

Financial Statements of the Government of New Zealand

For the Seven Months Ended
31 January 2013



Prepared by the Treasury
8 March 2013

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New Zealand Government

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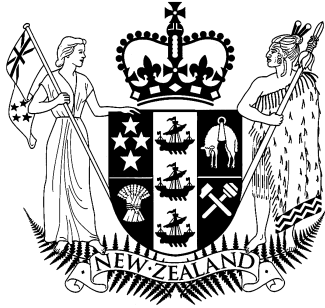
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COMMENTARY

S U M M A R Y

The Financial Statements of the Government provide a record of the Government's financial performance for the seven months ended 31 January 2013 and its financial position as at that date.

The January results are reported against forecasts based on the *2012 Half Year Economic and Fiscal Update (HYEFU)*, published on 18 December 2012.

At a Glance

Table 1 – Key indicators for the seven months ended 31 January 2013 compared to HYEFU

	Year to date				Full Year
	January 2013	January 2013 HYEFU	Variance to HYEFU	Variance to HYEFU	June 2013 HYEFU
\$ million	Actual ¹	Forecast ¹	\$m	%	Forecast ²
Core Crown					
Core Crown tax revenue	33,109	32,623	486	1.5	57,376
Core Crown revenue	36,031	35,589	442	1.2	62,939
Core Crown expenses	39,519	39,801	282	0.7	71,998
Core Crown residual cash	(6,698)	(6,842)	144	2.1	(9,782)
Gross debt ³	83,943	83,965	22	0.0	80,176
as a percentage of GDP	40.3%	40.3%			37.1%
Net debt ⁴	57,303	57,626	323	0.6	59,998
as a percentage of GDP	27.5%	27.7%			27.8%
Total Crown					
Operating balance before gains and losses	(2,511)	(3,082)	571	18.5	(7,340)
Operating balance	4,171	(154)	4,325	2,808.4	(3,275)
Net worth attributable to the Crown	63,522	59,207	4,315	7.3	56,285

1 Using GDP for the year ended 30 September 2012 of \$208,326 million (Source: Statistics New Zealand)

2 Using forecast GDP for the year ended 30 June 2013 of \$216,048 million (Source: Treasury)

3 Gross sovereign-issued debt excluding settlement cash and Reserve Bank bills

4 Net core Crown debt excluding student loans and other advances

Core Crown includes Ministers, Departments, Offices of Parliament, the NZS Fund and the Reserve Bank of New Zealand but excludes State-owned enterprises and Crown entities.

Results for the seven months ended 31 January 2013

The Operating Balance before Gains and Losses (OBEGAL) was in deficit by \$2.5 billion, which is \$571 million lower than forecast and is largely owing to core Crown tax revenue being \$486 million higher than expected. There were two tax types contributing to the improved tax revenue:

- Tax from source deductions was \$225 million above forecast. Total labour force earnings were in line with forecast, however there was a fall in employment concentrated at the lower end of the income scale, for example, part-time workers. Overall, the same amount of income was earned by fewer workers, increasing the average tax rate due to the progressive nature of the personal income tax scale.
- Tax from other individuals was \$277 million above forecast, primarily owing to higher incomes being earned, part of which was from investment income on the back of strong equity markets.

Core Crown expenses were \$282 million below forecast at \$39.5 billion. As with December this was largely due to delays in finalising complex negotiation issues in Treaty of Waitangi settlements.

Including net gains, the operating balance was in surplus by \$4.2 billion, some \$4.3 billion ahead of forecast, largely owing to significant net investment gains made by the New Zealand Superannuation Fund (\$1.3 billion) and ACC (\$0.5 billion). In addition, ACC has recorded higher than expected actuarial gains on its outstanding claims liability of \$1.4 billion, largely due to favourable changes in the discount rate and claims experience.

The residual cash deficit was \$144 million smaller than expected, largely reflecting higher tax receipts than forecast.

Net debt was \$323 million lower than forecast, reflecting the residual cash result and higher than forecast levels of currency in circulation, while gross debt was on forecast at 40.3% of GDP.

Further analysis of the January results follows.

ANALYSIS

Table 2 – Key indicator variances for the seven months ended 31 January 2013 compared to *HYEFU*:

Item/indicator	Variance ¹	Key drivers
Core Crown		
Core Crown revenue	\$442 million (higher than forecast)	<p>Core Crown tax revenue was \$486m higher than forecast and was the key driver of this result, with source deductions and other individuals' tax types both ahead of forecast.</p> <ul style="list-style-type: none"> Source deductions: \$225m above forecast. The result suggests underlying strength, especially on the back of the previous two months' positive differences and is supported by recent economic data. The Quarterly Employment Survey (QES) and Labour Cost Index (LCI) suggest that aggregate labour incomes were close to forecast. However, the Household Labour Force Survey (HLFS) reported lower-than-forecast employment, especially at the lower end of the income scale. The combination of these, ie, the same amount of total income being earned by fewer workers, increases the average tax rate across the labour force owing to the progressive nature of the personal income tax scale. Other individuals' tax: \$277m above forecast. Approximately \$100m of the variance arose from a one-off adjustment in respect of a small number of taxpayers. The remainder is likely a result of higher incomes than forecast in <i>HYEFU</i>, particularly investment income given the recent strength in equity markets. <p>Most of the other tax types were close to forecast, however, while GST was \$49m above forecast, there is potential downside risk. Refunds were below forecast and mask the lower than expected GST revenue; this is more obvious on the receipts side (\$187m below forecast) where refunds were close to forecast. Recent indicators point to domestic consumption being in line with the <i>HYEFU</i> forecast, so we estimate the underlying variance from forecast to be slightly negative, ie, somewhere in between the revenue and receipts variances.</p>
Core Crown expenses	\$282 million (lower than forecast)	<p>Core Crown expenses were less than one percent from forecast at \$39.5b.</p> <p>While the consolidated expenditure was close to forecast, departments were collectively \$519m underspent excluding the top-down adjustment. The largest of the underspends were:</p> <ul style="list-style-type: none"> Treaty settlement expenses were \$188m below forecast due to complex negotiation issues not being finalised as planned, and The New Zealand Aid programme, which was \$57m lower than forecast mostly due to timing of expenses. <p>As both of these expenses are timing in nature, they are expected to be close to forecast by the end of the financial year.</p>
Core Crown residual cash deficit	\$144 million (lower than forecast)	<p>Core Crown tax receipts were \$212m above forecast and were the key driver of the residual cash deficit being lower than forecast. There were also largely offsetting differences in operating and capital payments.</p>

¹ Favourable variances against forecast have a positive sign and unfavourable variances against forecast have a negative sign.

Item/indicator	Variance ¹	Key drivers
Core Crown residual cash deficit (continued)		<p>Source deductions were \$248m higher than expected, similar to the revenue difference explained earlier. However, other tax types had weaker cash receipts than their revenue results:</p> <ul style="list-style-type: none"> • Other individuals' tax was \$81m higher than forecast (\$196m less than the revenue difference). The lower difference, compared to revenue, was largely due to the absence of a cash effect in respect of the one-off adjustment and a timing difference between the recognition of provisional tax revenue and the payment of that tax. • As highlighted earlier, GST receipts were \$187m lower than forecast and suggest underlying weakness in GST, although we expect some of this weakness to reverse by 30 June as it is not supported by current economic indicators. <p>Operating cash payments by departments were close to forecast, but once the top-down adjustment is included payments were \$219m above forecast. However, underlying cash spending was largely in line with the core Crown expenses noted above, except for:</p> <ul style="list-style-type: none"> • Treaty settlement payments were close to forecast despite the \$188 expense difference as settlement payments and expensing occur at different stages of the settlement process, and the payment and expensing forecasts relate to different settlements. • Earthquake payments were \$181m above forecast despite their expenses being close to forecast. This was because payments for infrastructure and red zone were made earlier than forecast (both of these items were recorded as expenses last financial year, which is why there is no expense impact). • Transport spending was \$100m above forecast largely due to payment of invoices sooner than expected. <p>Offsetting the operating payments, capital purchases were \$236m lower than forecast. The largest differences were defence (\$101m) and education (\$55m) assets.</p>
Gross debt	\$22 million (lower than forecast)	<p>While gross debt was close to forecast at a total level, there were a number of variances within that result.</p> <p>The debt programme was \$700m behind forecast (\$500m of bonds and \$200m of Treasury Bills) as fewer bond tenders took place in January than anticipated.</p> <p>As we reported last month, the Reserve Bank purchased \$1.8b more Government bonds than forecast. This reduces the amount of debt held outside the Crown, and so reduced gross debt.</p> <p>Offsetting these lower debt levels, DMO's foreign currency borrowing was \$1.9b higher than forecast (essentially to meet short-term cash needs) and the Reserve Bank had unsettled trades of \$602m, neither of which were forecast.</p> <p>The changes in holding of debt noted above have broadly corresponding impacts on financial assets, so these do not impact the net debt indicator.</p>

Item/indicator	Variance ¹	Key drivers
Net debt	\$323 million (lower than forecast)	At \$57.3b, or 27.5% of GDP, net debt was \$323m below forecast. The result was largely owing to the better than expected residual cash deficit explained earlier and \$163m more currency in circulation than expected (which has reduced from the \$589m difference last month, and is expected to reduce further).
Total Crown		
Operating balance before gains and losses deficit	\$571 million (lower than forecast)	The OBEGAL deficit was lower than forecast largely owing to the higher than forecast tax revenue.
Operating balance	\$4,325 million (higher than forecast)	<p>Including net gains, which were higher than forecast by \$3.7b, the operating balance was in surplus by \$4.2b. The higher than expected gains were due to:</p> <p>The Crown's investment portfolios have performed well this year and have recorded significant year to date net gains of \$4.7b, some \$2.3b above forecast (NZSF \$1.3b and ACC \$0.5b). To illustrate the strength of returns, the NZSF had a 4.3% return for the month of January and a 20.37% return for the 12 months to 31 January.</p> <p>ACC's outstanding claims liability was revalued at 31 December and updated for the 31 January discount rate. This valuation resulted in a reduction in the liability and corresponding actuarial gains, which were \$1.4b above forecast. The largest drivers of the change in valuation were a higher discount rate, 0.19% higher than expected at 4.84%, and favourable claims experience, providing gains of \$0.8b and \$0.6b respectively.</p>
Net worth attributable to the Crown	\$4,315 million (higher than forecast)	Net worth attributable to the Crown was higher than expected largely reflecting the operating balance result detailed above.

