assets	1,574	345	1,087	(29)	2,977
Forecast for new capital spending and top-down adjustment	(100)	-	-	-	(100)
Total assets	137,101	92,385	56,663	(44,737)	241,412
Liabilities					
Borrowings	76,942	5,129	22,600	(13,668)	91,003
Other liabilities	26,427	38,439	6,732	(6,708)	64,890
Total liabilities	103,369	43,568	29,332	(20,376)	155,893
Total assets less total liabilities	33,732	48,817	27,331	(24,361)	85,519
Net worth					
Taxpayer funds	17,882	21,625	9,716	(27,503)	21,720
Reserves	15,850	27,192	17,172	3,183	63,397
Net worth attributable to minority interest in Air NZ	-	-	443	(41)	402
Total net worth	33,732	48,817	27,331	(24,361)	85,519

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2012	2012	2012	2012	2012
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance for the year ended 30 June 2012					
Revenue					
Taxation revenue	55,222	-	-	(532)	54,690
Other sovereign revenue	1,500	5,549	-	(1,241)	5,808
Sales of goods and services	1,489	13,917	13,537	(12,865)	16,078
Interest revenue and dividends	2,134	768	1,021	(872)	3,051
Other revenue	716	13,627	956	(12,193)	3,106
Total revenue (excluding gains)	61,061	33,861	15,514	(27,703)	82,733
Expenses					
Social assistance and official development assistance	22,939	-	-	(13)	22,926
Personnel expenses	6,021	10,440	2,697	(9)	19,149
Other operating expenses	40,200	21,510	10,576	(26,725)	45,561
Interest expenses	3,714	272	1,392	(693)	4,685
Forecast for future new spending and top-down adjustment	153	-	-	-	153
Total expenses (excluding losses)	73,027	32,222	14,665	(27,440)	92,474
Operating balance before	(11,966)	1,639	849	(263)	(9,741)
Total gains/(losses)	1,538	687	113	(193)	2,145
Net surplus/(deficit) from associates and joint ventures	78	207	19	(1)	303
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating balance	(10,350)	2,533	981	(457)	(7,293)
Expenses by functional classification					
Social security and welfare	22,935	4,035	-	(617)	26,353
Health	14,353	11,792	-	(12,358)	13,787
Education	12,257	9,384	24	(8,660)	13,005
Transport and communications	2,378	2,202	6,419	(2,415)	8,584
Other	17,237	4,537	6,830	(2,697)	25,907
Finance costs	3,714	272	1,392	(693)	4,685
Forecast for future new spending and top-down adjustment	153	-	-	-	153
Total Crown expenses (excluding losses)	73,027	32,222	14,665	(27,440)	92,474
Statement of Financial Position as at 30 June 2012					
Assets					
Cash and cash equivalents	6,266	2,297	494	(171)	8,886
Receivables	8,785	7,254	2,358	(1,688)	16,709
Other financial assets	53,458	25,170	16,772	(13,838)	81,562
Property, plant and equipment	30,594	50,949	39,642	1	121,186
Equity accounted investments	31,120	8,184	396	(30,087)	9,613
Intangible assets and goodwill	1,498	500	716	-	2,714
Inventory and other assets	1,595	359	1,117	(29)	3,042
Forecast for new capital spending and top-down adjustment	(128)	-	-	-	(128)
Total assets	133,188	94,713	61,495	(45,812)	243,584
Liabilities					
Borrowings	83,194	5,351	26,642	(13,804)	101,383
Other liabilities	26,590	37,090	6,738	(6,489)	63,929
Total liabilities	109,784	42,441	33,380	(20,293)	165,312
Total assets less total liabilities	23,404	52,272	28,115	(25,519)	78,272
Net worth					
Taxpayer funds	7,536	25,112	10,536	(28,721)	14,463
Reserves	15,868	27,160	17,136	3,243	63,407
Net worth attributable to minority interest in Air NZ	-	-	443	(41)	402
Total net worth	23,404	52,272	28,115	(25,519)	78,272

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2013	2013	2013	2013	2013
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance for the year ended 30 June 2013					
Revenue					
Taxation revenue	59,906	-	-	(636)	59,270
Other sovereign revenue	1,793	5,730	-	(1,305)	6,218
Sales of goods and services	1,431	13,984	14,550	(12,873)	17,092
Interest revenue and dividends	2,552	944	1,041	(1,147)	3,390
Other revenue	685	13,601	812	(11,892)	3,206
Total revenue (excluding gains)	66,367	34,259	16,403	(27,853)	89,176
