

Forecast Financial Statements

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

They are based on the accounting policies and assumptions that follow. As with all such assumptions, there is a degree of uncertainty surrounding them. This uncertainty increases as the forecast horizon extends. The *Risks and Scenarios* and *Specific Fiscal Risks* chapters discuss the risks to the fiscal forecast in more detail.

The forecasts have been prepared in accordance with the Statement of Responsibility and reflect the judgements and information known at the time they were prepared. They reflect all government decisions and circumstances communicated to 3 December 2013.

The finalisation dates and key assumptions that underpin the preparation of the Forecast Financial Statements are outlined on pages 42 to 44.

Statement of Accounting Policies

Significant Accounting Policies

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

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

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

The specific accounting policies are included within the *2013 Half Year Economic and Fiscal Update Additional Information* document which can be found on the Treasury's website at www.treasury.govt.nz/budget/forecasts/hyefu2013.

Changes in Accounting Policies

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

Forecast Policies

These Forecast Financial Statements have been prepared on the basis of the Treasury's best professional judgement. Actual financial results for the periods covered are likely to vary from the information presented in these forecasts. Factors that may lead to a material difference between information in these Forecast Financial Statements and the actual reported results in future years are set out in the *Specific Fiscal Risks* chapter on pages 61 to 83.

Key forecast assumptions used are set out on pages 42 to 44.

Government Reporting Entity as at 3 December 2013

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

Core Crown

Departments

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

Controller and Auditor-General
The Ombudsmen
Parliamentary Commissioner for the Environment

Others

New Zealand Superannuation Fund
Reserve Bank of New Zealand

State-owned enterprises

Airways Corporation of New Zealand Limited	Learning Media Limited
Animal Control Products Limited	Meteorological Service of New Zealand Limited
AsureQuality Limited	New Zealand Post Limited
Electricity Corporation of New Zealand Limited	New Zealand Railways Corporation
Genesis Energy Limited	Quotable Value Limited
Kiwirail Holdings Limited	Solid Energy New Zealand Limited
Kordia Group Limited	Transpower New Zealand Limited
Landcorp Farming Limited	

Mixed ownership model companies (Public Finance Act schedule 5 companies)

Mighty River Power Limited
Meridian Energy Limited

Others

Air New Zealand Limited

Crown entities

Accident Compensation Corporation	New Zealand Artificial Limb Board
Arts Council of New Zealand Toi Aotearoa	New Zealand Blood Service
Broadcasting Commission	New Zealand Film Commission
Broadcasting Standards Authority	New Zealand Fire Service Commission
Callaghan Innovation	New Zealand Historic Places Trust (Pouhere Taonga)
Careers New Zealand	New Zealand Lotteries Commission
Children's Commissioner	New Zealand Productivity Commission
Civil Aviation Authority of New Zealand	New Zealand Qualifications Authority
Commerce Commission	New Zealand Symphony Orchestra
Crown Irrigation Investments Limited	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	

Organisations listed in schedule 4 of the Public Finance Act 1989	Non-listed companies in which the Crown is majority or sole shareholder (Public Finance Act schedule 4A companies)
Agricultural and Marketing Research and Development Trust	Crown Asset Management Limited
Asia New Zealand Foundation	Crown Fibre Holdings Limited
Fish and Game Councils (12)	Fairway Resolution Limited
Game Animal Council	Health Benefits Limited
Leadership Development Centre Trust	The Network for Learning Limited
Māori Trustee	Research and Education Advanced Network New Zealand Limited
National Pacific Radio Trust	Southern Response Earthquake Services Limited
New Zealand Fish and Game Council	Tāmaki Redevelopment Company Limited
New Zealand Game Bird Habitat Trust Board	
New Zealand Government Property Corporation	
New Zealand Lottery Grants Board	
Ngai Tahu Ancillary Claims Trust	
Pacific Co-operation Foundation	
Pacific Island Business Development Trust	
Reserves Boards (21)	
Te Ariki Trust	

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

Forecast Statement of Financial Performance

for the years ending 30 June

		2013	2014	2014	2015	2016	2017	2018
			Previous					
	Note	Actual \$m	Budget \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m
Revenue								
Taxation revenue	1	58,134	61,773	61,969	65,703	69,938	73,493	77,126
Other sovereign revenue	1	5,172	5,296	5,276	5,070	4,665	4,633	4,779
Total revenue levied through the Crown's sovereign power		63,306	67,069	67,245	70,773	74,603	78,126	81,905
Sales of goods and services		16,713	17,080	16,592	17,516	18,149	18,693	19,270
Interest revenue and dividends	2	2,939	3,588	3,378	3,679	4,011	4,676	5,192
Other revenue		3,697	3,867	3,767	3,799	3,988	4,037	3,960
Total revenue earned through the Crown's operations		23,349	24,535	23,737	24,994	26,148	27,406	28,422
Total revenue (excluding gains)		86,655	91,604	90,982	95,767	100,751	105,532	110,327
Expenses								
Transfer payments and subsidies	3	22,708	23,485	23,338	23,817	24,566	25,468	26,396
Personnel expenses	4	19,935	20,172	20,246	20,384	20,746	21,034	21,350
Depreciation and amortisation	5	4,812	4,640	4,666	4,841	4,925	5,016	5,098
Other operating expenses	5	36,163	37,748	38,350	37,681	37,941	38,175	37,649
Interest expenses	6	4,358	4,516	4,418	4,695	5,027	5,473	5,621
Insurance expenses	7	3,031	3,215	3,439	3,657	4,068	4,395	4,775
Forecast new operating spending	8	-	461	220	1,106	2,104	3,167	4,115
Top-down expense adjustment	8	-	(600)	(1,375)	(500)	(300)	(300)	(300)
Total expenses (excluding losses)		91,007	93,637	93,302	95,681	99,077	102,428	104,704
Minority interest share of operating balance before gains/losses ¹		(62)	-	-	-	-	-	-
Operating balance before gains/(losses)		(4,414)	(2,033)	(2,320)	86	1,674	3,104	5,623
Net gains/(losses) on financial instruments	9	7,270	1,748	2,234	2,206	2,347	2,494	2,676
Net gains/(losses) on non-financial instruments	10	3,706	443	1,486	535	499	478	398
Total gains/(losses)		10,976	2,191	3,720	2,741	2,846	2,972	3,074
Net surplus from associates and joint ventures		395	200	239	253	254	254	253
Minority interest share of net gains/losses ¹		(32)	-	-	-	-	-	-
Operating balance	11	6,925	358	1,639	3,080	4,774	6,330	8,950

1. Foregone profits from the Government Share Offer programme are not separately disclosed. Refer to pages 36 to 41 for further details.

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

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

for the years ending 30 June

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Total Crown expenses							
By functional classification							
Social security and welfare	26,268	27,510	27,305	27,889	28,784	30,009	31,286
GSF pension expenses	286	283	291	377	460	514	536
Health	13,856	14,433	14,464	14,335	14,318	14,289	14,222
Education	13,366	13,180	13,369	13,456	13,524	13,622	13,710
Core government services	3,960	4,341	4,755	4,126	4,226	4,199	4,108
Law and order	3,670	3,804	3,820	3,672	3,741	3,723	3,729
Defence	1,766	1,893	1,852	1,839	1,889	1,794	1,794
Transport and communications	9,052	9,036	9,285	9,737	9,917	10,102	10,338
Economic and industrial services	8,375	8,098	8,096	8,554	8,843	9,110	9,412
Primary services	1,579	1,892	1,838	1,777	1,753	1,759	1,592
Heritage, culture and recreation	2,351	2,532	2,398	2,358	2,417	2,478	2,542
Housing and community development	989	1,057	1,157	1,197	1,213	1,217	1,243
Environmental protection	528	473	603	514	515	506	505
Other	603	728	806	549	646	766	251
Finance costs	4,358	4,516	4,418	4,695	5,027	5,473	5,621
Forecast new operating spending	-	461	220	1,106	2,104	3,167	4,115
Top-down expense adjustment	-	(600)	(1,375)	(500)	(300)	(300)	(300)
Total Crown expenses excluding losses	91,007	93,637	93,302	95,681	99,077	102,428	104,704

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

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Core Crown expenses							
By functional classification							
Social security and welfare	22,741	23,595	23,246	23,729	24,244	25,123	26,034
GSF pension expenses	278	274	282	369	452	505	528
Health	14,498	14,950	14,997	14,924	14,953	14,930	14,860
Education	12,504	12,389	12,558	12,669	12,785	12,835	12,882
Core government services	4,294	4,637	5,067	4,470	4,581	4,558	4,453
Law and order	3,456	3,561	3,630	3,471	3,516	3,488	3,488
Defence	1,804	1,933	1,901	1,887	1,938	1,843	1,843
Transport and communications	2,255	2,162	2,285	2,247	2,173	2,247	2,250
Economic and industrial services	1,978	2,152	2,226	2,155	2,168	2,193	2,096
Primary services	659	818	816	726	696	674	648
Heritage, culture and recreation	804	854	882	816	803	801	801
Housing and community development	283	335	434	324	265	204	201
Environmental protection	530	496	602	512	513	504	504
Other	603	728	806	549	646	766	251
Finance costs	3,619	3,622	3,604	3,743	3,949	4,280	4,350
Forecast new operating spending	-	461	220	1,106	2,104	3,167	4,115
Top-down expense adjustment	-	(600)	(1,375)	(500)	(300)	(300)	(300)
Total core Crown expenses excluding losses	70,306	72,367	72,181	73,197	75,486	77,818	79,004