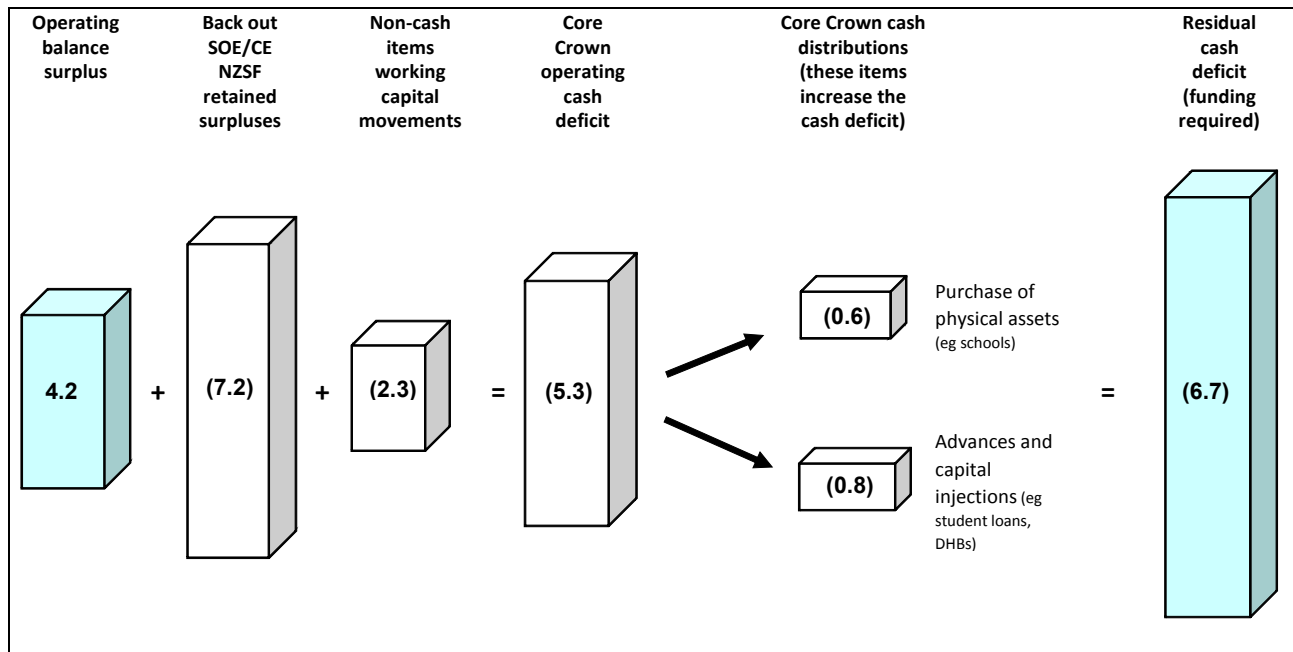
Table 3 – Fiscal Strategy and financial results

		Ref	31 Jan 2013 Actual \$m	31 Jan 2013 Forecast \$m	Variance \$m	Variance %	Annual Forecast \$m
Fiscal Strategy	Financial Results						
Operating revenue Ensure sufficient operating revenue to meet the operating balance objective	Taxation as a % of GDP	1	27.2%	26.8%			26.6%
	Core Crown taxation revenue ...		33,109	32,623	486	1.5	57,376
	... combined with other core Crown revenue ...		2,922	2,966	(44)	(1.5)	5,563
Operating expenses To control the growth in spending so that over time, core Crown expenses are reduced to below 30% of GDP	... fund core Crown expenses...		(39,519)	(39,801)	282	0.7	(71,998)
	... and with SOE and Crown entity results and core Crown gains and losses...		7,659	4,058	3,601	88.7	5,784
Operating balance Return to an operating surplus sufficient to meet the Government's net capital requirements, including contributions to the New Zealand Superannuation Fund, and ensure consistency with the debt objective	... result in an operating surplus or deficit...		4,171	(154)	4,325	-	(3,275)
	...with income in SOEs, CEs and the NZS Fund retained...		(7,231)	(3,925)	(3,306)	(84.2)	(5,683)
	... and some items do not impact cash ...		(2,271)	(1,160)	(1,111)	(95.8)	1,855
	... leaving operating cash flows to ...		(5,331)	(5,239)	(92)	(1.8)	(7,103)
Debt Manage total debt at prudent levels ensuring net debt remains consistently below 35% of GDP and then brought back to a level no higher than 20% of GDP by 2020	... meet the capital expenditure budget ...		(606)	(750)	144	19.2	(1,840)
	... and make advances (e.g. to students and DHBs)		(761)	(853)	92	10.7	(839)
	With the residual cash ...		(6,698)	(6,842)	144	2.1	(9,782)
	... when combined with opening net debt ...		50,671	50,671	-	-	50,671
	... and fair value movements and other changes in financial assets and financial liabilities ...		(66)	113	179	158.8	(455)
	... results in a closing net debt ...		57,303	57,626	323	0.6	59,998
	... and as a % of GDP		27.5%	27.7%			27.8%

¹ GDP for the seven months ended 31 January 2013 (actual and forecast) is the actual data for the year ended 30 September 2012 (Source: Statistics New Zealand) pro-rated for seven months.

Figure 1 – Application of core Crown cash flows (\$billions)

This diagram shows how the Operating Balance translates into cash available to the core Crown and how this cash was spent.



YEAR - ON - YEAR PERSPECTIVE

Table 4 – Comparison with previous year

	January 2013 Actual \$m	January 2012 Actual \$m	Change ¹ \$m	Change %
Statement of Financial Performance				
Core Crown revenue				
Taxation revenue	33,109	31,360	1,749	5.6
Other revenue	2,922	2,575	347	13.5
Total Core Crown Revenue	36,031	33,935	2,096	6.2
Core Crown expenses				
Social security and welfare	13,201	12,952	249	1.9
GSF pension expenses	161	108	53	49.1
Health	8,393	8,221	172	2.1
Education	6,567	6,499	68	1.0
Core government services	2,272	2,248	24	1.1
Law and order	1,968	1,956	12	0.6
Defence	1,018	1,067	(49)	(4.6)
Transport and communications	1,146	1,225	(79)	(6.4)
Economic and industrial services	1,202	1,286	(84)	(6.5)
Primary services	358	354	4	1.1
Heritage, culture and recreation	503	475	28	5.9
Environmental protection	250	433	(183)	(42.3)
Housing and community development	181	204	(23)	(11.3)
Other	159	280	(121)	(43.2)
Finance costs	2,140	2,111	29	1.4
Total Core Crown Expenses	39,519	39,419	100	0.3
Net surplus of SOE/CE's (and inter-segment eliminations)	977	1,170	(193)	(16.5)
OBE GAL	(2,511)	(4,314)	1,803	41.8
Total gains/(losses)	6,503	(4,752)	11,255	236.8
Other operating items	179	138	41	29.7
Operating Balance	4,171	(8,928)	13,099	146.7
Core Crown residual cash	(6,698)	(7,859)	1,161	14.8
Debt indicators				
Gross debt²	83,943	74,234	9,708	13.1
Net debt³	57,303	48,146	9,157	19.0

¹ Due to the seasonal nature of some expenditure it is not appropriate to annualise these changes.

² Gross sovereign-issued debt excluding settlement cash and Reserve Bank bills.

³ Net core Crown debt excluding NZS Fund, student loans and other advances.

Revenue and Expenses

Core Crown taxation revenue for the seven months ended 31 January 2013 increased by \$1,749 million (5.6%) on the same period last year. Other individuals' tax was the largest contributor to the increase (up 42% on last year) owing to a higher effective tax rate, with source deductions and GST also higher than last year reflecting wage growth and increased consumption. This growth was partially offset by a decrease in corporate tax reflecting a change in timing of tax pooling payments.

Total **core Crown expenses** increased by \$100 million (0.3%) on the same period last year.

Functional expense	Movement from previous year	Main drivers of the change
Increases:		
Social security and welfare	+ \$249 million	Indexation of welfare benefits and increase in recipient numbers, particularly NZ Superannuitants.
Health	+ \$172 million	Funding provided in the 2012 Budget to maintain and improve existing service levels.
Decreases:		
Environmental protection	- \$183 million	Costs associated with the Emissions Trading Scheme (ETS) were lower than last year as fewer NZ units have been issued and at lower prices. The lower issuance is related to the forestry industry, as they received a one-off allocation of units if they opted into the scheme in previous years.
Other functional classes	-\$138 million	This variance includes the lower Treaty settlements compared to the same time last year.
Total	+ \$100 million	

The **surplus of SOE/CE's** was \$977 million, which was \$193m below last year's surplus.

