

Statement of Unappropriated Expenditure

for the year ended 30 June 2013

An appropriation is a statutory authorisation by Parliament for the incurring of expenses or capital expenditure. This statement reports all expenses and capital expenditure that were incurred without, in excess, or outside the scope, of existing appropriations. This statement also reports breaches of projected net asset balance limits set by section 22(3) of the Public Finance Act 1989 ("the Act").

The table below details the different categories of unappropriated expenditure for the year ended 30 June 2013.

Category of unappropriated expenditure	Reporting requirements to Parliament under the Act
(A) Approved by the Minister of Finance under Section 26B of the Public Finance Act 1989	Where the amount in excess (but within the scope) of an existing appropriation was within \$10,000 or 2% of the appropriation, Section 26B of the Act authorises the Minister of Finance to approve these items. Such items must also be confirmed by Parliament in the Appropriation Act for the year.
(B) In excess of appropriation but with authority of an Imprest Supply Act	Where the unappropriated items exceed the limits available for approval under Section 26B, they fall into one of five categories of unappropriated expenditure. All such instances are unlawful unless validated by Parliament through an Appropriation Act (Section 26C of the Act). The validating legislation will be accompanied by a report to the House of Representatives that sets out each unappropriated item together with an explanation made by the Minister responsible for the appropriation.
(C) Without appropriation but with authority of an Imprest Supply Act	
(D) In excess of appropriation and without authority of an Imprest Supply Act	
(E) Outside scope of an appropriation and without authority of an Imprest Supply Act	
(F) Without appropriation and without authority of an Imprest Supply Act	

Department Vote	Expense type Appropriation name	Authority at time of breach \$000	Amount without or exceeding appropriation \$000
(A) Expenses and capital expenditure incurred in excess of existing appropriation and approved by the Minister of Finance under Section 26B of the Public Finance Act 1989			
Ministry of Business Innovation and Employment	<i>Departmental Output Expenses</i> Advice and Support on Shaping the Science and Innovation System MCOA	33,078	448
Ministry of Justice	<i>Non-Departmental Output Expense</i> Producing and Maintaining Electoral Rolls	19,492	202
Office of the Ombudsmen	<i>Departmental Output Expenses</i> Investigation and Resolution of Complaints About Government Administration	8,783	167
Statistics New Zealand	<i>Departmental Output Expenses</i> Official Statistics MCOA	109,006	1,030

Statement of Unappropriated Expenditure (continued)

for the year ended 30 June 2013

Department Vote	Expense type Appropriation name	Authority at time of breach \$000	Amount without or exceeding appropriation \$000
(B) Expenses and capital expenditure incurred in excess of appropriation but with authority of an Imprest Supply Act			
Land Information New Zealand Lands	<i>Non-Departmental Other Expenses</i> Proceeds from Sale of Transit NZ Properties	30,000	25,276
Ministry of Business Innovation and Employment Housing	<i>Benefits and Other Unrequited Expenses</i> KiwiSaver Deposit Subsidy	15,799	1,595
(C) Expenses and capital expenditure incurred without appropriation but with authority of an Imprest Supply Act			
<i>None this year</i>			
(D) Expenses and capital expenditure incurred in excess of appropriation and without authority of an Imprest Supply Act			
Ministry of Business Innovation and Employment Housing	<i>Non-Departmental Other Expenses</i> Increase in Debt Provision	8,000	2,180
Land Information New Zealand Lands	<i>Non-Departmental Other Expenses</i> Residual Crown Leasehold Rents	543	335
New Zealand Customs Service Customs	<i>Departmental Output Expenses</i> Clearance and Enforcement Services Related to Craft	7,077	724
	Clearance and Enforcement Services Related to Passengers and Crew	52,456	267
	Clearance and Enforcement Services Related to Goods	64,808	420
	Revenue Collection	5,832	71
Inland Revenue Department Revenue	<i>Benefits and Other Unrequited Expenses</i> KiwiSaver: Kickstart Payment	220,000	3,762
Ministry of Justice Justice	<i>Non-Departmental Output Expense</i> Provision of Services from the Electoral Commission	5,976	677

Statement of Unappropriated Expenditure (continued)

for the year ended 30 June 2013

Department Vote	Expense type Appropriation name	Authority at time of breach \$000	Amount without or exceeding appropriation \$000
(E) Expenses and capital expenditure incurred outside of scope of an existing appropriation and without authority of an Imprest Supply Act			
<i>None this year</i>			
(F) Expenses and capital expenditure incurred without appropriation and without authority of an Imprest Supply Act			
Canterbury Earthquake Recovery Authority	<i>Non-Departmental Other Expenses</i> Anchor Project Development Costs for the Urban Frame	-	975
Canterbury Earthquake Recovery	Impairment of Property, Plant and Equipment	-	8,688
	Impairment of Trade Receivables	-	478
Land Information New Zealand	<i>Departmental Output Expenses</i> Land Disposal Services for Other Agencies	-	5
Lands			
Treasury	<i>Non-Departmental Capital Expenses</i> Crown Asset Management Limited (CAML) Equity Injection	-	30,167
Finance			

Net Assets

Section 22 of the Public Finance Act 1989 requires that the net asset holding of a department must not exceed the most recent projected balance of net assets for that department as set out in an Appropriation Act, except where Ministers agree a surplus may be retained or where assets or liabilities have been remeasured. The following schedule discloses those departments that have breached this requirement during the year.