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

Forecast Statement of Comprehensive Income

for the years ending 30 June

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Operating balance (including minority interest)	7,019	358	1,639	3,080	4,774	6,330	8,950
Other comprehensive income							
Revaluation of physical assets	1,367	-	(74)	-	-	-	-
Net change in hedging instruments entered into for cash flow hedges	280	(21)	41	(16)	6	9	7
Foreign currency translation differences for foreign operations	-	39	(6)	1	-	-	-
Valuation gains/(losses) on investments available for sale taken to reserves	36	8	(2)	9	12	13	14
Other movements	7	(38)	46	3	6	9	5
Total other comprehensive income	1,690	(12)	5	(3)	24	31	26
Total comprehensive income	8,709	346	1,644	3,077	4,798	6,361	8,976
Attributable to:							
- minority interest	153	-	-	-	-	-	-
- the Crown	8,556	346	1,644	3,077	4,798	6,361	8,976
Total comprehensive income	8,709	346	1,644	3,077	4,798	6,361	8,976

Forecast Statement of Changes in Net Worth

for the years ending 30 June

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening net worth	59,780	63,270	70,011	74,895	78,009	82,847	89,236
Operating balance (excluding minority interest)	7,019	358	1,639	3,080	4,774	6,330	8,950
Net revaluations	1,367	-	(74)	-	-	-	-
Transfers to/(from) reserves	260	(59)	86	14	11	18	17
(Gains)/losses transferred to the Statement of Financial Performance	(10)	-	(1)	(2)	1	-	(5)
Other movements	73	47	(6)	(15)	12	13	14
Comprehensive income attributable to the Crown	8,709	346	1,644	3,077	4,798	6,361	8,976
Gain/(loss) on Government share offers	167	175	(550)	-	-	-	-
Increase in minority interest from Government share offers	1,371	1,325	3,676	25	-	-	-
Transactions with minority interest	(16)	66	114	12	40	28	23
Closing net worth	70,011	65,182	74,895	78,009	82,847	89,236	98,235

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

Forecast Statement of Cash Flows

for the years ending 30 June

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Cash flows from operations							
Cash was provided from							
Taxation receipts	56,413	60,695	61,139	64,923	68,977	72,540	76,029
Other sovereign receipts	4,806	4,747	4,831	4,579	4,153	4,230	4,340
Sales of goods and services	16,651	17,175	16,476	17,505	18,127	18,660	19,243
Interest and dividend receipts	2,694	3,175	3,112	3,456	3,761	4,408	4,899
Other operating receipts	5,933	5,443	6,565	4,387	4,062	3,877	3,784
Total cash provided from operations	86,497	91,235	92,123	94,850	99,080	103,715	108,295
Cash was disbursed to							
Transfer payments and subsidies	22,780	23,877	23,787	23,947	24,557	25,445	26,362
Personnel and operating payments	58,450	62,742	63,974	61,513	60,277	60,369	61,206
Interest payments	4,369	4,629	4,395	4,661	4,739	5,159	5,237
Forecast new operating spending	-	461	220	1,106	2,104	3,167	4,115
Top-down expense adjustment	-	(600)	(1,375)	(500)	(300)	(300)	(300)
Total cash disbursed to operations	85,599	91,109	91,001	90,727	91,377	93,840	96,620
Net cash flows from operations	898	126	1,122	4,123	7,703	9,875	11,675
Cash flows from investing activities							
Cash was provided from/(disbursed to)							
Net purchase of physical assets	(5,169)	(7,234)	(7,423)	(6,487)	(6,077)	(5,482)	(5,123)
Net purchase of shares and other securities	6,342	(5,221)	(5,284)	2,428	(5,798)	(8,991)	841
Net purchase of intangible assets	(581)	(516)	(563)	(465)	(408)	(414)	(404)
Net repayment/(issues) of advances	(1,405)	(2,029)	(2,085)	(1,877)	(1,602)	(1,460)	(1,446)
Net acquisition of investments in associates	280	65	27	(19)	47	74	65
Government share offer programme	1,547	1,500	2,490	620	-	-	-
Forecast new capital spending	-	(503)	(206)	(567)	(816)	(950)	(900)
Top-down capital adjustment	-	50	450	175	175	125	125
Net cash flows from investing activities	1,014	(13,888)	(12,594)	(6,192)	(14,479)	(17,098)	(6,842)
Net cash flows from operating and investing activities	1,912	(13,762)	(11,472)	(2,069)	(6,776)	(7,223)	4,833
Cash flows from financing activities							
Cash was provided from/(disbursed to)							
Issues of circulating currency	234	141	246	148	153	157	162
Net issue/(repayment) of government stock ¹	5,476	10,245	4,947	(753)	4,924	5,851	(6,035)
Net issue/(repayment) of foreign-currency borrowings	(2,926)	(519)	170	(751)	(605)	3	(508)
Net issue/(repayment) of other New Zealand dollar borrowings	(634)	2,647	1,698	2,739	2,005	1,093	1,727
Dividends paid to minority interests	(20)	-	-	-	-	-	-
Net cash flows from financing activities	2,130	12,514	7,061	1,383	6,477	7,104	(4,654)
Net movement in cash	4,042	(1,248)	(4,411)	(686)	(299)	(119)	179
Opening cash balance	10,686	16,492	14,924	10,221	9,535	9,236	9,117
Foreign-exchange gains/(losses) on opening cash	196	-	(292)	-	-	-	-
Closing cash balance	14,924	15,244	10,221	9,535	9,236	9,117	9,296

1. Further information on the proceeds and repayments of government stock ("domestic bonds") is available in note 22.

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

Forecast Statement of Cash Flows (continued)

for the years ending 30 June

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Reconciliation between the net cash flows from operations and the operating balance							
Net cash flows from operations	898	126	1,122	4,123	7,703	9,875	11,675
<i>Items included in the operating balance but not in net cash flows from operations</i>							
Gains/(losses)							
Net gains/(losses) on financial instruments	7,270	1,748	2,234	2,206	2,347	2,494	2,676
Net gains/(losses) on non-financial instruments	3,706	443	1,486	535	499	478	398
Total gains/(losses)	10,976	2,191	3,720	2,741	2,846	2,972	3,074
Other non-cash items in operating balance							
Depreciation and amortisation	(4,812)	(4,640)	(4,666)	(4,841)	(4,925)	(5,016)	(5,098)
Write-down on initial recognition of financial assets	(684)	(723)	(785)	(789)	(807)	(828)	(830)
Impairment on financial assets (excl. receivables)	(497)	23	(130)	(138)	(141)	(145)	(147)
Decrease/(increase) in defined benefit retirement plan liabilities	385	461	484	379	309	267	256
Decrease/(increase) in insurance liabilities	1,106	2,517	2,956	1,686	(258)	(1,422)	(1,850)
Other	299	321	387	564	572	580	582
Total other non-cash items	(4,203)	(2,041)	(1,754)	(3,139)	(5,250)	(6,564)	(7,087)
Movements in working capital							
Increase/(decrease) in receivables	(1,302)	(1,119)	(1,166)	(987)	277	441	436
Increase/(decrease) in accrued interest	257	526	243	190	(39)	(46)	(91)
Increase/(decrease) in inventories	(94)	73	8	40	108	(29)	(4)
Increase/(decrease) in prepayments	32	(29)	(2)	(36)	3	3	1
Decrease/(increase) in deferred revenue	(2)	26	19	(38)	(7)	(6)	(49)
Decrease/(increase) in payables/provisions	363	605	(551)	186	(867)	(316)	995
Total movements in working capital	(746)	82	(1,449)	(645)	(525)	47	1,288
Operating balance	6,925	358	1,639	3,080	4,774	6,330	8,950

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

Forecast Statement of Borrowings

as at 30 June

	2013 Actual \$m	2014 Previous Budget \$m	2014 Forecast \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m
Borrowings							
Government bonds	57,377	68,469	60,456	58,726	63,128	68,434	61,956
Treasury bills	4,084	3,541	3,470	3,494	3,361	3,351	3,345
Government retail stock	199	204	196	196	196	196	196
Settlement deposits with Reserve Bank	7,575	7,183	7,094	7,094	7,094	7,094	7,094
Derivatives in loss	3,188	1,854	2,187	1,914	1,673	1,610	1,571
Finance lease liabilities	1,454	1,475	1,535	1,680	1,639	1,643	1,726
Other borrowings	26,210	29,475	29,416	31,504	33,441	34,943	36,394
Total borrowings	100,087	112,201	104,354	104,608	110,532	117,271	112,282
Total sovereign-guaranteed debt	75,684	84,580	77,526	75,818	79,851	85,059	78,566
Total non-sovereign-guaranteed debt	24,403	27,621	26,828	28,790	30,681	32,212	33,716
Total borrowings	100,087	112,201	104,354	104,608	110,532	117,271	112,282
Net debt:							
Core Crown borrowings ¹	84,873	94,504	87,571	85,691	90,329	96,209	90,397
Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(587)	(1,027)	(449)	(573)	(713)	(760)	(761)
Gross sovereign-issued debt²	84,286	93,477	87,122	85,118	89,616	95,449	89,636
Less core Crown financial assets ³	62,984	65,786	63,660	60,708	66,516	75,606	75,001
Net core Crown debt	21,302	27,691	23,462	24,410	23,100	19,843	14,635
Core Crown advances	13,126	14,375	13,785	14,574	15,264	15,302	15,294
Net core Crown debt (incl. NZS Fund)⁴	34,428	42,066	37,247	38,984	38,364	35,145	29,929
Add back NZS Fund holdings of core Crown financial assets and NZS Fund financial assets ⁵	21,407	22,699	22,736	24,320	26,184	28,265	30,457
Net core Crown debt (excl. NZS Fund and advances)⁶	55,835	64,765	59,983	63,304	64,548	63,410	60,386
Gross debt:							
Gross sovereign-issued debt ²	84,286	93,477	87,122	85,118	89,616	95,449	89,636
Less Reserve Bank settlement cash and bank bills	(7,902)	(7,391)	(7,094)	(7,094)	(7,094)	(7,094)	(7,094)
Add back changes to DMO borrowing owing to settlement cash ⁷	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Gross sovereign-issued debt excluding Reserve Bank settlement cash and bank bills⁴	77,984	87,686	81,628	79,624	84,122	89,955	84,142

Notes on borrowings

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

1. Core Crown borrowings in this instance include unsettled purchases of securities (classified as accounts payable in the Statement of Financial Position).
2. Gross sovereign-issued debt (GSID) represents debt issued by the sovereign (the core Crown) and includes any government stock held by the other Crown reporting entities.
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 NZDMO borrowing. Therefore, the impact of settlement cash on GSID is adjusted by this amount.