Total gains were \$6,503 million in the seven months to January 2013 due to strong returns on the Crown's investment portfolio and the actuarial gains for GSF and ACC. In contrast, weak global equity markets in the first seven months of the 2011/12 financial year plus increases in the valuation of the Crown's long-term liabilities (eg, ACC and GSF) resulted in total losses of \$4,752 million to 31 January 2012.

Debt

Both **net** and **gross debt** have increased as a result of the issuance of debt (primarily government stock) and the reduction in financial assets to meet cash deficits.



FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES

1 Reporting Entity

These financial statements are the consolidated financial statements for the Government reporting entity as specified in Part III of the Public Finance Act 1989. This comprises:

- Ministers of the Crown
- Offices of Parliament
- New Zealand Superannuation Fund
- State-Owned Enterprises (SOEs)
- Departments
- Reserve Bank of New Zealand
- Crown Entities
- Air New Zealand Limited

A schedule of the entities that are included in the Government reporting entity was set out on pages 85 and 86 of the *HYEFU* released on 18 December 2012.

With the exception of the 30 June 2012 comparative figures, all actual, forecast and comparative figures presented in these financial statements are unaudited.

2 Basis of Preparation and General Accounting Policies

These unaudited interim financial statements of the Government reporting entity comply with generally accepted accounting practice and with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as applicable for public benefit entities, including NZ IAS 34 *Interim Financial Reporting*. The Government reporting entity is a public benefit entity.

The measurement base applied is historical cost adjusted for revaluations of property, plant and equipment (where appropriate), commercial forests; and marketable securities, deposits and equity investments held for trading purposes. The accrual basis of accounting has been used unless otherwise stated.

These financial statements have been prepared on a going concern basis. These interim financial statements have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with, the information included in the Financial Statements of the Government of New Zealand for the year ended 30 June 2012.

3 Specific Accounting Policies

The specific accounting policies of the Crown are detailed on the Treasury's internet site:

<http://www.treasury.govt.nz/publications/guidance/reporting/accounting>

4 Forecasts

The forecasts in these financial statements are for the year to 30 June 2013.

The accounting policies underlying the preparation of forecasts are set out in the Statement of Accounting Policies reproduced in full on the Treasury's internet site <http://www.treasury.govt.nz/budget/forecasts/hyefu2012>

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

5 Comparative Figures

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures have been restated to ensure consistency with the current period unless it is impracticable to do so.

6 Variance Percentages

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

7 Judgements and Estimates

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future, as with the settlement of ACC outstanding claim obligations and Government Superannuation retirement benefits, depends critically on judgements regarding future cash flows, including inflation assumptions and the risk free discount rate used to calculate present values. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

A second area of uncertainty relates to the immature nature of the claims experience available to assist in estimating the claims and provisions arising from the Canterbury earthquakes. Actuarial valuations of these liabilities using the best available information have been used, however it is common in such cases for adjustments to be required as the claims experience develops.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

STATEMENT OF FINANCIAL PERFORMANCE

for the seven months ended 31 January 2013

Year 7 months to 30 Jun 2012	7 months to 31 Jan 2012		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
		Revenue						
54,665	31,069	Taxation revenue	1	32,766	32,339	427	1.3	56,874
5,130	2,828	Other sovereign revenue	1	2,997	2,979	18	0.6	5,128
59,795	33,897	Total Revenue Levied through the Crown's Sovereign Power		35,763	35,318	445	1.3	62,002
16,785	9,552	Sales of goods and services		9,171	9,136	35	0.4	15,735
2,763	1,584	Interest revenue and dividends	2	1,659	1,807	(148)	(8.2)	3,211
4,140	1,945	Other revenue		2,016	1,999	17	0.9	3,659
23,688	13,081	Total revenue earned through the Crown's operations		12,846	12,942	(96)	(0.7)	22,605
83,483	46,978	Total revenue (excluding gains)		48,609	48,260	349	0.7	84,607
		Expenses						
22,354	12,932	Social assistance and official development assistance	3	13,261	13,327	66	0.5	23,007
19,475	11,260	Personnel expenses	4	11,642	11,616	(26)	(0.2)	19,983
6,350	3,112	Depreciation and amortisation	5	2,643	2,565	(78)	(3.0)	4,531
35,678	19,511	Other operating expenses	5	19,185	19,680	495	2.5	37,455
4,290	2,341	Interest expenses	6	2,503	2,542	39	1.5	4,410
4,576	2,136	Insurance expenses	7	1,886	1,900	14	0.7	3,374
-	-	Forecast new operating spending	5	-	-	-	-	317
-	-	Top-down expense adjustment	5	-	(288)	(288)	(100.0)	(1,150)
92,723	51,292	Total expenses (excluding losses)		51,120	51,342	222	0.4	91,927
-	-	Forgone profits from partial share sales		-	-	-	-	(20)
(9,240)	(4,314)	Operating balance before gains/(losses)		(2,511)	(3,082)	571	18.5	(7,340)
692	(980)	Net gains/(losses) on financial instruments	8	4,743	2,429	2,314	95.3	3,301
(6,526)	(3,772)	Net gains/(losses) on non-financial instruments	9	1,760	396	1,364	344.4	568
(5,834)	(4,752)	Total gains/(losses)		6,503	2,825	3,678	130.2	3,869
233	139	Net surplus/(deficit) from associates and joint ventures		175	103	72	69.9	196
(14,841)	(8,927)	Operating balance from continuing activities		4,167	(154)	4,321	-	(3,275)
-	(1)	Gain/(loss) from discontinued operations		4	-	4	-	-
(56)	-	Attributable to minority interests		-	-	-	-	-
(14,897)	(8,928)	Operating balance	10	4,171	(154)	4,325	-	(3,275)

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

STATEMENT OF COMPREHENSIVE INCOME

for the seven months ended 31 January 2013

Year 7 months to 30 Jun 2012 Actual \$m		to 31 Jan 2012 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
(14,841)	(8,928)	Operating Balance (including minority interest)		4,171	(154)	4,325	-	(3,255)
		Other comprehensive income						
(6,461)	-	Revaluation of physical assets		(44)	(25)	(19)	(76.0)	(16)
108	153	Effective portion of changes in value of cash flow hedges		44	(7)	51	-	(32)
54	1	Net change in fair value of cash flow hedges transferred to operating balance		2	15	(13)	(86.7)	-
(19)	(19)	Net change in fair value of cash flow hedges transferred to the hedged item		-	4	(4)	(100.0)	4
(2)	3	Foreign currency translation differences for foreign operations		(4)	12	(16)	(133.3)	85
13	11	Valuation gains/(losses) on investments available for sale taken to reserves		6	14	(8)	(57.1)	4
1	(3)	Other movements		(1)	-	(1)	-	(8)
(6,306)	146	Total other comprehensive income		3	13	(10)	(76.9)	37
(21,147)	(8,782)	Total comprehensive income		4,174	(141)	4,315	-	(3,218)
		Attributable to:						
84	-	- minority interest		-	-	-	-	20
(21,231)	(8,782)	- the Crown		4,174	(141)	4,315	-	(3,238)
(21,147)	(8,782)	Total comprehensive income		4,174	(141)	4,315	-	(3,218)

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

ANALYSIS OF EXPENSES BY FUNCTIONAL CLASSIFICATION

for the seven months ended 31 January 2013

Year 7 months to 30 Jun 2012 Actual \$m		to 31 Jan 2012 Actual \$m		Current Year Actual vs Forecast				
				Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
Total Crown expenses								
25,457	14,811	Social security and welfare		15,119	15,252	133	0.9	26,689
197	111	GSF pension expenses		165	169	4	2.4	287
13,650	7,900	Health		8,119	8,101	(18)	(0.2)	14,108
12,407	7,180	Education		7,063	7,119	56	0.8	13,262
5,305	2,184	Core government services		2,262	2,431	169	7.0	5,538
3,592	2,058	Law and order		2,091	2,126	35	1.6	3,864
1,693	1,041	Defence		999	1,006	7	0.7	1,815
10,259	4,941	Transport and communications		5,162	4,971	(191)	(3.8)	8,952
10,018	5,148	Economic and industrial services		4,478	4,443	(35)	(0.8)	7,479
1,588	909	Primary services		718	739	21	2.8	1,521
2,446	1,309	Heritage, culture and recreation		1,436	1,475	39	2.6	2,477
769	433	Environmental protection		236	262	26	9.9	561
627	646	Housing and community development		610	647	37	5.7	1,168
425	280	Other		159	347	188	54.2	629
4,290	2,341	Finance costs		2,503	2,542	39	1.5	4,410
-	-	Forecast new operating spending		-	-	-	-	317
-	-	Top-down expense adjustment		-	(288)	(288)	(100.0)	(1,150)
92,723	51,292	Total Crown expenses excluding losses		51,120	51,342	222	0.4	91,927

Below is an analysis of core Crown expenses by functional classification. Core Crown expenses include expenses incurred by the Crown, Departments and the Reserve Bank, but not Crown entities and SOEs.