Department	Net asset authority at time of breach \$000	Amount in excess of net asset balance \$000
Excess departmental net asset holding, without authority of an Imprest Supply Act		
New Zealand Defence Force	5,586	742

Statement of Expenses or Capital Expenditure Incurred in Emergencies

for the year ended 30 June 2013

Under section 25 of the Public Finance Act 1989, if a state of national emergency is declared under the Civil Defence Act 1983, Civil Defence Emergency Management Act 2002, or if the Government declares an emergency because of any situation that affects the public health or safety of New Zealand, the Minister of Finance may approve expenses or capital expenditure to meet such emergency or disaster whether or not an appropriation by Parliament is available for the purpose. Once expenses or capital expenditure have been incurred, the amounts that have not been appropriated must be disclosed in the annual financial statements of the Government for the financial year and sanctioned by Parliament in an Appropriation Act.

During the year there were no such emergency expenses or capital expenditure incurred.

Statement of Trust Money

for the year ended 30 June 2013

Trust money is defined by section 66 of the Public Finance Act 1989 as:

- Money that is deposited with the Crown pending the completion of a transaction or dispute and which may become repayable to the depositor or payable to the Crown or any other person.
- All money that is paid into Court for possible repayment to the payee or a third party, by virtue of any Act, rule or authority whatsoever.
- All money that is paid to the Crown in trust for any purpose.
- Money that belongs to or is due to any person and is collected by the Crown pursuant to any agreement between the Crown and that person.
- Unclaimed money that is due to or belongs to any person and is deposited with the Crown.

Trust money exists only where there is a trustee/beneficiary relationship. Money set aside by the Crown or department for a particular purpose will normally not be trust money as there is no directly identifiable beneficiary who has deposited the money with the Crown.

Trust money held by the Crown is managed separately from public money.

Under the Act, the Treasury has the responsibility to manage and invest trust money. The Treasury may appoint agents (including departments) to act on its behalf. Written Notices of Appointment to Manage and Invest Trust Money are issued in these cases. Section 68 of the Act establishes the constraints on the investment of trust money.

Amounts in this statement are expressed in thousands of dollars.

Statement of Trust Money (continued)

for the year ended 30 June 2013

Department Trust Account	As at 30 June 2012 \$000	Contributions \$000	Distributions \$000	Revenue \$000	Expenses \$000	As at 30 June 2013 \$000
Office of the Auditor-General						
South Pacific Association of Supreme Audit Institutions Trust ²	-	-	-	-	-	-
Department of Conservation						
Bonds/Deposits Trust	8,738	214	(1,420)	211	-	7,743
Conservation Project Trust	824	792	(520)	16	-	1,112
National Parks Trust	100	49	(60)	1	-	90
Walkways Trust	10	-	-	-	-	10
Wildlife and Reserves Trusts ²	-	-	-	-	-	-
Department of Corrections						
Prisons Trust	1,356	14,564	(14,164)	-	-	1,756
Crown Law Office						
Legal Claims Trust	276	401	(470)	4	(5)	206
Ministry of Business, Innovation and Employment ¹						
Certifiers Bond Trust	188	-	(109)	2	-	81
Licensed Building Practitioners Trust	-	152	(125)	-	(7)	20
Residential Tenancies Bond Trust	367,311	185,411	(162,007)	18,657	(18,657)	390,715
Residential Tenancies Bond Trust No. 2	-	4	-	-	-	4
Weathertight Services Financial Assistance Trust ³	-	-	-	-	-	-
Employment Relations Service Trust	25	(25)	-	-	-	-
Employment Relations Act Security of Costs Trust	2	(2)	-	-	-	-
New Zealand Immigration Service Trust	2,097	714	(1,149)	34	(4)	1,692
Coal and Minerals Deposits Trust	140	-	(33)	-	-	107
Criminal Assets Management and Enforcement Regulators Association Trust	12	-	-	-	-	12
Official Assignee's Office Trust	18,785	22,610	(15,388)	658	(9,107)	17,558
Patent Co-operation Treaty Fees Trust	133	1,159	(1,193)	2	(2)	99
Petroleum Deposits Trust	90	-	-	1	-	91
Proceeds of Crime Trust	27,679	23,829	(7,426)	754	(12,454)	32,382
Radio Frequencies Tender Trust	226	-	-	-	-	226
Ministry of Culture and Heritage						
New Zealand Oral History Awards Trust	1,273	-	(165)	68	-	1,176
Dictionary of New Zealand Biography Trust	14	-	-	-	-	14
New Zealand Historical Atlas Trust	130	-	-	7	-	137
New Zealand History Research Trust	1,618	-	(152)	67	(6)	1,527
War History Trust	1,240	-	-	8	(194)	1,054

Statement of Trust Money (continued)