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

Statement of Actual Commitments

as at 31 October 2013

	As at 31 Oct 2013 \$m	As at 30 June 2013 \$m
Capital commitments		
Specialist military equipment	438	549
Land and buildings	716	717
Other property, plant and equipment	5,377	5,478
Other capital commitments	760	790
Tertiary education institutions	169	169
Total capital commitments	7,460	7,703
Operating commitments		
Non-cancellable accommodation leases	2,694	2,792
Other non-cancellable leases	2,620	2,735
Tertiary education institutions	466	466
Total operating commitments	5,780	5,993
Total commitments	13,240	13,696
Total commitments by segment		
Core Crown	3,881	4,226
Crown entities	5,283	5,296
State-owned enterprises	5,062	5,078
Inter-segment eliminations	(986)	(904)
Total commitments	13,240	13,696

Statement of Actual Contingent Liabilities and Assets

as at 31 October 2013

	As at 31 Oct 2013 \$m	As at 30 June 2013 \$m
Quantifiable contingent liabilities		
Guarantees and indemnities	178	225
Uncalled capital	6,006	6,286
Legal proceedings and disputes	672	707
Other contingent liabilities	444	432
Total quantifiable contingent liabilities	7,300	7,650
Total quantifiable contingent liabilities by segment		
Core Crown	6,983	7,350
Crown entities	53	35
State-owned enterprises	264	265
Inter-segment eliminations	-	-
Total quantifiable contingent liabilities	7,300	7,650
Quantifiable contingent assets by segment		
Core Crown	228	245
Crown entities	4	4
State-owned enterprises	21	21
Total quantifiable contingent assets	253	270

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

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

Notes to the Forecast Financial Statements

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m
NOTE 1: Sovereign Revenue (Accrual)							
Taxation revenue (accrual)							
Individuals							
Source deductions	22,330	23,709	23,825	25,134	26,491	27,950	29,603
Other persons	5,210	5,083	5,263	5,525	5,798	6,061	6,307
Refunds	(1,644)	(1,488)	(1,465)	(1,491)	(1,524)	(1,527)	(1,579)
Fringe benefit tax	480	477	480	502	522	544	568
Total individuals	26,376	27,781	28,103	29,670	31,287	33,028	34,899
Corporate tax							
Gross companies tax	8,747	9,240	9,197	9,681	10,271	10,453	10,683
Refunds	(151)	(197)	(193)	(205)	(219)	(230)	(234)
Non-resident withholding tax	420	447	394	459	521	559	585
Foreign-source dividend w/holding payments	2	-	2	2	2	2	2
Total corporate tax	9,018	9,490	9,400	9,937	10,575	10,784	11,036
Other direct income tax							
Resident w/holding tax on interest income	1,631	1,671	1,673	1,905	2,419	2,879	3,271
Resident w/holding tax on dividend income	516	607	460	492	520	530	540
Total other direct income tax	2,147	2,278	2,133	2,397	2,939	3,409	3,811
Total direct income tax	37,541	39,549	39,636	42,004	44,801	47,221	49,746
Goods and services tax							
Gross goods and services tax	25,125	27,220	27,298	29,041	30,800	32,847	35,346
Refunds	(9,920)	(10,695)	(10,700)	(11,357)	(11,989)	(13,121)	(14,658)
Total goods and services tax	15,205	16,525	16,598	17,684	18,811	19,726	20,688
Other indirect taxation							
Road user charges	1,066	1,164	1,155	1,250	1,346	1,412	1,470
Petroleum fuels excise – domestic production	855	931	938	995	1,055	1,084	1,112
Alcohol excise – domestic production	663	678	655	680	711	743	775
Tobacco excise – domestic production	281	277	294	298	305	318	318
Petroleum fuels excise – imports ¹	674	659	680	721	764	785	805
Alcohol excise – imports ¹	250	267	246	255	267	278	290
Tobacco excise – imports ¹	954	1,043	1,107	1,156	1,221	1,272	1,271
Other customs duty	178	172	168	160	151	144	137
Gaming duties	214	223	208	208	209	209	210
Motor vehicle fees	174	187	183	191	196	200	203
Approved issuer levy and cheque duty	45	62	65	65	65	65	65
Energy resources levies	34	36	36	36	36	36	36
Total other indirect taxation	5,388	5,699	5,735	6,015	6,326	6,546	6,692
Total indirect taxation	20,593	22,224	22,333	23,699	25,137	26,272	27,380
Total taxation revenue	58,134	61,773	61,969	65,703	69,938	73,493	77,126
Other sovereign revenue (accrual)							
ACC levies	3,437	3,465	3,444	3,125	2,808	2,724	2,804
Fire Service levies	331	338	338	341	351	361	370
EQC levies	242	269	268	271	274	276	279
Child support	590	729	608	664	527	565	614
Court fines	168	173	173	173	173	173	173
Other miscellaneous items	404	322	445	496	532	534	539
Total other sovereign revenue	5,172	5,296	5,276	5,070	4,665	4,633	4,779
Total sovereign revenue	63,306	67,069	67,245	70,773	74,603	78,126	81,905

1. Customs excise-equivalent duty.

Notes to the Forecast Financial Statements

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m
NOTE 1 (continued): Sovereign Receipts (Cash)							
Taxation receipts (cash)							
Individuals							
Source deductions	22,188	23,584	23,715	25,003	26,354	27,812	29,463
Other persons	5,194	5,549	5,667	5,764	6,046	6,348	6,591
Refunds	(2,251)	(2,222)	(2,084)	(2,005)	(2,067)	(2,140)	(2,226)
Fringe benefit tax	465	476	478	500	520	542	566
Total individuals	25,596	27,387	27,776	29,262	30,853	32,562	34,394
Corporate tax							
Gross companies tax	8,665	9,495	9,516	10,119	10,613	10,887	11,074
Refunds	(597)	(766)	(641)	(681)	(728)	(768)	(783)
Non-resident withholding tax	451	446	392	457	519	557	583
Foreign-source dividend w/holding payments	1	-	2	2	2	2	2
Total corporate tax	8,520	9,175	9,269	9,897	10,406	10,678	10,876
Other direct income tax							
Resident w/holding tax on interest income	1,635	1,670	1,672	1,904	2,417	2,877	3,269
Resident w/holding tax on dividend income	516	607	460	492	520	530	540
Total other direct income tax	2,151	2,277	2,132	2,396	2,937	3,407	3,809
Total direct income tax	36,267	38,839	39,177	41,555	44,196	46,647	49,079
Goods and services tax							
Gross goods and services tax	24,539	26,352	26,428	28,210	29,944	31,968	34,416
Refunds	(9,783)	(10,195)	(10,200)	(10,857)	(11,489)	(12,621)	(14,158)
Total goods and services tax	14,756	16,157	16,228	17,353	18,455	19,347	20,258
Other indirect taxation							
Road user charges	1,064	1,164	1,155	1,250	1,346	1,412	1,470
Petroleum fuels excise – domestic production	865	931	938	995	1,055	1,084	1,112
Alcohol excise – domestic production	666	678	655	680	711	743	775
Tobacco excise – domestic production	287	277	294	298	305	318	318
Customs duty	2,035	2,141	2,201	2,292	2,403	2,479	2,503
Gaming duties	216	223	206	208	209	209	210
Motor vehicle fees	179	187	183	191	196	200	203
Approved issuer levy and cheque duty	44	62	66	65	65	65	65
Energy resources levies	34	36	36	36	36	36	36
Total other indirect taxation	5,390	5,699	5,734	6,015	6,326	6,546	6,692
Total indirect taxation	20,146	21,856	21,962	23,368	24,781	25,893	26,950
Total taxation receipts	56,413	60,695	61,139	64,923	68,977	72,540	76,029
Other sovereign receipts (cash)							
ACC levies	3,524	3,438	3,423	3,151	2,695	2,747	2,827
Fire Service levies	331	338	338	341	351	361	370
EQC levies	274	267	271	270	273	276	279
Child support	230	237	237	248	259	270	286
Court fines	159	148	148	137	137	137	137
Other miscellaneous items	288	319	414	432	438	439	441
Total other sovereign receipts	4,806	4,747	4,831	4,579	4,153	4,230	4,340
Total sovereign receipts	61,219	65,442	65,970	69,502	73,130	76,770	80,369