Year to 30 Jun 2012 Actual \$m	7 months to 31 Jan 2012 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Core Crown expenses							
22,028	12,952	Social security and welfare	13,201	13,200	(1)	-	22,878
192	108	GSF pension expenses	161	161	-	-	278
14,160	8,221	Health	8,393	8,448	55	0.7	14,741
11,654	6,499	Education	6,567	6,625	58	0.9	12,400
5,428	2,248	Core government services	2,272	2,372	100	4.2	5,640
3,403	1,956	Law and order	1,968	2,014	46	2.3	3,642
1,736	1,067	Defence	1,018	1,034	16	1.5	1,864
2,232	1,225	Transport and communications	1,146	1,165	19	1.6	2,435
2,157	1,286	Economic and industrial services	1,202	1,198	(4)	(0.3)	2,082
648	354	Primary services	358	381	23	6.0	846
863	475	Heritage, culture and recreation	503	541	38	7.0	875
769	433	Environmental protection	250	274	24	8.8	585
(130)	204	Housing and community development	181	208	27	13.0	357
425	280	Other	159	347	188	54.2	629
3,511	2,111	Finance costs	2,140	2,121	(19)	(0.9)	3,579
-	-	Forecast new operating spending	-	-	-	-	317
-	-	Top-down expense adjustment	-	(288)	(288)	(100.0)	(1,150)
69,076	39,419	Core Crown expenses excluding losses	39,519	39,801	282	0.7	71,998

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

STATEMENT OF CASH FLOWS

for the seven months ended 31 January 2013

Year 7 months to 30 Jun 2012 Actual \$m		to 31 Jan 2012 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
Cash Flows From Operations								
Cash was provided from								
53,582	30,062	Taxation receipts	31,721	31,337	384	1.2	55,817	
4,890	2,950	Other sovereign receipts	3,055	3,051	4	0.1	4,694	
16,812	9,732	Sales of goods and services	9,646	9,482	164	1.7	15,806	
2,603	1,549	Interest and dividends	1,519	1,650	(131)	(7.9)	2,924	
4,395	2,389	Other operating receipts	3,193	3,611	(418)	(11.6)	6,785	
82,282	46,682	Total cash provided from operations	49,134	49,131	3	-	86,026	
Cash was disbursed to								
22,840	13,827	Social assistance and official development assistance	13,838	13,919	81	0.6	23,077	
59,107	35,430	Personnel and operating payments	34,938	35,429	491	1.4	61,567	
3,954	2,129	Interest payments	2,186	2,254	68	3.0	4,622	
-	-	Forecast new operating spending	-	-	-	-	317	
-	-	Top-down expense adjustment	-	(288)	(288)	(100.0)	(1,150)	
85,901	51,386	Total cash disbursed to operations	50,962	51,314	352	0.7	88,433	
(3,619)	(4,704)	Net cash flows from operations	(1,828)	(2,183)	355	16.3	(2,407)	
Cash Flows From Investing Activities								
Cash was provided from/(disbursed to)								
(5,766)	(3,483)	Net purchase of physical assets	(3,026)	(3,865)	839	21.7	(6,837)	
424	4,713	Net purchase of shares and other securities	1,766	1,266	500	39.5	8,964	
(567)	(281)	Net purchase of intangible assets	(265)	(258)	(7)	(2.7)	(553)	
(1,284)	(531)	Net (issue)/repayment of advances	(1,017)	(930)	(87)	(9.4)	(1,539)	
(115)	23	Net acquisition of investments in associates	76	28	48	171.4	1,513	
-	-	Forecast new capital spending	-	-	-	-	(179)	
-	-	Top-down capital adjustment	-	100	(100)	(100.0)	400	
(7,308)	441	Net cash flows from investing activities	(2,466)	(3,659)	1,193	32.6	1,769	
Net cash flows from operating and investing activities								
(10,927)	(4,263)		(4,294)	(5,842)	1,548	26.5	(638)	
Cash Flows From Financing Activities								
Cash was provided from/(disbursed to)								
203	300	Issues of circulating currency	271	108	163	150.9	160	
7,554	4,522	Net issue/(repayment) of Government bonds	10,312	10,965	(653)	(6.0)	5,711	
(6,422)	(6,695)	Net issue/(repayment) of foreign currency borrowing	1,040	(64)	1,104	-	(2,292)	
10,353	10,601	Net issue/(repayment) of other New Zealand dollar borrowing	(1,389)	(2,723)	1,334	49.0	481	
(7)	-	Dividends paid to minority interests	-	-	-	-	-	
11,681	8,728	Net cash flows from financing activities	10,234	8,286	1,948	23.5	4,060	
754	4,465	Net movement in cash	5,940	2,444	3,496	143.0	3,422	
9,801	9,801	Opening Cash Balance	10,686	10,686	-	-	10,686	
Foreign-exchange gains/(losses) on opening cash								
131	48		(152)	(156)	4	2.6	(156)	
10,686	14,314	Closing Cash Balance	16,474	12,974	3,500	27.0	13,952	

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

STATEMENT OF CASH FLOWS (CONTINUED)

for the seven months ended 31 January 2013

Year 7 months to 30 Jun 2012 Actual \$m		to 31 Jan 2012 Actual \$m		Current Year Actual vs Forecast				
				Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
Reconciliation Between the Net Cash Flows from Operations and the Operating Balance								
(3,619)	(4,704)	Net Cash Flows from Operations		(1,828)	(2,183)	355	16.3	(2,407)
Items included in the operating balance but not in net cash flows from operations								
Gains/(losses)								
692	(980)	Gains/(losses) on financial instruments		4,743	2,429	2,314	95.3	3,301
(6,526)	(3,772)	Gains/(losses) on non-financial instruments		1,760	396	1,364	344.4	568
(5,834)	(4,752)	Total gains/(losses)		6,503	2,825	3,678	130.2	3,869
Other Non-cash Items in Operating Balance								
(6,350)	(3,112)	Depreciation and amortisation		(2,643)	(2,565)	(78)	(3.0)	(4,531)
(850)	(345)	Write-down on initial recognition of financial assets		(272)	(304)	32	10.5	(788)
248	48	Impairment of financial assets (excluding receivables)		7	10	(3)	(30.0)	33
512	261	Non-cash movement in defined benefit retirement plan liabilities		237	235	2	0.9	390
1,070	2,591	Non-cash movement in insurance liabilities		1,937	2,865	(928)	(32.4)	2,684
232	137	Other		175	100	75	75.0	197
(5,138)	(420)	Total other non-cash Items		(559)	341	(900)	(263.9)	(2,015)
Movements in Working Capital								
(242)	(1,709)	Increase/(decrease) in receivables		(3,133)	(3,450)	317	9.2	(3,459)
(175)	(177)	Increase/(decrease) in accrued interest		(179)	(130)	(49)	(37.7)	498
(74)	23	Increase/(decrease) in inventories		30	(47)	77	163.8	(95)
32	287	Increase/(decrease) in prepayments		225	159	66	41.5	(13)
(38)	339	Decrease/(increase) in deferred revenue		82	153	(71)	(46.4)	163
191	2,185	Decrease/(increase) in payables/provisions		3,030	2,178	852	39.1	184
(306)	948	Total movements in working capital		55	(1,137)	1,192	104.8	(2,722)
(14,897)	(8,928)	Operating Balance		4,171	(154)	4,325	-	(3,275)

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

STATEMENT OF CHANGES IN NET WORTH

for the seven months ended 31 January 2013

Year to 30 Jun 2012 Actual \$m	7 months to 31 Jan 2012 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
80,887	80,887	Opening net worth	59,780	59,780	-	-	59,780
(14,841)	(8,928)	Operating balance (including minority interest)	4,171	(154)	4,325	-	(3,275)
(6,461)	-	Net revaluations	(44)	(25)	(19)	(76.0)	(16)
80	164	Transfers to/(from) reserves	50	6	44	-	(39)
		(Gains)/losses transferred to the					
83	1	statement of financial performance	3	15	(12)	(80.0)	(1)
(8)	(19)	Other movements	(6)	17	(23)	(135.3)	93
(21,147)	(8,782)	Total comprehensive income	4,174	(141)	4,315	-	(3,238)
-	-	Gain on Government share offers	-	-	-	-	175
-	-	Partial share sales in SOEs	-	-	-	-	1,325
40	-	Transactions with minority interests	-	-	-	-	20
59,780	72,105	Closing net worth	63,954	59,639	4,315	7.2	58,062
		Attributable to:					
432	308	- minority interest	432	432	-	-	1,777
59,348	71,797	- the Crown	63,522	59,207	4,315	7.3	56,285
59,780	72,105	Closing net worth	63,954	59,639	4,315	7.3	58,062