for the year ended 30 June 2013

Department Trust Account	As at 30 June 2012 \$000	Contributions \$000	Distributions \$000	Revenue \$000	Expenses \$000	As at 30 June 2013 \$000
New Zealand Customs Services						
Alcohol Liquor Advisory Council Trust	788	13,631	(13,654)	-	-	765
Customs Regional Deposit/Bonds Trust No.1, No.2 & No.3	5,630	5,476	(5,193)	-	-	5,913
Heavy Engineering Research Association Trust	63	780	(770)	-	-	73
Maritime Safety Authority Trust ²	-	-	-	-	-	-
New Zealand Customs Service Multiple Deposit Scheme Release Trust	168	5,238	(5,332)	-	-	74
New Zealand Customs Service Multiple Deposit Scheme Suspense Trust	11	5,532	(5,527)	-	-	16
Ministry of Education						
Code of Practice for Providers who Enrol International Students Trust	3,875	-	-	4,723	(6,284)	2,314
Conferences Trust	2	-	-	-	-	2
Ministry of Foreign Affairs and Trade						
Cook Island Trust	23	3,170	(2,973)	-	-	220
Fred Hollows Foundation New Zealand - Pacific Regional Blindness Prevention Programme Trust	1	306	(300)	2	-	9
Government Administration Building, Niue Trust	280	-	-	4	-	284
Niue Primary School Infrastructure Project Trust	2,700	2,576	-	38	-	5,314
Kiribati Sustainable Towns Programme Trust	10	-	(5)	-	-	5
New Zealand/France Friendship Trust	23	195	(206)	-	-	12
Afghanistan New Zealand Aid Programme Trust	-	1,635	(951)	-	-	684
Tuvalu Ship to Shore Transport Project Trust	-	-	-	-	-	-
Ministry of Health						
Health Benefits Offices Trust	110	5,719,646	(5,718,307)	-	(566)	883
Medicines Review Objectors Deposit Trust ²	-	-	-	-	-	-
Inland Revenue Department						
Child Support Agency Trust	22,222	224,752	(224,974)	-	-	22,000
KiwiSaver Employer Trust ²	-	-	-	-	-	-
KiwiSaver Returned Transactions Trust	204	69	-	-	-	273
Reciprocal Child Support Agreement Trust	287	12,014	(11,964)	-	-	337
Department of Internal Affairs						
Christchurch Earthquake Appeal Trust	53,213	5,665	(6,174)	2,240	-	54,944
Interloan Billing System Trust	7	-	-	430	(379)	58
Macklin Bequest Fund Trust	262	15	-	13	-	290
New Zealand 1990 Scholarship Trust	724	-	-	19	-	743
Vogel House Trust ²	-	-	-	-	-	-

Statement of Trust Money (continued)

for the year ended 30 June 2013

Department Trust Account	As at 30 June 2012 \$000	Contributions \$000	Distributions \$000	Revenue \$000	Expenses \$000	As at 30 June 2013 \$000
Ministry of Justice						
Courts Law Trust	22,903	26,901	(39,246)	-	-	10,558
Election Candidates Deposit Trust ²	-	-	-	-	-	-
Employment Court Trust	79	182	(85)	-	-	176
Fines Trust	32,550	327,214	(326,212)	-	-	33,552
Foreign Currency Euro Fund Trust ²	-	-	-	-	-	-
Foreign Currency United States Dollar Trust	-	-	-	-	-	-
Legal Complaints Review Officer Trust	11	1,471	(1,147)	-	-	335
Maori Land Court Trust	61	4	(4)	-	-	61
Supreme Court Trust	62	42	(42)	-	-	62
Victims' Claims Trust	29	111	(97)	-	-	43
Land Information New Zealand						
Crown Forestry Licences Trust	947	1,478	(1,972)	-	-	453
Deposits Trust	-	-	-	-	-	-
Endowment Rentals Trust	-	38	(37)	-	-	1
Hunter Gift for the Settlement of Discharged Soldiers Trust	55	-	-	-	-	55
New Zealand Police						
Bequests, Donations and Appeals Trust	69	2	(1)	-	-	70
Found Money Trust	53	89	(47)	-	-	95
Money in Custody Trust	12,058	3,736	(4,898)	-	-	10,896
Reparation Trust	9	4	(2)	-	-	11
Rewards Monies Trust ²	-	-	-	-	-	-
Ministry for Primary Industries						
MAF Overfishing Account Trust	1,771	4,395	(3,372)	64	-	2,858
MAF Fish Forfeit Property Trust	774	670	(248)	37	-	1,233
Meat Board Levies Trust	5	65,092	(65,041)	-	-	56
Seized Timber Trust	1	-	-	-	-	1
National Animal Identification Tracing Trust	-	5,475	(5,252)	-	-	223
Ministry of Social Development						
Australian Recovery Debt Trust	2	19	(18)	-	-	3
Australian Dollar Embargoed Arrears Trust	356	5,424	(5,401)	-	-	379
Maintenance Trust	33	514	(496)	3	-	54
Netherlands Recovery Debt Trust	11	69	(79)	-	-	1
Overseas Debt Recovery Trust ²	-	-	-	-	-	-
WR Wallace Trust	404	-	(34)	40	-	410
Ministry of Transport						
Rena Settlement Proceeds Trust ³	-	27,600	-	551	(197)	27,954
Treasury						
Trustee Act 1956 Trust	2,671	1,020	(89)	70	(711)	2,961
Mighty River Share Offer Trust ³	-	997,318	(997,245)	952	-	1,025
Total	597,784	7,719,440	(7,651,776)	29,676	(48,573)	646,551

1 The trust accounts formerly under the Ministry of Economic Development, Department of Building and Housing and the Department of Labour are now administered by the Ministry of Business, Innovation and Employment

2 Inoperative trust account

3 New trust account



ADDITIONAL FINANCIAL INFORMATION

Fiscal Indicator Analysis

for the year ended 30 June 2013

The purpose of the following fiscal indicator analysis is to provide a link between the financial statements (published on pages 30 to 172) and the fiscal indicators used to measure the Government's performance against the fiscal objectives set out in the *Fiscal Strategy Report*.

The fiscal analysis comprises two statements: core Crown residual cash and debt.

Core Crown Residual Cash

The core Crown residual cash statement measures the core Crown cash surplus (or deficit), after operating and investing cash requirements are met, that is available for the Government to invest, repay, or, in the case of a deficit, fund in any given year.