Notes to the Forecast Financial Statements

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 2: Interest revenue and dividends							
<i>By type</i>							
Interest revenue	2,382	3,006	2,689	2,989	3,267	3,887	4,357
Dividends	557	582	689	690	744	789	835
Total interest revenue and dividends	2,939	3,588	3,378	3,679	4,011	4,676	5,192
<i>By source</i>							
Core Crown	2,104	2,639	2,501	2,427	2,615	3,158	3,527
Crown entities	1,270	1,242	1,187	1,254	1,307	1,364	1,446
State-owned enterprises	856	878	873	1,018	1,172	1,305	1,465
Inter-segment eliminations	(1,291)	(1,171)	(1,183)	(1,020)	(1,083)	(1,151)	(1,246)
Total interest revenue and dividends	2,939	3,588	3,378	3,679	4,011	4,676	5,192

NOTE 3: Transfer payments and subsidies

New Zealand Superannuation	10,235	10,894	10,890	11,506	12,155	12,816	13,578
Jobseeker Support and Emergency Benefit	-	1,773	1,697	1,703	1,685	1,696	1,732
Supported Living Payment	-	1,392	1,416	1,484	1,491	1,508	1,539
Sole Parent Support	-	1,288	1,233	1,272	1,296	1,328	1,361
Domestic Purposes Benefit	1,738	67	63	-	-	-	-
Invalid's Benefit	1,330	53	52	-	-	-	-
Sickness Benefit	782	32	29	-	-	-	-
Unemployment Benefit	812	29	29	-	-	-	-
Family tax credit	2,018	2,038	1,966	1,934	1,910	1,979	1,948
Other working for families tax credits	575	539	547	522	512	507	500
Accommodation Assistance	1,177	1,191	1,156	1,165	1,174	1,188	1,213
Income related rents	611	662	670	712	768	823	882
Disability assistance	384	380	379	377	378	379	382
Student allowances	596	574	548	536	538	544	549
Other social assistance benefits	1,290	1,316	1,295	1,327	1,338	1,341	1,313
Total social assistance grants	21,548	22,228	21,970	22,538	23,245	24,109	24,997
Subsidies							
KiwiSaver subsidies	723	748	795	759	774	812	852
Other transfer payments							
Official development assistance	437	509	573	520	547	547	547
Total transfer payments and subsidies	22,708	23,485	23,338	23,817	24,566	25,468	26,396

From 15 July 2013 the benefit categories Domestic Purposes Benefit, Invalid's Benefit, Unemployment and Emergency Benefit and Sickness Benefit, as well as Widow's Benefit, were replaced by new benefit categories. These categories are Jobseeker Support and Emergency Benefit, Supported Living Payment and Sole Parent Support.

NOTE 4: Personnel expenses

<i>By source</i>							
Core Crown	6,037	6,066	6,155	6,102	6,253	6,371	6,472
Crown entities	10,966	11,198	11,190	11,320	11,449	11,585	11,723
State-owned enterprises	2,949	2,919	2,908	2,969	3,051	3,086	3,163
Inter-segment eliminations	(17)	(11)	(7)	(7)	(7)	(8)	(8)
Total personnel expenses	19,935	20,172	20,246	20,384	20,746	21,034	21,350

NOTE 5: Depreciation, amortisation and other operating expenses

<i>By source</i>							
Core Crown	37,940	39,472	40,233	38,926	38,908	38,827	37,967
Crown entities	18,648	19,100	19,439	19,435	19,524	19,612	19,491
State-owned enterprises	11,540	11,219	11,086	11,937	12,411	12,826	13,288
Inter-segment eliminations	(27,153)	(27,403)	(27,742)	(27,776)	(27,977)	(28,074)	(27,999)
Total depreciation, amortisation and other operating expenses	40,975	42,388	43,016	42,522	42,866	43,191	42,747

Notes to the Forecast Financial Statements

	2013 Actual \$m	2014 Previous Budget \$m	2014 Forecast \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m
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NOTE 6: Interest expenses

By type

Interest on financial liabilities	4,312	4,465	4,371	4,653	4,983	5,425	5,573
Interest unwind on provisions	46	51	47	42	44	48	48
Total interest expenses	4,358	4,516	4,418	4,695	5,027	5,473	5,621

By source

Core Crown	3,620	3,622	3,604	3,743	3,949	4,280	4,350
Crown entities	235	239	221	228	227	241	250
State-owned enterprises	1,248	1,279	1,198	1,300	1,415	1,550	1,676
Inter-segment eliminations	(745)	(624)	(605)	(576)	(564)	(598)	(655)
Total interest expenses	4,358	4,516	4,418	4,695	5,027	5,473	5,621

NOTE 7: Insurance expenses

By entity

ACC	3,133	3,315	3,457	3,545	3,885	4,204	4,537
EQC	(103)	(19)	(38)	172	213	219	224
Southern Response	(22)	(95)	6	(72)	(43)	(39)	-
Other (incl. inter-segment eliminations)	23	14	14	12	13	11	14
Total insurance expenses	3,031	3,215	3,439	3,657	4,068	4,395	4,775

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

	2014 Previous Budget \$m	2014 Forecast \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m
Forecast new operating spending						
Unallocated contingencies	461	220	146	125	142	58
Forecast new spending for Budget 2014	-	-	960	959	965	936
Forecast new spending for Budget 2015	-	-	-	1,020	1,020	1,020
Forecast new spending for Budget 2016	-	-	-	-	1,040	1,040
Forecast new spending for Budget 2017	-	-	-	-	-	1,061
Total forecast new operating spending	461	220	1,106	2,104	3,167	4,115
Operating top-down adjustment	(600)	(1,375)	(500)	(300)	(300)	(300)

Unallocated contingencies represent expenses included in Budget 2013 and previous Budgets that have yet to be allocated.

Forecast new spending indicates the expected spending increases from future Budgets. The Budget 2014 allowance of \$1 billion has been reduced to absorb Vote Education forecast changes which will be managed within Education's Budget 2014 allocation or through reprioritisation.

	2014 Forecast \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m	Post-2018 Forecast \$m	Total Forecast \$m
Forecast new capital spending (annual)							
Unallocated contingencies	140	161	166	100	-	-	567
Forecast new spending for Budget 2014	66	306	250	200	-	-	822
Forecast new spending for Budget 2015	-	100	300	250	250	-	900
Forecast new spending for Budget 2016	-	-	100	300	250	250	900
Forecast new spending for Budget 2017	-	-	-	100	300	518	918
Forecast new spending for Budget 2018	-	-	-	-	100	836	936
Total forecast new capital spending	206	567	816	950	900	1,604	5,043
Forecast new capital spending (cumulative)	206	773	1,589	2,539	3,439		
Capital top-down adjustment (cumulative)	(450)	(625)	(800)	(925)	(1,050)		

Unallocated contingencies represent capital spending from Budget 2013 and previous Budgets that have yet to be allocated. Forecast new spending indicates the expected capital spending increases from future Budgets, which will be mostly funded from the Future Investment Fund.

Notes to the Forecast Financial Statements

	2013 Actual \$m	2014 Previous Budget \$m	2014 Forecast \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m
NOTE 9: Gains and losses on financial instruments							
<i>By source</i>							
Core Crown	5,081	1,663	1,982	2,076	2,178	2,277	2,390
Crown entities	1,192	252	111	315	367	420	480
State-owned enterprises	354	11	19	24	19	24	45
Inter-segment eliminations	643	(178)	122	(209)	(217)	(227)	(239)
Net gains/(losses) on financial instruments	7,270	1,748	2,234	2,206	2,347	2,494	2,676
NOTE 10: Gains and losses on non-financial instruments							
<i>By type</i>							
Actuarial gains/(losses) on GSF liability	1,251	-	539	-	-	-	-
Actuarial gains/(losses) on ACC outstanding claims	2,369	498	1,326	604	551	531	452
Other	86	(55)	(379)	(69)	(52)	(53)	(54)
Net gains/(losses) on non-financial instruments	3,706	443	1,486	535	499	478	398
<i>By source</i>							
Core Crown	1,298	(2)	266	(1)	(1)	(1)	(1)
Crown entities	2,309	446	1,221	534	498	477	397
State-owned enterprises	100	(1)	(26)	(9)	(9)	(9)	(9)
Inter-segment eliminations	(1)	-	25	11	11	11	11
Net gains/(losses) on non-financial instruments	3,706	443	1,486	535	499	478	398
NOTE 11: Operating balance							
<i>By source</i>							
Core Crown	371	(2,249)	(1,356)	1,255	3,520	5,450	8,325
Crown entities	5,877	2,646	2,832	1,897	1,344	946	682
State-owned enterprises	614	732	614	614	697	766	816
Inter-segment eliminations	63	(771)	(451)	(686)	(787)	(832)	(873)
Total operating balance	6,925	358	1,639	3,080	4,774	6,330	8,950
NOTE 12: Financial assets							
Cash and cash equivalents	14,924	15,244	10,221	9,535	9,236	9,117	9,296
Tax receivables	8,184	7,831	8,712	9,235	9,751	10,139	10,509
Trade and other receivables	11,699	10,239	10,256	8,674	8,440	8,503	8,581
Student loans (refer note 13)	8,288	8,989	8,484	8,623	8,746	8,848	8,912
Kiwibank mortgages	13,202	14,544	14,784	16,361	18,152	19,652	21,152
Long-term deposits	3,588	2,089	2,167	1,829	1,837	1,847	1,855
IMF financial assets	2,291	2,404	2,524	2,560	2,589	2,613	2,638
Other advances	1,123	1,779	1,091	1,284	1,290	1,280	1,231
Share investments	17,359	18,176	21,289	23,044	24,747	26,511	28,365
Derivatives in gain	3,775	3,906	2,845	2,269	1,863	1,611	1,412
Other marketable securities	34,346	36,314	36,986	33,771	38,957	47,661	46,644
Total financial assets	118,779	121,515	119,359	117,185	125,608	137,782	140,595
Financial assets by entity							
NZDMO	17,799	20,153	18,319	12,887	16,246	23,261	19,999
Reserve Bank of New Zealand	19,342	18,228	18,509	18,724	19,018	19,615	19,324
NZS Fund	23,419	23,891	24,899	26,282	28,010	30,055	32,259
Other core Crown	22,339	20,464	21,307	21,534	21,952	22,391	22,735
Intra-segment eliminations	(7,788)	(6,691)	(6,835)	(6,384)	(5,895)	(6,539)	(5,794)
Total core Crown segment	75,111	76,045	76,199	73,043	79,331	88,783	88,523
ACC portfolio	28,243	32,161	30,752	32,463	34,178	35,917	37,657
EQC portfolio	5,401	2,597	2,035	328	74	28	29
Other Crown entities	9,075	9,735	8,008	6,806	6,163	6,247	6,521
Intra-segment eliminations	(1,422)	(3,625)	(1,929)	(1,491)	(1,141)	(1,381)	(1,573)
Total Crown entities segment	41,297	40,868	38,866	38,106	39,274	40,811	42,634
Total state-owned enterprises segment	20,058	22,141	21,558	23,465	25,571	27,254	29,191
Inter-segment eliminations	(17,687)	(17,539)	(17,264)	(17,429)	(18,568)	(19,066)	(19,753)
Total financial assets	118,779	121,515	119,359	117,185	125,608	137,782	140,595