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

STATEMENT OF FINANCIAL POSITION

as at 31 January 2013

As at 30 Jun 2012 Actual \$m	As at 31 Jan 2012 Actual \$m			Current Year Actual vs Forecast				Annual Forecast \$m
			Note	Actual \$m	Forecast \$m	Variance \$m	%	
Assets								
10,686	14,314	Cash and cash equivalents	11	16,474	12,974	3,500	27.0	13,952
20,956	19,458	Receivables	11	17,444	17,654	(210)	(1.2)	17,627
48,385	40,655	Marketable securities, deposits and derivatives in gain	11	45,040	46,066	(1,026)	(2.2)	39,399
14,385	14,045	Share investments	11	16,224	15,701	523	3.3	16,302
21,766	21,305	Advances	11	22,569	22,722	(153)	(0.7)	23,398
1,234	1,331	Inventory		1,264	1,186	78	6.6	1,139
2,134	2,282	Other assets		2,455	2,262	193	8.5	1,972
108,584	116,022	Property, plant & equipment	12	108,602	110,147	(1,545)	(1.4)	111,719
9,483	9,727	Equity accounted investments ¹		9,625	9,630	(5)	(0.1)	9,825
2,705	2,296	Intangible assets and goodwill		2,583	2,578	5	0.2	2,708
-	-	Forecast for new capital spending		-	-	-	-	179
-	-	Top-down capital adjustment		-	(100)	100	100.0	(400)
240,318	241,435	Total assets		242,280	240,820	1,460	0.6	237,820
Liabilities								
4,457	4,554	Issued currency		4,728	4,565	(163)	(3.6)	4,617
11,604	10,856	Payables	14	10,307	11,185	878	7.8	12,423
1,712	1,335	Deferred revenue		1,629	1,558	(71)	(4.6)	1,548
100,534	95,365	Borrowings		104,615	106,033	1,418	1.3	102,749
41,186	38,741	Insurance liabilities	15	37,777	38,232	455	1.2	38,160
13,539	11,835	Retirement plan liabilities		13,112	13,114	2	-	12,960
7,506	6,644	Provisions	16	6,158	6,494	336	5.2	7,301
180,538	169,330	Total liabilities		178,326	181,181	2,855	1.6	179,758
59,780	72,105	Total assets less total liabilities		63,954	59,639	4,315	7.2	58,062
Net Worth								
3,520	9,377	Taxpayer funds	17	7,749	3,399	4,350	128.0	486
56,001	62,570	Revaluation reserve	17	55,898	55,945	(47)	(0.1)	55,915
(173)	(150)	Other reserves	17	(125)	(137)	12	8.8	(116)
59,348	71,797	Total net worth attributable to the Crown		63,522	59,207	4,315	7.3	56,285
432	308	Net worth attributable to minority interest		432	432	-	-	1,777
59,780	72,105	Total net worth		63,954	59,639	4,315	7.2	58,062

1. Tertiary education institutions constitute most equity accounted investments.

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

STATEMENT OF BORROWINGS

as at 31 January 2013

As at 30 Jun 2012 Actual \$m	As at 31 Jan 2012 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
53,849	47,947	Government bonds ¹	60,223	63,187	2,964	4.7	57,159
8,954	8,957	Treasury bills	4,824	4,906	82	1.7	4,599
229	251	Government retail stock	204	221	17	7.7	221
5,917	6,244	Settlement deposits with Reserve Bank	7,183	6,855	(328)	(4.8)	6,855
2,807	2,863	Derivatives in loss	2,567	2,445	(122)	(5.0)	2,337
1,515	1,135	Finance lease liabilities	1,401	1,453	52	3.6	1,586
27,263	27,968	Other borrowings	28,213	26,966	(1,247)	(4.6)	29,992
100,534	95,365	Total borrowings	104,615	106,033	1,418	1.3	102,749
75,701	71,028	Sovereign-guaranteed debt	79,721	80,344	623	0.8	76,400
24,833	24,337	Non sovereign-guaranteed debt	24,894	25,689	795	3.1	26,349
100,534	95,365	Total borrowings	104,615	106,033	1,418	1.3	102,749
		Net Debt:					
84,680	79,729	Core Crown borrowings ²	90,556	90,085	(471)	(0.5)	86,282
(512)	(820)	Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(885)	(682)	203	29.8	(671)
84,168	78,909	Gross sovereign-issued debt³	89,671	89,403	(268)	(0.3)	85,611
64,017	60,472	Less core Crown financial assets ⁴	66,274	64,091	2,183	3.4	59,177
20,151	18,437	Net core Crown debt	23,397	25,312	1,915	7.6	26,434
13,324	12,391	Core crown advances	13,218	13,176	(42)	(0.3)	13,898
33,475	30,828	Net core Crown debt (incl NZS Fund)⁵	36,615	38,488	1,873	4.9	40,332
17,196	17,318	Add back NZS Fund holdings of core Crown financial assets and NZS Fund fin assets ⁶	20,688	19,138	(1,550)	(8.1)	19,666
50,671	48,146	Net core Crown debt (excl NZS Fund and advances)⁷	57,303	57,626	323	0.6	59,998
		Gross Debt:					
84,168	78,909	Gross sovereign-issued debt ³	89,671	89,403	(268)	(0.3)	85,611
(6,133)	(6,275)	Less Reserve Bank settlement cash and Reserve Bank bills	(7,328)	(7,038)	290	4.1	(7,035)
1,600	1,600	Add back changes to DMO borrowing due to settlement cash ⁸	1,600	1,600	-	-	1,600
79,635	74,234	Gross sovereign-issued debt excluding Reserve Bank settlement cash and Reserve bank bills	83,943	83,965	22	-	80,176

Notes on gross and net debt:

- Government bonds includes \$395 million of infrastructure bonds.
- Core Crown borrowings in this instance includes unsettled purchases of securities (classified as accounts payable in the statement of financial position).
- Gross Sovereign-Issued Debt (GSID) represents debt issued by the sovereign (the core Crown) and includes Government stock held by the New Zealand Superannuation Fund (NZS Fund), ACC and EQC.
- Core Crown financial assets exclude receivables.
- 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 creditworthiness of a country.
- 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.
- Net Core Crown Debt (excluding NZS Fund and advances) excludes financial assets which are held for public policy rather than treasury management purposes.
- The Reserve Bank has used \$1.6 billion of settlement cash to purchase reserves that were to have been funded by the NZ Debt Management Office 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 COMMITMENTS

as at 31 January 2013

	As at 31 Jan 2013 \$m	As at 30 Jun 2012 \$m	As at 31 Jan 2012 \$m
Capital Commitments			
Specialist military equipment	145	239	334
Land and buildings	773	697	612
Other property, plant and equipment	6,400	6,001	6,987
Other capital commitments	754	572	417
Tertiary Education Institutions	255	255	413
Total capital commitments	8,327	7,764	8,763
Operating Commitments			
Non-cancellable accommodation leases	2,549	2,719	2,765
Other non-cancellable leases	3,458	3,549	2,983
Tertiary Education Institutions	282	282	366
Total operating commitments	6,289	6,550	6,114
Total commitments	14,616	14,314	14,877
Total Commitments by Segment			
Core Crown	8,245	15,685	10,638
Crown entities	6,308	7,753	8,166
State-owned Enterprises	5,535	5,300	6,564
Inter-segment eliminations	(5,472)	(14,424)	(10,491)
Total commitments	14,616	14,314	14,877

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

as at 31 January 2013

	As at 31 Jan 2013 \$m	As at 30 Jun 2012 \$m	As at 31 Jan 2012 \$m
Quantifiable Contingent Liabilities			
Guarantees and indemnities	186	430	81
Uncalled capital	6,012	6,327	5,159
Legal proceedings and disputes	404	411	361
Other contingent liabilities	275	584	2,256
Total quantifiable contingent liabilities	6,877	7,752	7,857
Total Quantifiable Contingent Liabilities by Segment			
Core Crown	6,685	7,622	7,554
Crown entities	81	40	174
State-owned Enterprises	111	90	129
Inter-segment eliminations	-	-	-
Total quantifiable contingent liabilities	6,877	7,752	7,857
Quantifiable Contingent Assets			
Core Crown	161	224	662
Crown entities	154	162	20
State owned enterprises	-	24	-
Inter-segment eliminations	-	-	-
Total quantifiable contingent assets	315	410	682

A list of unquantified contingent liabilities (such as the Canterbury earthquakes) as at 30 June 2012 is included on the Treasury's website
<http://www.treasury.govt.nz/government/financialstatements/yearend/jun12>