Debt

The debt statement presents the calculation of both gross debt and net debt.

Gross debt is defined as gross-sovereign issued debt and represents debt issued by the sovereign (core Crown) and includes Government stock held by the NZS Fund, Accident Compensation Corporation, and the Earthquake Commission. Gross debt excludes Reserve Bank settlement cash and Reserve Bank bills as these are issued for liquidity management purposes.

Net debt is debt after deducting financial assets of the core Crown from gross debt. Net debt provides information about the sustainability of the Government's accounts, and is used by some international agencies when determining the creditworthiness of a country. However, as some financial assets are held for public policy rather than treasury management purposes (eg, student loans), they are excluded from the calculation of net debt.

Fiscal Indicator Analysis – Core Crown Residual Cash

for the year ended 30 June 2013

Forecast			Actual	
30 June 2013			30 June	30 June
Budget 12	Budget 13		2013	2012
\$m	\$m		\$m	\$m
Core Crown Cash Flows from Operations				
57,762	57,699	Tax receipts	57,808	54,249
653	662	Other sovereign receipts	651	670
1,676	1,583	Interest, profits and dividends	1,553	1,431
2,506	2,322	Sale of goods & services and other receipts	2,385	2,699
(23,334)	(22,937)	Transfer payments and subsidies	(22,780)	(22,854)
(42,411)	(41,754)	Personnel and operating costs	(40,412)	(40,036)
(3,918)	(3,789)	Finance costs	(3,729)	(3,369)
(348)	(42)	Forecast for future new operating spending	-	-
700	330	Top-down expense adjustment	-	-
(6,714)	(5,926)	Net core Crown operating cash flows	(4,524)	(7,210)
(1,999)	(1,782)	Net purchase of physical assets	(1,231)	(1,262)
(926)	(358)	Net increase in advances	(342)	(1,022)
(1,438)	(1,462)	Net purchase of investments	(1,308)	(1,150)
1,500	1,500	Government share offer in SOE	1,663	-
(194)	(2)	Forecast for future new capital spending	-	-
100	280	Top-down capital adjustment	-	-
(2,957)	(1,824)	Net Core Crown capital cash flows	(1,218)	(3,434)
(9,671)	(7,750)	Residual cash deficit	(5,742)	(10,644)
<i>The residual cash deficit is funded as follows:</i>				
Debt programme cash flows				
Market:				
14,122	15,554	Issue of government bonds	15,458	15,146
(9,982)	(9,982)	Repayment of government bonds	(9,982)	(7,602)
(3,701)	(5,553)	Net issue/(repayment) of short-term borrowing ¹	(5,404)	2,139
439	19	Total market debt cash flows	72	9,683
Non market:				
-	-	Issue of government bonds	-	-
(499)	(499)	Repayment of government bonds	(499)	(1,501)
-	-	Net issue/(repayment) of short-term borrowing	100	430
(499)	(499)	Total non-market debt cash flows	(399)	(1,071)
(60)	(480)	Total debt programme cash flows	(327)	8,612
Other borrowing cash flows				
741	4,118	Net (repayment)/issue of other New Zealand dollar borrowing	4,494	5,880
(620)	(2,354)	Net (repayment)/issue of foreign currency borrowing	(3,047)	(6,030)
121	1,764	Total other borrowing cash flows	1,447	(150)
Investing cash flows				
9,465	11,572	Other net sale/(purchase) of marketable securities and deposits	5,699	2,270
144	264	Issues of circulating currency	234	203
1	(5,370)	Decrease/(increase) in cash	(1,311)	(291)
9,610	6,466	Total investing cash flows	4,622	2,182
9,671	7,750	Residual cash deficit funding	5,742	10,644

1. Short-term borrowing consists of Treasury Bills and may include Euro-Commercial Paper

Fiscal Indicator Analysis – Debt

as at 30 June 2013

Forecast				Actual	
30 June 2013				30 June	30 June
Budget 12	Budget 13			2013	2012
\$m	\$m			\$m	\$m
Gross and net debt analysis:					
103,207	100,780	Total borrowings		100,087	100,534
Net debt:					
85,674	85,310	Core Crown borrowings ¹		84,873	84,680
(884)	(883)	Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings		(587)	(512)
84,790	84,427	Gross sovereign-issued debt²		84,286	84,168
56,569	61,257	Less core Crown financial assets ³		62,984	64,017
28,221	23,170	Net core Crown debt (including NZS Fund)⁴		21,302	20,151
19,150	21,330	Add back NZS Fund holdings of core Crown financial assets and NZS Fund financial assets ⁵		21,407	17,196
47,371	44,500	Net core Crown debt (excluding NZS Fund)⁴		42,709	37,347
13,894	13,445	Advances		13,126	13,324
61,265	57,945	Net core Crown debt (excluding NZS Fund and advances)⁶		55,835	50,671
<i>28.1%</i>	<i>27.1%</i>	<i>As a percentage of GDP</i>		<i>26.3%</i>	<i>24.3%</i>
Gross debt:					
84,790	84,427	Gross sovereign-issued debt ²		84,286	84,168
(6,418)	(7,391)	Less Reserve Bank settlement cash and bank bills		(7,902)	(6,133)
1,600	1,600	Add back changes to DMO borrowing due to settlement cash ⁷		1,600	1,600
79,972	78,636	Gross sovereign-issued debt excluding settlement cash and bank bills		77,984	79,635
<i>36.7%</i>	<i>36.8%</i>	<i>As a percentage of GDP</i>		<i>36.7%</i>	<i>38.2%</i>

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 Government stock held by the New Zealand Superannuation Fund (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 creditworthiness 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 NZ Debt Management Office borrowing. Therefore, the impact of settlement cash on GSID is adjusted by this amount.