Notes to the Forecast Financial Statements

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous					
	\$m	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
		\$m	\$m	\$m	\$m	\$m	\$m
NOTE 13: Student loans							
Nominal value (including accrued interest)	13,562	14,144	14,049	14,486	14,929	15,384	15,802
Opening book value	8,291	8,528	8,288	8,484	8,623	8,746	8,848
Amount borrowed in current year	1,481	1,632	1,510	1,562	1,613	1,677	1,695
Less initial write-down to fair value	(536)	(537)	(604)	(622)	(643)	(667)	(675)
Repayments made during the year	(1,054)	(1,135)	(1,176)	(1,276)	(1,331)	(1,398)	(1,451)
Interest unwind	590	600	564	574	582	589	594
(Impairment)/reversal of impairment	(484)	(110)	(110)	(110)	(110)	(110)	(110)
Other movements	-	11	12	11	12	11	11
Closing book value	8,288	8,989	8,484	8,623	8,746	8,848	8,912

NOTE 14: Property, plant and equipment

By class of asset

Net carrying value

Land (valuation)	34,453	34,759	35,085	35,108	35,110	35,127	34,816
Buildings (valuation)	25,784	25,312	26,322	27,029	27,556	27,832	27,890
State highways (valuation)	17,930	18,918	19,049	19,778	20,673	21,606	22,650
Electricity generation assets (valuation)	13,555	14,104	13,673	13,459	13,316	13,234	13,132
Electricity distribution network (cost)	3,865	4,273	4,166	4,260	4,364	4,485	4,543
Specialist military equipment (valuation)	3,094	3,330	3,186	3,412	3,445	3,529	3,625
Specified cultural and heritage assets (valuation)	2,617	2,502	2,563	2,562	2,588	2,616	2,686
Aircraft (excluding military) (valuation)	2,296	2,498	2,657	3,025	3,261	3,538	3,774
Rail network (valuation)	1,035	1,012	1,128	1,193	1,215	1,237	1,245
Other plant and equipment (cost)	5,204	5,919	5,448	5,638	5,788	5,629	5,538
Total property, plant and equipment	109,833	112,627	113,277	115,464	117,316	118,833	119,899

By source

Core Crown	29,507	30,565	30,562	30,991	31,190	31,188	30,960
Crown entities	51,823	52,207	53,485	55,016	56,617	57,985	59,250
State-owned enterprises	28,503	29,855	29,230	29,457	29,509	29,660	29,689
Inter-segment eliminations	-	-	-	-	-	-	-
Total property, plant and equipment	109,833	112,627	113,277	115,464	117,316	118,833	119,899

Land breakdown by usage

Housing	9,580	8,750	9,539	9,367	9,106	8,900	8,687
State highway corridor land	8,003	8,653	8,153	8,303	8,453	8,603	8,753
Conservation land	5,364	5,460	5,389	5,401	5,423	5,433	5,433
Rail network	3,256	3,418	3,232	3,222	3,212	3,202	3,192
Schools	2,887	2,724	2,880	2,875	2,870	2,865	2,860
Commercial (SOEs) excluding Rail	1,374	1,520	1,414	1,463	1,480	1,595	1,640
Other	3,989	4,234	4,478	4,477	4,566	4,529	4,251
Total land	34,453	34,759	35,085	35,108	35,110	35,127	34,816

Notes to the Forecast Financial Statements

	2013 Actual \$m	2014 Previous Budget \$m	2014 Forecast \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m
NOTE 14 (continued): Property, plant and equipment							
Schedule of movements							
Cost or valuation							
Opening balance	121,717	126,589	122,796	130,262	136,537	142,558	148,348
Additions (refer below for further breakdown)	5,779	7,830	7,925	7,011	6,921	6,554	6,369
Disposals	(1,471)	(598)	(496)	(670)	(815)	(704)	(912)
Net revaluations	(2,047)	-	12	-	-	-	-
Other ¹	(1,182)	(56)	25	(66)	(85)	(60)	(44)
Total cost or valuation	122,796	133,765	130,262	136,537	142,558	148,348	153,761
Accumulated depreciation and impairment							
Opening balance	13,133	17,255	12,963	16,985	21,073	25,242	29,515
Eliminated on disposal	(659)	(42)	(52)	(71)	(69)	(67)	(64)
Eliminated on revaluation	(3,587)	-	-	-	-	-	-
Impairment losses charged to operating balance	473	-	-	-	-	-	-
Depreciation expense	3,697	4,011	4,030	4,168	4,260	4,353	4,436
Other ¹	(94)	(86)	44	(9)	(22)	(13)	(25)
Total accumulated depreciation and impairment	12,963	21,138	16,985	21,073	25,242	29,515	33,862
Total property, plant and equipment	109,833	112,627	113,277	115,464	117,316	118,833	119,899

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

Additions – by functional classification

Transport	2,041	2,579	2,609	2,485	2,462	2,516	2,570
Economic	1,521	1,338	1,301	718	802	865	820
Education	472	862	688	809	732	674	652
Health	578	636	746	564	543	540	448
Defence	201	548	506	616	424	495	521
Other	966	1,867	2,075	1,819	1,958	1,464	1,358
Total additions to property, plant and equipment²	5,779	7,830	7,925	7,011	6,921	6,554	6,369

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

NOTE 15: Intangible assets and goodwill

By type

Net Kyoto position	53	3	72	72	72	72	72
Goodwill	655	744	652	652	652	652	652
Other intangible assets	2,068	2,090	2,154	2,148	2,105	2,064	2,037
Total intangible assets and goodwill	2,776	2,837	2,878	2,872	2,829	2,788	2,761

By source

Core Crown	1,041	1,175	1,237	1,250	1,229	1,213	1,209
Crown entities	573	534	492	486	483	461	439
State-owned enterprises	1,162	1,128	1,149	1,136	1,117	1,114	1,113
Inter-segment eliminations	-	-	-	-	-	-	-
Total intangible assets and goodwill	2,776	2,837	2,878	2,872	2,829	2,788	2,761

Net Kyoto position

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

To assist New Zealand in meeting its Kyoto Protocol commitments, an Emissions Trading Scheme (ETS) was established (refer note 20). These two initiatives should be looked at together when understanding New Zealand's international climate change obligations.

The New Zealand Government has to settle its Kyoto obligation by the completion of the true-up period which is expected to occur in late 2015.