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

NOTES TO THE FINANCIAL STATEMENTS

Year 7 months to 30 Jun 2012 Actual \$m		to 31 Jan 2012 Actual \$m		Current Year Actual vs Forecast				
				Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
NOTE 1: Sovereign Revenue (Accrual)								
Taxation Revenue (accrual)								
Individuals								
21,237	12,337	Source deductions		13,087	12,863	224	1.7	22,038
4,232	2,333	Other persons		2,886	2,637	249	9.4	4,641
(1,736)	(923)	Refunds		(795)	(811)	16	2.0	(1,564)
462	255	Fringe benefit tax		263	252	11	4.4	439
24,195	14,002	Total individuals		15,441	14,941	500	3.3	25,554
Corporate Tax								
8,310	4,042	Gross companies tax		3,854	3,997	(143)	(3.6)	8,487
(202)	(94)	Refunds		(74)	(96)	22	22.9	(214)
500	309	Non-resident withholding tax		237	228	9	3.9	396
4	4	Foreign-source dividend w/holding payments		1	-	1	-	-
8,612	4,261	Total corporate tax		4,018	4,129	(111)	(2.7)	8,669
Other Income Tax								
1,679	921	Resident w/holding tax on interest income		895	843	52	6.2	1,515
292	160	Resident w/holding tax on dividend income		208	204	4	2.0	382
1,971	1,081	Total other income tax		1,103	1,047	56	5.3	1,897
34,778	19,344	Total income tax		20,562	20,117	445	2.2	36,120
Goods and Services Tax								
25,199	14,625	Gross goods and services tax		14,684	14,911	(227)	(1.5)	25,814
(10,627)	(6,311)	Refunds		(5,911)	(6,187)	276	4.5	(10,512)
14,572	8,314	Total goods and services tax		8,773	8,724	49	0.6	15,302
Other Taxation								
1,045	603	Road user charges		620	647	(27)	(4.2)	1,114
847	541	Petroleum fuels excise - domestic production		506	540	(34)	(6.3)	905
656	409	Alcohol excise - domestic production		414	402	12	3.0	672
244	217	Tobacco excise - domestic production		263	223	40	17.9	248
631	395	Petroleum fuels excise - imports ¹		377	447	(70)	(15.7)	656
241	150	Alcohol excise - imports ¹		154	146	8	5.5	230
993	697	Tobacco excise - imports ¹		709	702	7	1.0	932
173	112	Other customs duty		113	109	4	3.7	205
216	130	Gaming duties		128	134	(6)	(4.5)	225
175	101	Motor vehicle fees		104	96	8	8.3	179
58	36	Approved issuer levy and cheque duty		25	34	(9)	(26.5)	50
36	20	Energy resources levies		18	18	-	-	36
5,315	3,411	Total other indirect taxation		3,431	3,498	(67)	(1.9)	5,452
19,887	11,725	Total indirect taxation		12,204	12,222	(18)	(0.1)	20,754
54,665	31,069	Total taxation revenue		32,766	32,339	427	1.3	56,874
Other Sovereign Revenue (accrual)								
3,695	2,176	ACC levies		1,992	2,008	(16)	(0.8)	3,427
326	204	Fire Service levies		207	207	-	-	325
107	55	EQC levies		129	129	-	-	242
1,002	393	Other miscellaneous items		669	635	34	5.4	1,134
5,130	2,828	Total other sovereign revenue		2,997	2,979	18	0.6	5,128
59,795	33,897	Total sovereign revenue		35,763	35,318	445	1.3	62,002

1. Customs excise-equivalent duty

NOTES TO THE FINANCIAL STATEMENTS

Year 7 months to 30 Jun 2012 Actual \$m	7 months to 31 Jan 2012 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 1 (continued): Sovereign Receipts (Cash)							
Income Tax Receipts (cash)							
Individuals							
21,010	12,075	Source deductions	12,916	12,671	245	1.9	21,924
4,720	2,268	Other persons	2,529	2,450	79	3.2	4,944
(2,468)	(1,553)	Refunds	(1,378)	(1,372)	(6)	(0.4)	(2,212)
458	317	Fringe benefit tax	322	314	8	2.5	438
23,720	13,107	Total individuals	14,389	14,063	326	2.3	25,094
Corporate Tax							
8,792	4,573	Gross companies tax	4,643	4,636	7	0.2	8,660
(814)	(316)	Refunds	(340)	(333)	(7)	(2.1)	(665)
434	286	Non-resident withholding tax	282	228	54	23.7	395
4	4	Foreign-source dividend w/holding payments	-	-	-	-	-
8,416	4,547	Total corporate tax	4,585	4,531	54	1.2	8,390
Other Income Tax							
1,699	970	Resident w/holding tax on interest income	925	874	51	5.8	1,514
290	160	Resident w/holding tax on dividend income	222	210	12	5.7	382
1,989	1,130	Total other income tax	1,147	1,084	63	5.8	1,896
34,125	18,784	Total income tax	20,121	19,678	443	2.3	35,380
Goods and Services Tax							
24,574	14,052	Gross goods and services tax	14,092	14,212	(120)	(0.8)	24,997
(10,435)	(6,126)	Refunds	(5,955)	(6,001)	46	0.8	(10,012)
14,139	7,926	Total goods and services tax	8,137	8,211	(74)	(0.9)	14,985
Other Taxation							
1,048	606	Road user charges	618	647	(29)	(4.5)	1,114
845	503	Petroleum fuels excise - domestic production	517	509	8	1.6	905
654	405	Alcohol excise - domestic production	414	415	(1)	(0.2)	672
238	223	Tobacco excise - domestic production	277	226	51	22.6	248
2,057	1,361	Customs duty	1,363	1,368	(5)	(0.4)	2,023
216	130	Gaming duties	131	136	(5)	(3.7)	225
169	69	Motor vehicle fees	102	96	6	6.3	179
55	35	Approved issuer levy and cheque duty	23	33	(10)	(30.3)	50
36	20	Energy resources levies	18	18	-	-	36
5,318	3,352	Total other indirect taxation	3,463	3,448	15	0.4	5,452
19,457	11,278	Total indirect taxation	11,600	11,659	(59)	(0.5)	20,437
53,582	30,062	Total tax receipts collected	31,721	31,337	384	1.2	55,817
Other Sovereign Receipts (cash)							
3,693	2,308	ACC levies	2,242	2,274	(32)	(1.4)	3,424
326	204	Fire Service levies	207	207	-	-	325
134	57	EQC levies	171	159	12	7.5	277
737	381	Other miscellaneous items	435	411	24	5.8	668
4,890	2,950	Total other sovereign receipts	3,055	3,051	4	0.1	4,694
58,472	33,012	Total sovereign receipts	34,776	34,388	388	1.1	60,511

NOTES TO THE FINANCIAL STATEMENTS

Year 7 months		Current Year Actual vs Forecast				
to 30 Jun	to 31 Jan					Annual
2012	2012					Forecast
Actual	Actual		Actual	Forecast	Variance	Forecast
\$m	\$m		\$m	\$m	\$m	\$m
					%	
NOTE 2: Interest Revenue and Dividends						
By type						
2,293	1,332	Interest revenue	1,374	1,478	(104)	(7.0)
470	252	Dividends	285	329	(44)	(13.4)
2,763	1,584	Total interest revenue and dividends	1,659	1,807	(148)	(8.2)
By source						
1,795	978	Core Crown	1,122	1,232	(110)	(8.9)
1,181	692	Crown entities	695	639	56	8.8
858	499	State-owned Enterprises	488	496	(8)	(1.6)
(1,071)	(585)	Inter-segment eliminations	(646)	(560)	(86)	(15.4)
2,763	1,584	Total interest revenue and dividends	1,659	1,807	(148)	(8.2)
NOTE 3: Transfer Payments and Subsidies						
9,584	5,537	New Zealand superannuation	5,935	5,933	(2)	-
2,082	1,225	Family tax credit	1,183	1,190	7	0.6
1,811	1,066	Domestic purposes benefit	1,038	1,037	(1)	(0.1)
1,325	779	Invalids benefit	782	779	(3)	(0.4)
1,195	705	Accommodation supplement	698	703	5	0.7
883	538	Unemployment benefit	496	505	9	1.8
775	454	Sickness benefit	462	462	-	-
567	306	In-work tax credit	295	291	(4)	(1.4)
644	353	Student allowances	347	349	2	0.6
580	338	Income related rents	364	362	(2)	(0.6)
401	237	Disability allowances	227	219	(8)	(3.7)
1,309	809	Other social assistance benefits	852	863	11	1.3
21,156	12,347	Total social assistance grants	12,679	12,693	14	0.1
Subsidies						
688	387	KiwiSaver	412	408	(4)	(1.0)
Other transfer payments						
510	198	Official development assistance	170	226	56	24.8
22,354	12,932	Total transfer payments and subsidies	13,261	13,327	66	0.5
NOTE 4: Personnel Expenses						
5,915	3,390	Core Crown	3,473	3,480	7	0.2
10,754	6,218	Crown entities	6,446	6,481	35	0.5
2,819	1,658	State-owned Enterprises	1,730	1,661	(69)	(4.2)
(13)	(6)	Inter-segment eliminations	(7)	(6)	1	16.7
19,475	11,260	Total personnel expenses	11,642	11,616	(26)	(0.2)
NOTE 5: Operating Expenses						
By type						
6,350	3,112	Depreciation and amortisation	2,643	2,565	(78)	(3.0)
35,678	19,511	Other operating expenses	19,185	19,680	495	2.5
-	-	Forecast new operating spending	-	-	-	-
-	-	Top-down expense adjustment	-	(288)	(288)	(100.0)
42,028	22,623	Total operating expenses	21,828	21,957	129	0.6
By source						
37,278	20,974	Core Crown	20,640	20,896	256	1.2
17,897	10,348	Crown entities	10,351	10,345	(6)	(0.1)
13,174	6,313	State-owned Enterprises	6,101	6,013	(88)	(1.5)
(26,321)	(15,012)	Inter-segment eliminations	(15,264)	(15,297)	(33)	(0.2)
42,028	22,623	Total operating expenses	21,828	21,957	129	0.6