Information on State-owned Enterprises and Crown Entities

Accounting Policies

The Crown's financial interest in State-owned enterprises ("SOEs") and Crown entities ("CEs") is reported in accordance with the Crown's accounting policies. Adjustments have been made to restate the financial position and financial performance of certain entities, as reported in their own financial statements, to a basis consistent with the Crown's accounting policies.

With the exception of Tertiary Education Institutions ("TEIs") the Crown has line-by-line combined all SOEs and CEs.

The Crown has equity accounted 100% of the net assets of TEIs on the basis that, in the event of disestablishment of a TEI (which is subject to a resolution of the House of Parliament), 100% of the net assets revert to the Crown in the absence of a decision to transfer the assets to a new or existing institution and, in the meantime, the Crown enjoys the benefits of the provision of a higher education to the public of New Zealand (refer note 21).

Minority Interests

The ownership interest in Air New Zealand Limited is 72.85% (2012: 73.13%). The interest in Air New Zealand Limited is included in the SOE segment.

The ownership interest in Mighty River Power is 55.01% (2012: 100%). The interest in Mighty River Power is included in the SOE segment.

Balance Dates

Except for those entities listed below, all SOEs and significant CE's have a balance date of 30 June, and the information reported in these financial statements is for the period ended 30 June 2013:

SOEs	Balance date	Information reported to
AsureQuality Limited	30 September	30 June 2013
Crown entities		
New Zealand Symphony Orchestra	31 December	30 June 2013
School boards of trustees	31 December	31 December 2012
TEIs	31 December	30 June 2013

Annual Reports

The following entity results are presented using Crown accounting policies and classifications. As a consequence they may differ from the results published in entities' individual annual reports.

Information on State-owned Enterprises and Crown Entities (continued)

	30 June 2013				30 June 2012			
	Revenue	Expenses	Operating	Distri-	Revenue	Expenses	Operating	Distri-
	(excl gains)	(excl losses)	balance	butions to Crown	(excl gains)	(excl losses)	balance	butions to Crown
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
State-owned enterprises								
Airways Corporation of New Zealand Limited	183	161	22	2	164	154	9	5
AsureQuality Limited	160	151	10	8	154	148	7	7
Genesis Energy Limited	2,007	1,993	100	57	2,233	2,163	90	-
Landcorp Farming Limited	195	190	(18)	20	3	181	(9)	28
Meridian Energy Limited	2,714	2,614	295	100	2,577	2,530	75	141
Meteorological Service of New Zealand Limited	42	39	3	1	42	40	1	1
Mighty River Power Limited	1,372	1,345	115	112	1,499	1,309	70	121
New Zealand Post Limited	2,212	2,171	121	14	1,836	1,785	170	12
KiwiRail Holdings Limited	912	971	(45)	-	890	3,173	(1,812)	-
Solid Energy New Zealand Limited	634	972	(334)	-	983	1,063	(40)	30
Transpower New Zealand Limited	917	693	264	363	795	581	85	110
Kordia Group Limited	309	306	4	2	398	386	12	1
Animal Control Products Limited	4	4	-	1	6	5	1	1
Learning Media Limited	19	19	(1)	-	27	28	(1)	-
Quotable Value New Zealand	43	44	1	6	46	44	3	-
AMI Insurance Limited	-	-	-	-	262	422	(25)	-
New Zealand Railways Corporation	-	1	(1)	-	-	-	-	-
Total State-owned enterprises	11,723	11,674	536	686	11,915	14,012	(1,364)	457
Air New Zealand Limited	4,650	4,404	344	71	4,508	4,286	208	49
Total State-owned enterprises and Air New Zealand Limited	16,373	16,078	880	757	16,423	18,298	(1,156)	506
Intra-segmental eliminations	(437)	(326)	(266)	-	(392)	(674)	(267)	-
Total per statement of segments	15,936	15,752	614	757	16,031	17,624	(1,423)	506
Crown Entities								
Accident Compensation Corporation	5,687	4,246	4,929	-	5,649	4,124	(474)	-
Crown Asset Management	27	10	77	-	-	1	1	-
Crown Fibre Holdings Limited	11	109	(98)	-	3	24	(21)	-
Crown Research Institutes	782	759	21	-	705	675	21	2
District Health Boards (including the Crown Health Funding Agency)	12,725	12,457	267	-	12,161	12,199	(25)	-
Earthquake Commission	160	(16)	175	-	729	1,112	(436)	-
Housing New Zealand Corporation	1,125	974	178	77	1,096	907	120	68
Museum of New Zealand Te Papa	53	59	(6)	-	54	60	(7)	-
New Zealand Fire Service Commission	355	327	29	-	339	317	21	-
New Zealand Lotteries Commission	901	698	202	-	904	712	190	-
New Zealand Transport Agency	2,056	2,003	57	-	1,995	1,955	38	-
Public Trust	78	82	10	-	87	89	8	-
Schools	6,640	6,597	36	-	6,608	6,562	38	-
Southern Response Earthquake Services	61	1	52	-	5	243	(164)	-
Tertiary Education Commission	2,759	2,749	6	6	2,763	2,725	37	36
TEIs	-	-	169	-	-	-	134	-
Television New Zealand	361	342	14	11	382	363	8	14
Other Crown entities	1,692	1,689	24	4	1,705	1,708	18	5
Total Crown entities	35,473	33,086	6,142	98	35,185	33,776	(493)	125
Intra-segmental eliminations	(409)	(225)	(265)	-	(714)	(556)	(148)	-
Total per statement of segments	35,064	32,861	5,877	98	34,471	33,220	(641)	125
Total financial interest in SOEs, Crown entities and Air New Zealand Limited	51,000	48,613	6,491	855	50,502	50,844	(2,064)	631