Expenses					
Social assistance and official development assistance	23,583	-	-	(41)	23,542
Personnel expenses	5,969	10,685	2,754	(9)	19,399
Other operating expenses	37,683	21,718	11,202	(26,651)	43,952
Interest expenses	4,325	286	1,442	(663)	5,390
Forecast for future new spending and top-down adjustment	990	-	-	-	990
Total expenses (excluding losses)	72,550	32,689	15,398	(27,364)	93,273
Operating balance before	(6,183)	1,570	1,005	(489)	(4,097)
Total gains/(losses)	1,650	841	123	(194)	2,420
Net surplus/(deficit) from associates and joint ventures	80	204	45	(2)	327
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating balance	(4,453)	2,615	1,173	(685)	(1,350)
Expenses by functional classification					
Social security and welfare	23,644	4,451	-	(663)	27,432
Health	14,332	11,730	-	(12,403)	13,659
Education	12,266	9,554	24	(8,757)	13,087
Transport and communications	2,096	2,248	6,575	(2,284)	8,635
Other	14,897	4,420	7,357	(2,594)	24,080
Finance costs	4,325	286	1,442	(663)	5,390
Forecast for future new spending and top-down adjustment	990	-	-	-	990
Total Crown expenses (excluding losses)	72,550	32,689	15,398	(27,364)	93,273
Statement of Financial Position as at 30 June 2013					
Assets					
Cash and cash equivalents	6,287	2,286	526	(170)	8,929
Receivables	8,722	5,834	2,415	(1,702)	15,269
Other financial assets	48,229	28,014	18,443	(15,107)	79,579
Property, plant and equipment	30,461	52,148	41,696	-	124,305
Equity accounted investments	32,200	8,389	422	(31,196)	9,815
Intangible assets and goodwill	1,516	507	680	-	2,703
Inventory and other assets	1,596	362	1,150	(27)	3,081
Forecast for new capital spending and top-down adjustment	(124)	-	-	-	(124)
Total assets	128,887	97,540	65,332	(48,202)	243,557
Liabilities					
Borrowings	84,612	5,421	29,718	(15,099)	104,652
Other liabilities	25,313	36,206	6,959	(6,512)	61,966
Total liabilities	109,925	41,627	36,677	(21,611)	166,618
Total assets less total liabilities	18,962	55,913	28,655	(26,591)	76,939
Net worth					
Taxpayer funds	3,084	28,792	11,078	(29,793)	13,161
Reserves	15,878	27,121	17,134	3,243	63,376
Net worth attributable to minority interest in Air NZ	-	-	443	(41)	402
Total net worth	18,962	55,913	28,655	(26,591)	76,939

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2014	2014	2014	2014	2014
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance for the year ended 30 June 2014					
Revenue					
Taxation revenue	64,441	-	-	(689)	63,752
Other sovereign revenue	2,127	5,882	-	(1,368)	6,641
Sales of goods and services	1,448	14,018	15,325	(12,884)	17,907
Interest revenue and dividends	2,773	1,104	1,045	(1,268)	3,654
Other revenue	702	13,426	756	(11,576)	3,308
Total revenue (excluding gains)	71,491	34,430	17,126	(27,785)	95,262
Expenses					
Social assistance and official development assistance	24,192	-	-	(43)	24,149
Personnel expenses	6,010	10,659	2,812	(9)	19,472
Other operating expenses	37,475	22,081	11,700	(26,466)	44,790
Interest expenses	4,701	301	1,537	(734)	5,805
Forecast for future new spending and top-down adjustment	1,765	-	-	-	1,765
Total expenses (excluding losses)	74,143	33,041	16,049	(27,252)	95,981
Operating balance before	(2,652)	1,389	1,077	(533)	(719)
Total gains/(losses)	1,755	1,023	121	(213)	2,686
Net surplus/(deficit) from associates and joint ventures	77	205	47	(4)	325
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating balance	(820)	2,617	1,245	(750)	2,292
Expenses by functional classification					
Social security and welfare	24,396	4,751	-	(678)	28,469
Health	14,242	11,787	-	(12,395)	13,634
Education	12,077	9,430	24	(8,587)	12,944
Transport and communications	2,087	2,320	6,778	(2,291)	8,894
Other	14,875	4,452	7,710	(2,567)	24,470
Finance costs	4,701	301	1,537	(734)	5,805
Forecast for future new spending and top-down adjustment	1,765	-	-	-	1,765
Total Crown expenses (excluding losses)	74,143	33,041	16,049	(27,252)	95,981