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

Notes to the Forecast Financial Statements

	2013 Actual \$m	2014 Previous Budget \$m	2014 Forecast \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m
NOTE 16: NZS Fund							
Revenue	595	777	782	742	783	836	893
Less current tax expense	983	478	554	547	589	637	688
Less other expenses	165	148	159	155	170	181	196
Add gains/(losses)	4,374	1,358	1,776	1,684	1,820	1,972	2,139
Operating balance	3,821	1,509	1,845	1,724	1,844	1,990	2,148
Opening net worth	18,703	21,752	22,549	24,413	26,162	28,046	30,079
Operating balance	3,821	1,509	1,845	1,724	1,844	1,990	2,148
Other movements in reserves	25	22	19	25	40	43	47
Closing net worth	22,549	23,283	24,413	26,162	28,046	30,079	32,274
Comprising:							
Financial assets	23,419	23,891	24,899	26,282	28,010	30,055	32,259
Financial liabilities	(2,055)	(1,714)	(1,632)	(1,308)	(1,325)	(1,347)	(1,372)
Net other assets	1,185	1,106	1,146	1,188	1,361	1,371	1,387
Closing net worth	22,549	23,283	24,413	26,162	28,046	30,079	32,274
NOTE 17: Payables							
By type							
Accounts payable	7,616	8,403	7,568	7,038	7,594	7,842	6,894
Taxes repayable	3,544	3,957	4,387	5,065	5,644	6,129	6,501
Total payables	11,160	12,360	11,955	12,103	13,238	13,971	13,395
By source							
Core Crown	7,873	6,860	7,990	8,108	9,128	9,735	8,936
Crown entities	4,996	5,929	5,178	5,053	4,963	4,869	4,801
State-owned enterprises	4,877	5,663	5,219	5,736	6,230	6,738	7,303
Inter-segment eliminations	(6,586)	(6,092)	(6,432)	(6,794)	(7,083)	(7,371)	(7,645)
Total payables	11,160	12,360	11,955	12,103	13,238	13,971	13,395

Notes to the Forecast Financial Statements

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m

NOTE 18: Insurance liabilities

By entity

ACC	29,446	31,423	29,146	29,605	30,363	31,505	32,899
EQC	6,869	3,743	3,152	941	164	166	168
Southern Response	1,744	698	1,071	532	256	-	-
Other (incl. inter-segment eliminations)	(347)	38	61	62	65	67	69
Total insurance liabilities	37,712	35,902	33,430	31,140	30,848	31,738	33,136

ACC liability

Levy reductions

The forecast includes a reduction in levy rates for the 2014/15 levy year agreed to by Cabinet on 2nd December 2013. In addition, the forecasts include further levy reductions for the 2015/16 levy year in line with what was signalled in Budget 2013. The amounts factored in for the 2015/16 levy year are based on a best estimate of the likely outcome which may differ from ACC's consultation document and the final outcome.

Calculation information

PwC NZ have prepared an independent actuarial estimate of the ACC outstanding claims liability as at 30 June 2013. This estimate includes the expected future payments relating to accidents that occurred prior to balance date (whether or not the associated claims have been reported to, or accepted by, ACC) and also the expected future administrative expenses of managing these claims. The assumptions underpinning this valuation form the basis of the five-year forecast of the outstanding claims liability.

The key economic variables that impact on changes to the valuation are the long-term Labour Cost Index (LCI), average weekly earnings and the discount rate. Discount rates were derived from the yield curve for New Zealand Government bonds. For these forecast statements, the claims liability has been updated for the latest discount rates as at 30 September 2013. The equivalent single effective discount rate, taking into account ACC's projected future cash flow patterns, is 5.19% and allows for a long-term discount rate of 5.50% from 2035.

Other key variables in each valuation are the forecast increases in claim costs over and above the economic variables above, and the assumed rate at which long-term claimants will leave the scheme over the period. This assessment is largely based on scheme history.

Presentation approach

The projected outstanding claims liability, including an adjustment to reflect projected future actuarial releases (\$466 million in 2014 and a further \$604 million in 2015), is included within total liabilities. ACC has available to it a portfolio of assets that offset the claims liability. The assets (less cross-holdings of NZ Government stock) are included in the asset portion of the Government's Statement of Financial Position.

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m

Gross ACC liability

Opening gross liability	30,648	30,767	29,446	29,146	29,605	30,363	31,505
Net change	(1,202)	656	(300)	459	758	1,142	1,394
Closing gross liability	29,446	31,423	29,146	29,605	30,363	31,505	32,899

Less net assets available to ACC

Opening net asset value	23,466	27,486	27,193	29,227	31,248	32,975	34,723
Net change	3,727	2,503	2,034	2,021	1,727	1,748	1,753
Closing net asset value	27,193	29,989	29,227	31,248	32,975	34,723	36,476

Net ACC reserves (net liability)

Opening reserves position	(7,182)	(3,281)	(2,253)	81	1,643	2,612	3,218
Net change	4,929	1,847	2,334	1,562	969	606	359
Closing reserves position (net liability)	(2,253)	(1,434)	81	1,643	2,612	3,218	3,577

Notes to the Forecast Financial Statements

NOTE 18 (continued): Insurance liabilities

EQC liability

Calculation information

Melville Jessup Weaver prepared an independent actuarial estimate of the EQC outstanding claims liability at 30 June 2013 by estimating the projected ultimate claims costs then deducting the payments made in relation to those claims on or before that date. Each component of the claims liability was split into separate groups depending upon the Canterbury earthquake event grouping or other "business as usual" claims. These event groups were further split into sub-claim valuation groups being land claims, building claims or contents claims. The assumptions underpinning the 30 June 2013 valuation form the basis of the five-year forecast of the outstanding claims liability.

Critical assumptions used in projecting the ultimate costs include apportionment of costs across earthquake events, the profile of claims settlement, claims inflation rate per annum, risk margins and claims handling costs.

There is a high level of uncertainty associated with the valuation of the outstanding claims liability, reinsurance recoveries and unexpired risk liability. Some of the key uncertainties are: cost apportionment across events; the potential for construction cost to exceed expectations; land damage estimates; reinsurance recoveries and profile of claims settlement.

The actual claims outcome may differ from the one currently forecast.

Presentation approach

EQC reinsurance recoveries are included in receivables in the Statement of Financial Position.

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m
		\$m					
EQC liability							
Opening gross liability	8,877	7,114	6,869	3,152	941	164	166
Net change	(2,008)	(3,371)	(3,717)	(2,211)	(777)	2	2
Closing gross liability	6,869	3,743	3,152	941	164	166	168
Less reinsurance receivable							
Opening reinsurance receivable	4,066	2,616	2,623	913	292	47	-
Net change	(1,443)	(1,238)	(1,710)	(621)	(245)	(47)	-
Closing reinsurance receivable	2,623	1,378	913	292	47	-	-
Net EQC liability							
Opening net position	(4,811)	(4,498)	(4,246)	(2,239)	(649)	(117)	(166)
Net change	565	2,133	2,007	1,590	532	(49)	(2)
Closing net position (net liability)	(4,246)	(2,365)	(2,239)	(649)	(117)	(166)	(168)

Notes to the Forecast Financial Statements

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

NOTE 19: Retirement plan liabilities

Government Superannuation Fund	11,908	11,767	10,885	10,506	10,197	9,930	9,674
Other funds	(5)	(1)	(5)	(5)	(5)	(5)	(5)
Total retirement plan liabilities	11,903	11,766	10,880	10,501	10,192	9,925	9,669

The net liability of the Government Superannuation Fund (GSF) was calculated by GSF's actuary as at 30 September 2013. The liability arises from closed schemes for past and present public sector employees as set out in the Government Superannuation Fund Act 1956. A Projected Unit Credit method was used to calculate the liability as at 30 September 2013, based on membership data as at 30 June 2013 with adjustments for cash flows to 30 September 2013. The funding method requires the benefits payable from GSF in respect of past service to be calculated and then discounted back to the valuation date.

For these Forecast Financial Statements, the net GSF liability was updated for the latest discount rates derived from the market yield curve for New Zealand Government bonds as at 30 September 2013.

Other principal long-term financial assumptions were an inflation rate, as measured by the Consumers Price Index, of 1.9% for the year to 30 September 2014, 2.3% for the two years to 30 September 2016, 2.4% for the two years to 30 September 2018 and increasing to 2.5% for all years after that. In addition an annual salary growth rate, before any promotional effects, of 3% (unchanged from 30 June 2013).

The 2013/14 projected decrease in the net GSF liability is \$1,023 million, reflecting a decrease in the GSF liability of \$924 million and an increase in the GSF net assets of \$99 million.

The decrease in the GSF liability of \$924 million includes an actuarial gain between 1 July 2013 and 30 September 2013, of \$512 million owing to movements in the discount rates and changes in demographic assumptions. The remaining \$412 million reduction is owing to expected benefits paid to members (reduces the liability) offset by current service cost and interest unwind (increases the liability).

The increase in the value of the net assets of GSF of \$99 million includes a gain of \$27 million reflecting the updated market value of assets at 30 September 2013. The balance of \$72 million is the total of the expected investment returns and contributions received, offset by the benefits paid to members.

The changes in the projected net GSF liability from 2013/14 onwards reflect the net of the expected current service cost, interest cost, investment returns and contributions.

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

GSF liability

Opening GSF liability	16,557	15,504	15,290	14,366	14,034	13,768	13,539
Net projected change	(1,267)	(395)	(924)	(332)	(266)	(229)	(221)
Closing GSF liability	15,290	15,109	14,366	14,034	13,768	13,539	13,318

Less net assets available to GSF

Opening net asset value	3,018	3,276	3,382	3,481	3,528	3,571	3,609
Investment valuation changes	493	177	210	188	190	192	194
Contribution and other income less pension payments	(129)	(111)	(111)	(141)	(147)	(154)	(159)
Closing net asset value	3,382	3,342	3,481	3,528	3,571	3,609	3,644

Net GSF liability

Opening unfunded liability	13,539	12,228	11,908	10,885	10,506	10,197	9,930
Net projected change	(1,631)	(461)	(1,023)	(379)	(309)	(267)	(256)
Closing unfunded liability	11,908	11,767	10,885	10,506	10,197	9,930	9,674

Notes to the Forecast Financial Statements

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

NOTE 20: Provisions

Provision for employee entitlements	3,374	3,233	3,177	3,177	3,182	3,199	3,212
Provision for ETS credits	179	-	488	510	492	474	454
Provision for National Provident Fund guarantee	977	987	987	942	901	864	827
Provision for Canterbury Red Zone support package	222	-	-	-	-	-	-
Provision for infrastructure costs	769	837	391	201	-	-	-
Provision for weathertight services financial assistance package	123	62	114	92	67	54	54
Other provisions	1,494	1,198	1,260	1,254	1,297	1,275	1,301
Total provisions	7,138	6,317	6,417	6,176	5,939	5,866	5,848

By source

Core Crown	4,492	3,905	3,963	3,730	3,399	3,181	3,140
Crown entities	1,979	1,907	1,979	2,012	2,023	2,029	2,006
State-owned enterprises	1,151	963	972	952	969	953	1,015
Inter-segment eliminations	(484)	(458)	(497)	(518)	(452)	(297)	(313)
Total provisions	7,138	6,317	6,417	6,176	5,939	5,866	5,848

Provision for ETS credits

The Emissions Trading Scheme (ETS) was established to assist New Zealand in meeting its international climate change obligations and to reduce New Zealand's net emissions of greenhouse gases to below business-as-usual levels. The ETS creates a limited number of tradable New Zealand Units (NZUs) which the Government can allocate. Emitters can also surrender Kyoto compliant units to meet their obligations.