Information on State-owned Enterprises and Crown Entities (continued)

	Purchase of PPE \$m	Total PPE \$m	30 June 2013			Equity \$m	30 June 2012 Equity \$m
			Total assets \$m	Borrow- ings \$m	Total liabilities \$m		
State-owned enterprises							
Airways Corporation of New Zealand Limited	24	114	149	32	81	68	47
AsureQuality Limited	4	27	74	12	36	38	35
Genesis Energy Limited	162	3,192	3,750	1,064	1,801	1,949	1,801
Landcorp Farming Limited	64	1,217	1,685	354	367	1,318	1,332
Meridian Energy Limited	251	6,769	7,725	1,377	3,037	4,688	4,825
Meteorological Service of New Zealand Limited	2	24	40	15	23	17	14
Mighty River Power Limited	201	5,141	5,802	1,394	2,620	3,182	3,017
New Zealand Post Limited	18	186	16,108	14,795	15,165	943	813
KiwiRail Holdings Limited	482	1,412	1,629	224	422	1,207	3,460
Solid Energy New Zealand Limited	55	476	859	412	767	92	423
Transpower New Zealand Limited	687	4,451	5,471	3,652	4,033	1,438	1,536
Kordia Group Limited	20	87	219	60	126	93	91
Animal Control Products Limited	-	3	6	-	1	5	6
Learning Media Limited	-	1	6	-	3	3	5
Quotable Value New Zealand	-	1	25	-	7	18	23
AMI Insurance Limited	-	-	-	-	-	-	-
New Zealand Railways Corporation	-	3,273	3,273	-	-	3,273	-
Total State-owned enterprises	1,970	26,374	46,821	23,391	28,489	18,332	17,428
Air New Zealand Limited	311	2,941	5,679	1,641	3,798	1,881	1,584
Total State-owned enterprises and Air New Zealand Limited	2,281	29,315	52,500	25,032	32,287	20,213	19,012
Intra-segmental eliminations	-	(812)	(1,289)	(193)	(222)	(1,067)	(410)
Total per statement of segments	2,281	28,503	51,211	24,839	32,065	19,146	18,602
Crown Entities							
Accident Compensation Corporation	124	39	28,618	185	30,872	(2,254)	(7,182)
Crown Asset Management	17	-	124	-	7	117	98
Crown Fibre Holdings Limited	71	143	245	-	5	240	157
Crown Research Institutes	52	499	813	3	259	554	526
District Health Boards (including the Crown Health Funding Agency)	682	5,397	7,041	2,268	4,276	2,765	2,335
Earthquake Commission	7	21	5,454	-	6,871	(1,417)	(1,593)
Housing New Zealand Corporation	183	16,370	17,240	1,976	3,913	13,327	11,979
Museum of New Zealand Te Papa	9	1,174	1,201	-	8	1,193	1,193
New Zealand Fire Service Commission	34	568	650	8	93	557	511
New Zealand Lotteries Commission	8	20	154	-	125	29	28
New Zealand Transport Agency	1,074	26,182	26,621	100	506	26,115	25,883
Public Trust	2	8	639	584	600	39	30
Schools	39	1,368	2,670	108	786	1,884	1,824
Southern Response Earthquake Services	1	1	1,756	-	1,751	5	(47)
Tertiary Education Commission	1	3	51	18	29	22	22
TEIs	-	-	8,060	-	-	8,060	7,914
Television New Zealand	4	103	245	1	59	186	183
Other Crown entities	22	184	1,104	29	411	693	777
Total Crown entities	2,330	52,080	102,686	5,280	50,571	52,115	44,638
Intra-segmental eliminations	(16)	(257)	(282)	(29)	(59)	65	(416)
Total per statement of segments	2,314	51,823	102,404	5,251	50,512	52,180	44,222
Total financial interest in SOEs, Crown entities and Air New Zealand Limited	4,595	80,326	153,615	30,090	82,577	71,326	62,824

Government Reporting Entity as at 30 June 2013

These financial statements are for the Government Reporting entity as specified in Part III of the Public Finance Act 1989. This comprises Ministers of the Crown and the following entities (subsidiaries are consolidated by their parents and not listed separately):

Core Crown	
Departments	
Canterbury Earthquake Recovery Authority	Ministry of Justice
Crown Law Office	Ministry of Māori Development
Department of Conservation	Ministry of Pacific Island Affairs
Department of Corrections	Ministry of Social Development
Department of Internal Affairs	Ministry of Transport
Department of the Prime Minister and Cabinet	Ministry of Women's Affairs
Education Review Office	New Zealand Customs Service
Government Communications Security Bureau	New Zealand Defence Force
Inland Revenue Department	New Zealand Police
Land Information New Zealand	New Zealand Security Intelligence Service
Ministry for Culture and Heritage	Office of the Clerk of the House of Representatives
Ministry for Primary Industries	Parliamentary Counsel Office
Ministry for the Environment	Parliamentary Service
Ministry of Business, Innovation and Employment	Serious Fraud Office
Ministry of Defence	State Services Commission
Ministry of Education	Statistics New Zealand
Ministry of Foreign Affairs and Trade	The Treasury
Ministry of Health	
Offices of Parliament	Others
Controller and Auditor-General	New Zealand Superannuation Fund
The Ombudsmen	Reserve Bank of New Zealand
Parliamentary Commissioner for the Environment	