Statement of Financial Position as at 30 June 2014					
Assets					
Cash and cash equivalents	6,307	2,295	599	(169)	9,032
Receivables	8,841	5,510	2,535	(1,778)	15,108
Other financial assets	54,601	31,755	18,720	(16,441)	88,635
Property, plant and equipment	30,923	53,212	42,980	(1)	127,114
Equity accounted investments	33,369	8,594	447	(32,400)	10,010
Intangible assets and goodwill	1,517	493	669	-	2,679
Inventory and other assets	1,590	364	1,157	(29)	3,082
Forecast for new capital spending and top-down adjustment	(123)	-	-	-	(123)
Total assets	137,025	102,223	67,107	(50,818)	255,537
Liabilities					
Borrowings	94,170	5,461	30,822	(16,459)	113,994
Other liabilities	24,697	37,134	7,074	(6,613)	62,292
Total liabilities	118,867	42,595	37,896	(23,072)	176,286
Total assets less total liabilities	18,158	59,628	29,211	(27,746)	79,251
Net worth					
Taxpayer funds	2,267	32,531	11,632	(30,948)	15,482
Reserves	15,891	27,097	17,136	3,243	63,367
Net worth attributable to minority interest in Air NZ	-	-	443	(41)	402
Total net worth	18,158	59,628	29,211	(27,746)	79,251

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-owned enterprises	Inter-segment eliminations	Total Crown
	2015	2015	2015	2015	2015
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance for the year ended 30 June 2015					
Revenue					
Taxation revenue	68,490	-	-	(744)	67,746
Other sovereign revenue	2,687	6,057	-	(1,421)	7,323
Sales of goods and services	1,439	14,078	15,854	(12,917)	18,454
Interest revenue and dividends	3,103	1,281	1,057	(1,355)	4,086
Other revenue	694	13,568	782	(11,670)	3,374
Total revenue (excluding gains)	76,413	34,984	17,693	(28,107)	100,983
Expenses					
Social assistance and official development assistance	25,157	-	-	(42)	25,115
Personnel expenses	6,078	10,813	2,866	(10)	19,747
Other operating expenses	37,690	22,499	12,015	(26,687)	45,517
Interest expenses	5,254	301	1,601	(806)	6,350
Forecast for future new spending and top-down adjustment	2,957	-	-	-	2,957
Total expenses (excluding losses)	77,136	33,613	16,482	(27,545)	99,686
Operating balance before	(723)	1,371	1,211	(562)	1,297
Total gains/(losses)	1,871	1,186	137	(220)	2,974
Net surplus/(deficit) from associates and joint ventures	72	206	39	(1)	316
Attributable to minority interest in Air NZ	-	-	-	-	-
Operating balance	1,220	2,763	1,387	(783)	4,587
Expenses by functional classification					
Social security and welfare	25,334	5,062	-	(695)	29,701
Health	14,236	11,819	-	(12,416)	13,639
Education	12,236	9,634	24	(8,760)	13,134
Transport and communications	2,082	2,315	7,007	(2,293)	9,111
Other	15,037	4,482	7,850	(2,575)	24,794
Finance costs	5,254	301	1,601	(806)	6,350
Forecast for future new spending and top-down adjustment	2,957	-	-	-	2,957
Total Crown expenses (excluding losses)	77,136	33,613	16,482	(27,545)	99,686
Statement of Financial Position as at 30 June 2015					
Assets					
Cash and cash equivalents	6,448	2,399	655	(170)	9,332
Receivables	8,969	5,957	2,596	(1,817)	15,705
Other financial assets	50,265	35,597	18,997	(17,576)	87,283
Property, plant and equipment	31,023	54,386	44,063	(1)	129,471
Equity accounted investments	34,744	8,800	473	(33,722)	10,295
Intangible assets and goodwill	1,504	466	659	-	2,629
Inventory and other assets	1,610	364	1,161	(29)	3,106
Forecast for new capital spending and top-down adjustment	(123)	-	-	-	(123)
Total assets	134,440	107,969	68,604	(53,315)	257,698
Liabilities					
Borrowings	91,757	5,433	31,460	(17,627)	111,023
Other liabilities	23,285	38,911	7,268	(6,642)	62,822
Total liabilities	115,042	44,344	38,728	(24,269)	173,845
Total assets less total liabilities	19,398	63,625	29,876	(29,046)	83,853
Net worth					
Taxpayer funds	3,492	36,552	12,299	(32,248)	20,095
Reserves	15,906	27,073	17,134	3,243	63,356
Net worth attributable to minority interest in Air NZ	-	-	443	(41)	402
Total net worth	19,398	63,625	29,876	(29,046)	83,853