The allocation of NZUs creates a provision if allocated for free; the provision is reduced, and revenue recognised, as NZUs and Kyoto compliant units are surrendered to the Crown by emitters. The Kyoto compliant units collected through the ETS are recognised as revenue and as part of the net Kyoto Protocol position.

The prices for NZUs and Kyoto compliant units used to calculate the ETS provision are assumed to remain constant over the forecast period and are based on market prices during September 2013.

The ETS impact on the fiscal forecast is as follows:

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Revenue	16	5	32	65	94	95	98
Expenses	(55)	(4)	(83)	(87)	(76)	(77)	(78)
Gains/(losses)	235	-	(258)	-	-	-	-
Operating balance	196	1	(309)	(22)	18	18	20

NOTE 21: Net worth

Taxpayers' funds	10,862	6,230	12,080	15,339	20,388	26,926	36,080
Property, plant and equipment revaluation reserve	57,068	55,831	56,911	56,760	56,491	56,292	56,093
Investment revaluation reserve	107	84	105	114	126	139	153
Cash flow hedge reserve	58	(142)	99	83	89	98	105
Foreign currency translation reserve	(49)	(6)	(55)	(54)	(54)	(54)	(54)
Share based payment reserve	25	-	25	-	-	-	-
Net worth attributable to minority interests	1,940	3,185	5,730	5,767	5,807	5,835	5,858
Total net worth	70,011	65,182	74,895	78,009	82,847	89,236	98,235

Taxpayers' funds

Opening taxpayers' funds	3,520	5,601	10,862	12,080	15,339	20,388	26,926
Operating balance excluding minority interest	6,925	358	1,639	3,080	4,774	6,330	8,950
Government share offers in SOEs	167	175	(550)	-	-	-	-
Transfers from/(to) other reserves	250	96	129	179	275	208	204
Closing taxpayers' funds	10,862	6,230	12,080	15,339	20,388	26,926	36,080

Property, plant and equipment revaluation reserve

Opening revaluation reserve	56,001	55,965	57,068	56,911	56,760	56,491	56,292
Net revaluations	1,335	-	(74)	-	-	-	-
Transfers from/(to) other reserves	(268)	(134)	(83)	(151)	(269)	(199)	(199)
Closing property, plant and equipment revaluation reserve	57,068	55,831	56,911	56,760	56,491	56,292	56,093

Notes to the Forecast Financial Statements

	2013	2014	2014	2015	2016	2017	2018
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 22: Core Crown residual cash							
Core Crown cash flows from operations							
Tax receipts	57,808	62,056	62,314	66,028	70,179	73,831	77,412
Other sovereign receipts	651	644	728	746	763	775	793
Interest, profits and dividends	1,553	1,660	1,604	1,548	1,654	2,113	2,394
Sale of goods and services and other receipts	2,385	2,641	2,795	2,271	2,311	2,291	2,220
Transfer payments and subsidies	(22,780)	(23,877)	(23,787)	(23,948)	(24,557)	(25,445)	(26,362)
Personnel and operating costs	(40,412)	(42,800)	(43,446)	(41,740)	(41,510)	(41,346)	(41,811)
Finance costs	(3,729)	(3,680)	(3,619)	(3,736)	(3,690)	(3,997)	(3,996)
Forecast for future new operating spending	-	(461)	(220)	(1,106)	(2,104)	(3,167)	(4,115)
Top-down expense adjustment	-	600	1,375	500	300	300	300
Net core Crown operating cash flows	(4,524)	(3,217)	(2,256)	563	3,346	5,355	6,835
Core Crown capital cash flows							
Net purchase of physical assets	(1,231)	(2,560)	(2,691)	(1,997)	(1,522)	(1,573)	(1,367)
Net increase in advances	(342)	(990)	(842)	(941)	(841)	(209)	(227)
Net purchase of investments	(1,308)	(1,166)	(1,021)	(1,325)	(1,518)	(1,530)	(1,335)
Government share offer programme	1,663	1,500	2,490	620	-	-	-
Forecast for future new capital spending	-	(503)	(206)	(567)	(816)	(950)	(900)
Top-down capital adjustment	-	50	450	175	175	125	125
Net core Crown capital cash flows	(1,218)	(3,669)	(1,820)	(4,035)	(4,522)	(4,137)	(3,704)
Residual cash (deficit)/surplus	(5,742)	(6,886)	(4,076)	(3,472)	(1,176)	1,218	3,131
<i>The residual cash (deficit)/surplus is funded or invested as follows:</i>							
Debt programme cash flows							
Market:							
Issue of government bonds	15,458	10,245	8,013	7,052	6,744	5,851	5,877
Repayment of government bonds	(9,982)	-	(3,067)	(7,805)	(1,820)	-	(11,912)
Net issue/(repayment) of short-term borrowing ¹	(5,404)	90	(235)	160	-	-	-
Total market debt cash flows	72	10,335	4,711	(593)	4,924	5,851	(6,035)
Non-market:							
Issue of government bonds	-	-	-	-	-	-	-
Repayment of government bonds	(499)	(757)	(745)	(679)	-	-	-
Net issue/(repayment) of short-term borrowing	100	(219)	(100)	(360)	(120)	-	-
Total non-market debt cash flows	(399)	(976)	(845)	(1,039)	(120)	-	-
Total debt programme cash flows	(327)	9,359	3,866	(1,632)	4,804	5,851	(6,035)
Other borrowing cash flows							
Net (repayment)/issue of other New Zealand dollar borrowing	4,494	724	(138)	1,041	724	16	646
Net (repayment)/issue of foreign currency borrowing	(3,047)	(512)	113	(754)	(603)	4	(506)
Total other borrowing cash flows	1,447	212	(25)	287	121	20	140
Investing cash flows							
Other net sale/(purchase) of marketable securities and deposits	5,699	(2,826)	(1,446)	4,669	(3,902)	(7,245)	2,602
Issues of circulating currency	234	141	246	148	153	157	162
Decrease/(increase) in cash	(1,311)	-	1,435	-	-	(1)	-
Total investing cash flows	4,622	(2,685)	235	4,817	(3,749)	(7,089)	2,764
Residual cash deficit/(surplus) funding or investing	5,742	6,886	4,076	3,472	1,176	(1,218)	(3,131)

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

Forecast Statement of Segments

	Core Crown	Crown entities	State-Owned Enterprises	Inter-segment eliminations	Total Crown
	2013	2013	2013	2013	2013
	Actual	Actual	Actual	Actual	Actual
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance					
for the year ended 30 June 2013					
Revenue					
Taxation revenue	58,651	-	-	(517)	58,134
Other sovereign revenue	1,133	5,295	-	(1,256)	5,172
Revenue from core Crown funding	-	24,096	268	(24,364)	-
Sales of goods and services	1,461	1,856	14,001	(605)	16,713
Interest revenue and dividends	2,104	1,270	856	(1,291)	2,939
Other revenue	800	2,547	811	(461)	3,697
Total revenue (excluding gains)	64,149	35,064	15,936	(28,494)	86,655
Expenses					
Social assistance and official development assistance	22,709	-	-	(1)	22,708
Personnel expenses	6,037	10,966	2,949	(17)	19,935
Other operating expenses	37,940	18,648	11,540	(27,153)	40,975
Interest expenses	3,620	236	1,248	(746)	4,358
Insurance expenses	-	3,011	15	5	3,031
Forecast for future new spending and top-down adjustment	-	-	-	-	-
Total expenses (excluding losses)	70,306	32,861	15,752	(27,912)	91,007
Operating balance before gains/(losses) attributable to minority interests	-	10	(75)	3	(62)
Operating balance before gains/(losses)	(6,157)	2,213	109	(579)	(4,414)
Total gains/(losses)	6,379	3,501	454	642	10,976
Net surplus/(deficit) from associates and joint ventures	149	153	155	(62)	395
Attributable to minority interest	-	10	(104)	62	(32)
Operating balance	371	5,877	614	63	6,925
Expenses by functional classification					
Social security and welfare	22,741	4,151	-	(624)	26,268
Health	14,498	12,236	-	(12,878)	13,856
Education	12,504	9,594	19	(8,751)	13,366
Transport and communications	2,255	2,250	6,891	(2,344)	9,052
Other	14,688	4,394	7,594	(2,569)	24,107
Finance costs	3,620	236	1,248	(746)	4,358
Forecast for future new spending and top-down adjustment	-	-	-	-	-
Total Crown expenses (excluding losses)	70,306	32,861	15,752	(27,912)	91,007
Statement of Financial Position					
as at 30 June 2013					
Assets					
Cash and cash equivalents	11,047	2,933	1,594	(650)	14,924
Receivables	11,924	8,368	2,037	(2,446)	19,883
Other financial assets	52,140	29,996	16,427	(14,591)	83,972
Property, plant and equipment	29,507	51,823	28,503	-	109,833
Equity accounted investments	32,611	8,151	187	(31,356)	9,593
Intangible assets and goodwill	1,041	573	1,162	-	2,776
Inventory and other assets	1,605	560	1,301	(31)	3,435
Forecast for new capital spending and top-down adjustment	-	-	-	-	-
Total assets	139,875	102,404	51,211	(49,074)	244,416
Liabilities					
Borrowings	84,870	5,251	24,839	(14,873)	100,087
Other liabilities	29,392	45,261	7,226	(7,561)	74,318
Total liabilities	114,262	50,512	32,065	(22,434)	174,405
Total assets less total liabilities	25,613	51,892	19,146	(26,640)	70,011
Net worth					
Taxpayers' funds	8,274	24,213	8,382	(30,007)	10,862
Reserves	15,840	27,638	10,192	3,539	57,209
Net worth attributable to minority interest	1,499	41	572	(172)	1,940
Total net worth	25,613	51,892	19,146	(26,640)	70,011