State-owned enterprises	
Airways Corporation of New Zealand Limited	Learning Media Limited
Animal Control Products Limited	Meridian Energy Limited
AsureQuality Limited	Meteorological Service of New Zealand Limited
Electricity Corporation of New Zealand Limited	New Zealand Post Limited
Genesis Power Limited	New Zealand Railways Corporation
Kiwirail Holdings Limited	Quotable Value Limited
Kordia Group Limited	Solid Energy New Zealand Limited
Landcorp Farming Limited	Transpower New Zealand Limited
Organisations named or described in Schedule 5 of the Public Finance Act 1989	Others
Mighty River Power Limited	Air New Zealand Limited

Crown entities

Accident Compensation Corporation	New Zealand Blood Service
Arts Council of New Zealand Toi Aotearoa	New Zealand Film Commission
Broadcasting Commission	New Zealand Fire Service Commission
Broadcasting Standards Authority	New Zealand Historic Places Trust (Pouhere Taonga)
Callaghan Innovation	New Zealand Lotteries Commission
Careers New Zealand	New Zealand Productivity Commission
Children's Commissioner	New Zealand Qualifications Authority
Civil Aviation Authority of New Zealand	New Zealand Symphony Orchestra
Commerce Commission	New Zealand Teachers Council
Crown Research Institutes (7)	New Zealand Tourism Board
District Health Boards (20)	New Zealand Trade and Enterprise
Drug Free Sport New Zealand	New Zealand Transport Agency
Earthquake Commission	New Zealand Venture Investment Fund Limited
Education New Zealand	New Zealand Walking Access Commission
Electoral Commission	Office of Film and Literature Classification
Electricity Authority	Pharmaceutical Management Agency
Energy Efficiency and Conservation Authority	Privacy Commissioner
Environmental Protection Authority	Public Trust
External Reporting Board	Radio New Zealand Limited
Families Commission	Real Estate Agents Authority
Financial Markets Authority	Retirement Commissioner
Government Superannuation Fund Authority	School Boards of Trustees (2,453)
Guardians of New Zealand Superannuation	Social Workers Registration Board
Health and Disability Commissioner	Sport and Recreation New Zealand
Health Promotion Agency	Standards Council
Health Quality and Safety Commission	Takeovers Panel
Health Research Council of New Zealand	Te Reo Whakapuaki Irirangi (Māori Broadcasting Funding Agency)
Housing New Zealand Corporation	Te Taura Whiri i te Reo Māori (Māori Language Commission)
Human Rights Commission	Television New Zealand Limited
Independent Police Conduct Authority	Tertiary Education Commission
Law Commission	Tertiary education institutions (29)
Maritime New Zealand	Testing Laboratory Registration Council
Museum of New Zealand Te Papa Tongarewa Board	Transport Accident Investigation Commission
New Zealand Antarctic Institute	
New Zealand Artificial Limb Board	

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 Asset Management Limited	Ngai Tahu Ancillary Claims Trust
Crown Fibre Holdings Limited	Pacific Co-operation Foundation
Dispute Resolution Services Limited	Pacific Island Business Development Trust
Fish and Game Councils (12)	Research and Education Advanced Network New Zealand Limited
Health Benefits Limited	Reserves Boards (21)
Leadership Development Centre Trust	Sentencing Council
Learning State Limited	Southern Response Earthquake Services Limited
Māori Trustee	Tāmaki Redevelopment Company Limited
National Pacific Radio Trust	Te Ariki Trust
New Zealand Fish and Game Council	The Network for Learning Limited
New Zealand Game Bird Habitat Trust Board	

Glossary of Terms

Comparatives (Budget 2012 and Budget 2013)

Comparatives referred to as Budget 2012 were forecasts published in the *2012 Budget Economic and Fiscal Update* while comparatives referred to as Budget 2013 were forecasts published in the *2013 Budget Economic and Fiscal Update*.

Contingent assets

Income that the Crown will realise if a particular uncertain event occurs, or a present asset is unable to be measured with sufficient reliability to be recorded in the financial statements (unquantified contingent assets). Contingent assets typically comprise loans with specific events that trigger repayment and Inland Revenue pending assessments (where there is a proposed adjustment to a tax assessment).

Contingent liabilities

Costs that the Crown will have to face if a particular uncertain event occurs, or present liabilities that are unable to be measured with sufficient reliability to be recorded in the financial statements (unquantified contingent liabilities). Contingent liabilities typically comprise guarantees and indemnities, legal disputes and claims, and uncalled capital.

Core Crown

A reporting segment consisting of the Crown, departments, Offices of Parliament, the NZS Fund and the Reserve Bank of New Zealand. For a list of all entities included in this segment, refer to the Government Reporting Entity (pages 180 to 181).

Core Crown expenses

The day-to-day spending (eg, public servants' salaries, welfare benefit payments, finance costs and maintaining national defence etc) that does not build physical assets for the Core Crown. This is an accrual measure of expenses and includes items such as depreciation on physical assets.

Core Crown revenue

Consists primarily of tax revenue collected by the Government but also includes investment income, sales of goods and services and other revenue of the Core Crown.

Corporate tax

The sum of net company tax, non-resident withholding tax (NRWT) and foreign-source dividend withholding payments (FDWP).