NOTES TO THE FINANCIAL STATEMENTS

Year 7 months to 30 Jun 2012 Actual \$m		to 31 Jan 2012 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 6: Interest Expenses								
By type								
4,223	2,325	Interest on financial liabilities		2,478	2,513	35	1.4	4,361
67	16	Interest unwind on provisions		25	29	4	13.8	49
4,290	2,341	Total interest expenses		2,503	2,542	39	1.5	4,410
By source								
3,511	2,111	Core Crown		2,140	2,121	(19)	(0.9)	3,579
246	145	Crown entities		143	143	-	-	245
1,268	643	State-owned Enterprises		650	657	7	1.1	1,181
(735)	(558)	Inter-segment eliminations		(430)	(379)	51	13.5	(595)
4,290	2,341	Total interest expenses		2,503	2,542	39	1.5	4,410
NOTE 7: Insurance Expenses								
By entity								
3,010	1,632	ACC		1,731	1,840	109	5.9	3,388
1,073	354	EQC		161	137	(24)	(17.5)	101
586	-	Southern Response (formerly AMI Insurance)		(3)	(61)	(58)	(95.1)	(108)
20	150	Other insurance expenses		11	8	(3)	(37.5)	17
(113)	-	Inter-segment eliminations		(14)	(24)	(10)	(41.7)	(24)
4,576	2,136	Total insurance expenses		1,886	1,900	14	0.7	3,374
NOTE 8: Gains and Losses on Financial Instruments								
By source								
526	(305)	Core Crown		3,245	1,889	1,356	71.8	2,573
930	287	Crown entities		1,203	649	554	85.4	789
9	(352)	State-owned Enterprises		46	(27)	73	270.4	92
(773)	(610)	Inter-segment eliminations		249	(82)	331	403.7	(153)
692	(980)	Net gains/(losses) on financial instruments		4,743	2,429	2,314	95.3	3,301
NOTE 9: Gains and Losses on Non-Financial Instruments								
By type								
(3,896)	(1,939)	Actuarial gains/(losses) on GSF liability		190	190	-	-	190
(2,942)	(2,018)	Actuarial gains/(losses) on ACC liability		1,473	89	1,384	-	343
312	185	Other		97	117	(20)	(17.1)	35
(6,526)	(3,772)	Net gains/(losses) on non-financial instruments		1,760	396	1,364	344.4	568
By source								
(3,790)	(1,852)	Core Crown		359	330	29	8.8	255
(2,955)	(2,023)	Crown entities		1,410	70	1,340	-	314
220	103	State-owned Enterprises		(9)	(4)	(5)	(125.0)	-
(1)	-	Inter-segment eliminations		-	-	-	-	(1)
(6,526)	(3,772)	Net gains/(losses) on non-financial instruments		1,760	396	1,364	344.4	568

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2012 \$m	As at 31 Jan 2012 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 10: Operating Balance							
By source							
(11,671)	(7,613)	Core Crown	148	(1,979)	2,127	107.5	(6,159)
(641)	(484)	Crown entities	3,863	1,878	1,985	105.7	2,520
(1,423)	189	State-owned Enterprises	418	543	(125)	(23.0)	1,025
(1,162)	(1,020)	Inter-segment eliminations	(258)	(596)	338	56.7	(661)
(14,897)	(8,928)	Total operating balance	4,171	(154)	4,325	-	(3,275)
NOTE 11: Financial Assets and Sovereign Receivables							
10,686	14,314	Cash and cash equivalents	16,474	12,974	3,500	27.0	13,952
7,257	7,299	Tax receivables	7,254	7,707	(453)	(5.9)	7,328
13,699	12,159	Trade and other receivables	10,190	9,947	243	2.4	10,299
8,291	7,609	Student loans	8,414	8,436	(22)	(0.3)	8,813
12,445	12,158	Kiwibank mortgages	12,939	12,974	(35)	(0.3)	13,433
2,422	2,131	Long-term deposits	2,503	1,851	652	35.2	1,388
2,249	2,172	IMF financial assets	2,171	2,361	(190)	(8.0)	2,381
1,030	1,538	Other advances	1,216	1,312	(96)	(7.3)	1,152
14,385	14,045	Share investments	16,224	15,701	523	3.3	16,302
5,032	5,863	Derivatives in gain	5,552	4,692	860	18.3	3,899
38,682	30,489	Other marketable securities	34,814	37,162	(2,348)	(6.3)	31,731
116,178	109,777	Total financial assets and sovereign receivables	117,751	115,117	2,634	2.3	110,678
Financial assets by entity							
26,062	22,455	NZDMO	27,304	25,842	1,462	5.7	16,482
17,573	18,183	Reserve Bank of New Zealand	19,404	18,074	1,330	7.4	17,964
18,703	18,587	NZ Superannuation Fund	21,987	20,970	1,017	4.8	21,491
20,567	19,395	Other core Crown	20,705	20,373	332	1.6	20,237
(7,924)	(7,793)	Intra-segment eliminations	(12,529)	(9,909)	(2,620)	(26.4)	(6,435)
74,981	70,827	Total core Crown segment	76,871	75,350	1,521	2.0	69,739
25,340	22,610	ACC portfolio	26,896	26,345	551	2	28,871
7,252	7,386	EQC portfolio	6,422	5,776	646	11	4,256
11,168	8,509	Other Crown entities	10,677	10,144	533	5	9,691
(3,685)	(3,450)	Intra-segment eliminations	(3,689)	(3,782)	93	2.5	(3,693)
40,075	35,055	Total Crown entities segment	40,306	38,483	1,823	4.7	39,125
19,186	20,788	Total State-owned enterprises segment	19,260	19,218	42	0.2	20,053
(18,064)	(16,893)	Inter-segment eliminations	(18,686)	(17,934)	(752)	(4.2)	(18,239)
116,178	109,777	Total financial assets	117,751	115,117	2,634	2.3	110,678

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2012 \$m	As at 31 Jan 2012 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 12: Property, Plant and Equipment							
Net Carrying Value							
By class of asset:							
33,626	36,076	Land (valuation) ¹	33,464	33,639	(175)	(0.5)	34,159
25,046	24,293	Buildings (valuation)	24,916	25,225	(309)	(1.2)	25,306
17,546	17,180	State highways (valuation) - excluding land	17,832	17,929	(97)	(0.5)	18,253
14,400	14,643	Electricity generation assets (valuation)	14,420	14,655	(235)	(1.6)	14,810
3,476	3,022	Electricity distribution network (cost)	3,574	3,876	(302)	(7.8)	3,906
3,220	3,208	Specialist military equipment (valuation)	3,095	3,138	(43)	(1.4)	3,148
2,514	2,460	Specified cultural and heritage assets (valuation)	2,494	2,496	(2)	(0.1)	2,481
2,250	2,174	Aircraft (excl military) (valuation)	2,272	2,353	(81)	(3.4)	2,273
856	7,264	Rail network (valuation) - excluding land	983	994	(11)	(1.1)	1,059
5,650	5,702	Other plant and equipment (cost)	5,552	5,842	(290)	(5.0)	6,324
108,584	116,022	Total net carrying value	108,602	110,147	(1,545)	(1.4)	111,719
By source:							
29,377	29,398	Core Crown	29,069	29,310	(241)	(0.8)	29,994
49,939	48,781	Crown entities	50,263	50,685	(422)	(0.8)	51,247
29,268	37,843	State-owned enterprises	29,270	30,152	(882)	(2.9)	30,478
-	-	Inter-segment eliminations	-	-	-	-	-
108,584	116,022	Total net carrying value	108,602	110,147	(1,545)	(1.4)	111,719
Land breakdown by usage ¹							
8,744	8,408	Housing stock	8,713	8,748	(35)	(0.4)	8,756
8,353	8,353	State highway corridor land	8,353	8,353	-	-	8,503
5,454	5,685	Conservation estate	5,430	5,425	5	0.1	5,444
3,260	5,641	Rail network corridor land	3,256	3,260	(4)	(0.1)	3,260
2,726	2,717	Schools	2,702	2,707	(5)	(0.2)	2,743
1,471	1,548	Commercial (SOE) excluding rail	1,435	1,491	(56)	(3.8)	1,491
3,618	3,724	Other	3,575	3,655	(80)	(2.2)	3,962
33,626	36,076	Total land	33,464	33,639	(175)	(0.5)	34,159
1. Land relating to state highways, the rail network and conservation which had previously been included within the State highways, Rail network and specified cultural and heritage assets categories has been reclassified to the Land category.							
Schedule of movements							
Cost or valuation							
126,601	126,601	Opening balance	121,717	121,717	-	-	121,717
6,514	3,741	Additions	2,794	3,911	(1,117)	(28.6)	7,495
(941)	(231)	Disposals	(398)	(268)	(130)	(48.5)	(616)
(9,793)	36	Net revaluations	(94)	(5)	(89)	-	15
(664)	262	Other ²	(399)	42	(441)	-	73
121,717	130,409	Total cost or valuation	123,620	125,397	(1,777)	(1.4)	128,684
Accumulated depreciation and impairment							
11,747	11,747	Opening balance	13,133	13,133	-	-	13,133
(634)	(193)	Eliminated on disposal	(108)	(53)	(55)	(103.8)	(31)
(3,415)	(18)	Eliminated on revaluation	-	-	-	-	(1)
5,687	2,757	Depreciation expense and impairment losses	2,288	2,215	73	3.3	3,908
(252)	94	Other ²	(295)	(45)	(250)	-	(44)
13,133	14,387	Total accumulated depreciation and impairment	15,018	15,250	(232)	(1.5)	16,965
108,584	116,022	Total property, plant and equipment	108,602	110,147	(1,545)	(1.4)	111,719