Domestic bond programme

The amount and timing of government bonds expected to be issued or redeemed.

Excise duties

A tax levied on the domestic production of alcohol, tobacco and light petroleum products (CNG, LPG and petrol).

Financial assets

Any asset that is cash, an equity instrument of another entity (shares), a contractual right to receive cash or shares (taxes receivable and ACC levies), or a right to exchange a financial asset or liability on favourable terms (derivatives in gain).

Financial liabilities

Any liability that is a contractual obligation to pay cash (government stock, accounts payable), or a right to exchange a financial asset or liability on unfavourable terms (derivatives in loss).

Forecast new capital spending

An amount provided in the forecasts to represent the balance sheet impact of capital initiatives expected to be introduced over the forecast period.

Forecast new operating spending

An amount included in the forecasts to provide for the operating balance impact of policy initiatives, changes to demographics, and other forecasting changes expected to occur over the forecast period.

Gains and Losses

Gains and losses typically arise from the revaluation of assets and liabilities, such as investments in financial assets and long-term liabilities for ACC and the Government Superannuation Fund. These valuation changes are reported directly as a movement in net worth (eg, asset revaluation reserves) or indirectly through the statement of financial performance.

Gross domestic product (GDP)

A measure of the value of all goods and services produced in New Zealand. Changes in GDP measure growth or contraction in economic activity or output. GDP can be measured as the actual dollar value of goods and services at today's prices (nominal GDP), or excluding the effects of price changes over time (real GDP).

Gross debt (or Gross sovereign-issued debt)

Represents debt issued by sovereign (core Crown) and includes Government stock held by the NZS Fund, Accident Compensation Corporation, and the Earthquake Commission.

Insurance liabilities

The gross obligation for the future cost of claims incurred prior to balance date represented in today's dollars (present value). The net liability is the gross liability less the asset reserves held to meet those claims.

Inter-segment eliminations

The amounts of transactions between different segments (core Crown, Crown entities and State-owned enterprises) that are eliminated to determine total Crown results.

Marketable securities

Assets held with financial institutions. These assets are held for both cash flow and investment purposes. Examples are bonds, commercial papers and debentures.

Net core Crown cash flow from operations

The cash impact of operating results. It is represented by the operating balance (before gains and losses) less retained items (eg, net surplus of State-owned enterprises, Crown entities and NZS Fund net revenue) less non-cash items (eg, depreciation).

Net core Crown debt

Net core Crown debt provides information about the sustainability of the Government's accounts, and is used by some international rating agencies when determining the creditworthiness of a country. It represents gross debt less core Crown financial assets (excluding advances and financial assets held by the NZS Fund). Advances and financial assets held by the NZS Fund are excluded as these assets are less liquid and/or they are made for public policy reasons rather than for the purposes associated with government financing.

Net worth

Total assets less total liabilities. The change in net worth in any given forecast year is largely driven by the operating balance and property, plant and equipment revaluations.

Net worth attributable to the Crown

Represents the Crown's share of total assets and liabilities and excludes minority interest's share of those assets and liabilities.

New Zealand equivalents to International Financial Reporting Standards (NZ IFRS)

The reporting and measurement framework under which these forecast financial statements are prepared. These standards are approved by the External Reporting Board in New Zealand, based on requirements of the international financial reporting standards issued by the International Accounting Standards Board, adjusted where appropriate for entities that are not profit oriented.

Operating balance

Represents OBEGAL plus gains and losses. The operating balance includes gains and losses not reported directly as a movement against net worth. The impact of gains and losses on the operating balance can be subject to short-term market volatility and revaluations of long term liabilities.

Operating balance before gains and losses (OBEGAL)

Represents core Crown revenue less core Crown expenses plus surpluses from State-owned enterprises and Crown entities. OBEGAL can provide a more useful measure of underlying stewardship than the operating balance as short term market fluctuations are not included in the calculation.

Optimised Depreciated Replacement Cost

Valuation method which represents the gross replacement cost of the asset, less allowances for physical deterioration (depreciated) and for obsolescence and relevant surplus capacity (optimised).

Residual cash

The level of money the Government has available to repay debt or, alternatively, needs to borrow in any given year. Residual cash is alternatively termed "Cash available/(shortfall to be funded)".

Residual cash is equal to net core Crown cash flow from operations excluding NZS Fund activity less core Crown capital payments (eg, purchase of assets, loans to others).

Settlement cash

This is the amount of money deposited with the Reserve Bank by registered banks. It is a liquidity mechanism used to settle wholesale obligations between registered banks and provides the basis for settling most of the retail banking transactions that occur every working day between businesses and individuals.

Tax revenue

The accrual, rather than the cash (“tax receipts”) measure of taxation. It is a measure of tax due at a given point in time, regardless of whether or not it has actually been paid.

Top-down adjustment

An adjustment to expenditure forecasts to reflect the extent to which departments use appropriations (upper spending limits) when preparing their forecasts. As appropriations apply to the core Crown only, no adjustment is required to State-owned enterprises or Crown entity forecasts.

Total borrowings

Represents the Government’s total debt obligations to external parties and can be split into sovereign-guaranteed debt and non-sovereign-guaranteed debt. Non-sovereign-guaranteed debt represents the debt obligations of State-owned enterprises and Crown entities that are not explicitly guaranteed by the Crown.

Total Crown

Includes the core Crown (defined above) plus Crown entities and State-owned Enterprises. Also known as the Government Reporting Entities (which are listed on pages 180 and 181).