2. Other mainly includes transfers to/from other asset categories.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2012 \$m	As at 31 Jan 2012 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 12 (continued): Property, Plant and Equipment							
Additions - by functional classification							
2,291	1,499	Transport and communications	1,005	1,246	(241)	(19.3)	2,128
2,036	910	Economic and industrial services	672	1,132	(460)	(40.6)	1,750
442	419	Education	305	353	(48)	(13.6)	827
627	305	Health	338	477	(139)	(29.1)	804
339	164	Defence	60	115	(55)	(47.8)	449
779	444	Other	414	588	(174)	(29.6)	1,537
6,514	3,741	Total additions	2,794	3,911	(1,117)	(28.6)	7,495
NOTE 13: NZ Superannuation Fund							
539	277	Revenue	318	366	(48)	(13.1)	642
160	7	Less current tax expense	699	424	(275)	(64.9)	602
132	51	Less other expenses ¹	69	97	28	28.9	182
(204)	(657)	Add gains/(losses)	2,875	1,554	1,321	85.0	2,110
43	(438)	Operating balance	2,425	1,399	1,026	73.3	1,968
18,652	18,652	Opening net worth	18,703	18,703	-	-	18,703
43	(438)	Operating balance	2,425	1,399	1,026	73.3	1,968
8	8	Other movements in reserves	(1)	8	(9)	(112.5)	19
18,703	18,222	Closing net worth	21,127	20,110	1,017	5.1	20,690
comprising:							
18,815	18,587	Financial assets	21,987	20,970	1,017	4.8	21,491
(1,317)	(1,504)	Financial liabilities	(2,047)	(2,040)	(7)	(0.3)	(1,964)
1,205	1,139	Net other assets	1,187	1,180	7	0.6	1,163
18,703	18,222	Closing net worth	21,127	20,110	1,017	5.1	20,690
Core Crown revenue (excl NZS Fund)							
60,565	33,935	Core Crown revenue	36,031	35,589	442	1.2	62,939
539	277	Less NZS Fund revenue	318	366	(48)	(13.1)	642
160	7	Add back NZS Fund intra-segment revenue	699	424	275	64.9	602
60,186	33,665	Core Crown revenue (excl NZS Fund)	36,412	35,647	765	2.1	62,899
OBEGAL excluding NZS Fund							
(9,240)	(4,314)	Total Crown OBEGAL	(2,511)	(3,082)	571	18.5	(7,340)
539	277	Less NZS Fund revenue	318	366	(48)	(13.1)	642
77	34	Add back NZS Fund external expenses	47	75	(28)	(37.3)	141
160	7	Add back NZS Fund tax	699	424	275	64.9	602
(9,542)	(4,550)	OBEGAL excluding NZS Fund	(2,083)	(2,949)	866	29.4	(7,239)

1. NZS Fund other expenses include deferred tax expense/(credits)

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2012 \$m	As at 31 Jan 2012 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 14: Payables							
8,255	7,937	Accounts payable	7,588	8,132	544	6.7	8,990
3,349	2,919	Taxes repayable	2,719	3,053	334	10.9	3,433
11,604	10,856	Total payables	10,307	11,185	878	7.8	12,423
NOTE 15: Insurance liabilities							
30,648	27,813	ACC liability	28,302	29,773	1,471	4.9	31,598
8,877	8,809	EQC property damage liability	8,013	7,452	(561)	(7.5)	5,785
2,062	2,058	Southern Response (formerly AMI Insurance)	1,879	1,404	(475)	(33.8)	1,042
48	61	Other insurance liabilities	43	44	1	2.3	51
(449)	-	Inter-segment eliminations	(460)	(441)	19	4.3	(316)
41,186	38,741	Total insurance liabilities	37,777	38,232	455	1.2	38,160
NOTE 16: Provisions							
375	557	Provision for ETS Credits	14	75	61	81.8	215
1,076	957	Provision for National Provident Fund guarantee	1,043	1,051	8	0.8	1,033
3,253	2,797	Provision for employee entitlements	2,846	2,960	114	3.9	3,239
		Provision for Canterbury Red Zone support package	930	1,080	150	13.9	316
745	660		374	488	114	23.4	409
530	-	Provision for Infrastructure costs					
		Provision for weathertight services	187	193	6	3.1	156
189	567	financial assistance package	764	647	(117)	(18.1)	1,933
1,338	1,106	Other provisions					
7,506	6,644	Total provisions	6,158	6,494	336	5.2	7,301

1. Further information on the ETS, and the Kyoto net asset (included as an intangible asset in these financial statements) can be found on the Ministry for the Environment's climate change website www.climatechange.govt.nz

NOTE 17: Changes in Net Worth							
18,188	18,188	Opening taxpayers funds	3,520	3,520	-	-	3,520
(14,897)	(8,928)	Operating balance excluding minority interest	4,171	(154)	4,325	-	(3,275)
-	-	Partial share sales in state-owned enterprises	-	-	-	-	175
229	117	Transfers from/(to) other reserves	58	33	25	75.8	66
3,520	9,377	Closing taxpayers funds	7,749	3,399	4,350	128.0	486
62,690	62,690	Opening revaluation reserve	56,001	56,001	-	-	56,001
(6,461)	-	Net revaluations	(44)	(25)	(19)	(76.0)	(16)
(228)	(120)	Transfers from/(to) other reserves	(59)	(31)	(28)	(90.3)	(70)
56,001	62,570	Closing revaluation reserve	55,898	55,945	(47)	(0.1)	55,915
(299)	(299)	Opening other reserves	(173)	(173)	-	-	(173)
126	149	Net movements	48	36	12	33.3	57
(173)	(150)	Closing other reserves	(125)	(137)	12	8.8	(116)

1. Further information on the ETS, and the Kyoto net asset (included as an intangible asset in these financial statements) can be found on the Ministry for the Environment's climate change website www.climatechange.govt.nz

NOTES TO THE FINANCIAL STATEMENTS

Year 7 months to 30 Jun to 31 Jan		Current Year Actual vs Forecast					
2012	2012		Actual	Forecast	Variance	Annual	
\$m	\$m		\$m	\$m	\$m	Forecast	
					%	\$m	
NOTE 18: Core Crown residual cash							
Core Crown Cash Flows from Operations							
54,249	30,501	Tax receipts	32,258	32,046	212	0.7	56,962
670	368	Other sovereign receipts	398	376	22	5.9	653
1,431	817	Interest, profits and dividends	831	849	(18)	(2.1)	1,471
2,699	1,473	Sale of goods & services and other receipts	1,364	1,393	(29)	(2.1)	2,600
(22,854)	(13,835)	Transfer payments and subsidies	(13,839)	(13,918)	79	0.6	(23,077)
(40,036)	(23,820)	Personnel and operating costs	(24,528)	(24,466)	(62)	(0.3)	(42,767)
(3,369)	(1,737)	Finance costs	(1,815)	(1,807)	(8)	(0.4)	(3,778)
-	-	Forecast for future new operating spending	-	-	-	-	(317)
-	-	Top-down expense adjustment	-	288	(288)	(100.0)	1,150
(7,210)	(6,233)	Net core Crown operating cash flows	(5,331)	(5,239)	(92)	(1.8)	(7,103)
(1,262)	(745)	Net purchase of physical assets	(606)	(850)	244	28.7	(2,061)
(1,022)	(251)	Net increase in advances	225	193	32	16.4	(777)
(1,150)	(630)	Net purchase of investments	(986)	(1,046)	60	5.7	(62)
-	-	Forecast for future new capital spending	-	-	-	-	(179)
-	-	Top-down capital adjustment	-	100	(100)	(100.0)	400
(3,434)	(1,626)	Net Core Crown capital cash flows	(1,367)	(1,603)	236	14.7	(2,679)
(10,644)	(7,859)	Residual cash deficit	(6,698)	(6,842)	144	2.1	(9,782)
The residual cash deficit is funded as follows:							
Debt programme cash flows							
Market:							
15,146	9,110	Issue of government bonds	10,312	10,965	(653)	(6.0)	15,799
(7,602)	(7,602)	Repayment of government bonds	-	-	-	-	(9,982)
		Net issue/(repayment) of short-term					
2,139	1,819	borrowing ¹	(2,268)	(4,256)	1,988	46.7	(4,501)
9,683	3,327	Total market debt cash flows	8,044	6,709	1,335	19.9	1,316
Non market:							
-	-	Issue of government bonds	-	-	-	-	-
(1,501)	(1,501)	Repayment of government bonds	-	-	-	-	(499)
		Net issue/(repayment) of short-term					
430	(50)	borrowing	-	-	-	-	-
(1,071)	(1,551)	Total non-market debt cash flows	-	-	-	-	(499)
8,612	1,776	Total debt programme cash flows	8,044	6,709	1,335	19.9	817
Other borrowing cash flows							
Net (repayment)/issue of other New Zealand							
5,880	6,629	dollar borrowing	2,537	1,162	1,375	118.3	3,684
Net (repayment)/issue of foreign currency							
(6,030)	(6,518)	borrowing	(1,171)	(81)	(1,090)	-	(2,318)
(150)	111	Total other borrowing cash flows	1,366	1,081	285	118.3	1,366
Investing cashflows							
Other net sale/(purchase) of marketable							
2,270	9,815	securities and deposits	2,306	1,687	619	36.7	10,338
203	300	Issues of circulating currency	271	108	163	150.9	160
(291)	(4,143)	Decrease/(increase) in cash	(5,289)	(2,743)	(2,546)	(92.8)	(2,899)
2,182	5,972	Total investing cash flows	(2,712)	(948)	(1,764)	(186.0)	7,599
10,644	7,859	Residual cash deficit funding	6,698	6,842	(144)	(2.1)	9,782

1. Short-term borrowing consists of Treasury Bills and Euro-Commercial Paper (ECP)