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-Owned Enterprises	Inter-segment eliminations	Total Crown
	2014	2014	2014	2014	2014
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance					
for the year ended 30 June 2014					
Revenue					
Taxation revenue	62,491	-	-	(522)	61,969
Other sovereign revenue	1,156	5,222	-	(1,102)	5,276
Revenue from core Crown funding	-	24,632	181	(24,813)	-
Sales of goods and services	1,453	1,904	13,826	(591)	16,592
Interest revenue and dividends	2,501	1,187	873	(1,183)	3,378
Other revenue	892	2,667	948	(740)	3,767
Total revenue (excluding gains)	68,493	35,612	15,828	(28,951)	90,982
Expenses					
Social assistance and official development assistance	23,338	-	-	-	23,338
Personnel expenses	6,155	11,190	2,908	(7)	20,246
Other operating expenses	40,233	19,439	11,086	(27,742)	43,016
Interest expenses	3,604	221	1,198	(605)	4,418
Insurance expenses	6	3,428	8	(3)	3,439
Forecast for future new spending and top-down adjustment	(1,155)	-	-	-	(1,155)
Total expenses (excluding losses)	72,181	34,278	15,200	(28,357)	93,302
Operating balance before gains/(losses)					
	(3,688)	1,334	628	(594)	(2,320)
Total gains/(losses)	2,248	1,332	(7)	147	3,720
Net surplus/(deficit) from associates and joint ventures	84	166	(7)	(4)	239
Operating balance	(1,356)	2,832	614	(451)	1,639
Expenses by functional classification					
Social security and welfare	23,246	4,638	-	(579)	27,305
Health	14,997	12,594	-	(13,127)	14,464
Education	12,558	9,759	18	(8,966)	13,369
Transport and communications	2,285	2,379	7,024	(2,403)	9,285
Other	16,646	4,687	6,960	(2,677)	25,616
Finance costs	3,604	221	1,198	(605)	4,418
Forecast for future new spending and top-down adjustment	(1,155)	-	-	-	(1,155)
Total Crown expenses (excluding losses)	72,181	34,278	15,200	(28,357)	93,302
Statement of Financial Position					
as at 30 June 2014					
Assets					
Cash and cash equivalents	7,012	2,314	1,110	(215)	10,221
Receivables	12,538	5,947	2,233	(1,750)	18,968
Other financial assets	56,649	30,606	18,216	(15,301)	90,170
Property, plant and equipment	30,562	53,485	29,230	-	113,277
Equity accounted investments	33,584	8,371	205	(32,284)	9,876
Intangible assets and goodwill	1,237	492	1,149	-	2,878
Inventory and other assets	1,716	525	1,213	(38)	3,416
Forecast for new capital spending and top-down adjustment	(244)	-	-	-	(244)
Total assets	143,054	101,740	53,356	(49,588)	248,562
Liabilities					
Borrowings	87,568	5,499	26,916	(15,629)	104,354
Other liabilities	28,098	40,757	7,398	(6,940)	69,313
Total liabilities	115,666	46,256	34,314	(22,569)	173,667
Total assets less total liabilities	27,388	55,484	19,042	(27,019)	74,895
Net worth					
Taxpayers' funds	9,977	27,844	8,229	(33,970)	12,080
Reserves	15,912	27,560	10,166	3,447	57,085
Net worth attributable to minority interest	1,499	80	647	3,504	5,730
Total net worth	27,388	55,484	19,042	(27,019)	74,895

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-Owned Enterprises	Inter-segment eliminations	Total Crown
	2015	2015	2015	2015	2015
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance					
for the year ended 30 June 2015					
Revenue					
Taxation revenue	66,317	-	-	(614)	65,703
Other sovereign revenue	1,262	4,992	-	(1,184)	5,070
Revenue from core Crown funding	-	24,751	123	(24,874)	-
Sales of goods and services	1,425	1,977	14,693	(579)	17,516
Interest revenue and dividends	2,427	1,254	1,018	(1,020)	3,679
Other revenue	866	2,537	973	(577)	3,799
Total revenue (excluding gains)	72,297	35,511	16,807	(28,848)	95,767
Expenses					
Social assistance and official development assistance	23,818	-	-	(1)	23,817
Personnel expenses	6,102	11,320	2,969	(7)	20,384
Other operating expenses	38,926	19,435	11,937	(27,776)	42,522
Interest expenses	3,743	228	1,300	(576)	4,695
Insurance expenses	2	3,646	8	1	3,657
Forecast for future new spending and top-down adjustment	606	-	-	-	606
Total expenses (excluding losses)	73,197	34,629	16,214	(28,359)	95,681
Operating balance before gains/(losses)					
	(900)	882	593	(489)	86
Total gains/(losses)	2,075	849	15	(198)	2,741
Net surplus/(deficit) from associates and joint ventures	80	166	6	1	253
Operating balance	1,255	1,897	614	(686)	3,080
Expenses by functional classification					
Social security and welfare	23,729	4,678	-	(518)	27,889
Health	14,924	12,507	-	(13,096)	14,335
Education	12,669	9,899	18	(9,130)	13,456
Transport and communications	2,247	2,438	7,379	(2,327)	9,737
Other	15,279	4,879	7,517	(2,712)	24,963
Finance costs	3,743	228	1,300	(576)	4,695
Forecast for future new spending and top-down adjustment	606	-	-	-	606
Total Crown expenses (excluding losses)	73,197	34,629	16,214	(28,359)	95,681
Statement of Financial Position					
as at 30 June 2015					
Assets					
Cash and cash equivalents	6,682	1,871	1,195	(213)	9,535
Receivables	12,335	5,039	2,306	(1,771)	17,909
Other financial assets	54,025	31,197	19,962	(15,443)	89,741
Property, plant and equipment	30,991	55,016	29,457	-	115,464
Equity accounted investments	34,874	8,563	204	(33,511)	10,130
Intangible assets and goodwill	1,250	486	1,136	-	2,872
Inventory and other assets	1,762	534	1,294	(35)	3,555
Forecast for new capital spending and top-down adjustment	148	-	-	-	148
Total assets	142,067	102,706	55,554	(50,973)	249,354
Liabilities					
Borrowings	85,690	5,793	28,849	(15,724)	104,608
Other liabilities	27,723	38,375	7,963	(7,324)	66,737
Total liabilities	113,413	44,168	36,812	(23,048)	171,345
Total assets less total liabilities	28,654	58,538	18,742	(27,925)	78,009
Net worth					
Taxpayers' funds	11,257	31,008	7,946	(34,872)	15,339
Reserves	15,898	27,413	10,149	3,443	56,903
Net worth attributable to minority interest	1,499	117	647	3,504	5,767
Total net worth	28,654	58,538	18,742	(27,925)	78,009

Forecast Statement of Segments (continued)

	Core Crown 2016 Forecast \$m	Crown entities 2016 Forecast \$m	State-Owned Enterprises 2016 Forecast \$m	Inter-segment eliminations 2016 Forecast \$m	Total Crown 2016 Forecast \$m
Statement of Financial Performance for the year ended 30 June 2016					
Revenue					
Taxation revenue	70,594	-	-	(656)	69,938
Other sovereign revenue	1,162	4,747	-	(1,244)	4,665
Revenue from core Crown funding	-	24,896	111	(25,007)	-
Sales of goods and services	1,418	2,048	15,272	(589)	18,149
Interest revenue and dividends	2,615	1,307	1,172	(1,083)	4,011
Other revenue	959	2,570	1,010	(551)	3,988
Total revenue (excluding gains)	76,748	35,568	17,565	(29,130)	100,751
Expenses					
Social assistance and official development assistance	24,566	-	-	-	24,566
Personnel expenses	6,253	11,449	3,051	(7)	20,746
Other operating expenses	38,908	19,524	12,411	(27,977)	42,866
Interest expenses	3,949	227	1,415	(564)	5,027
Insurance expenses	6	4,057	8	(3)	4,068
Forecast for future new spending and top-down adjustment	1,804	-	-	-	1,804
Total expenses (excluding losses)	75,486	35,257	16,885	(28,551)	99,077
Operating balance before gains/(losses)					
	1,262	311	680	(579)	1,674
Total gains/(losses)	2,177	865	10	(206)	2,846
Net surplus/(deficit) from associates and joint ventures	81	168	7	(2)	254
Operating balance	3,520	1,344	697	(787)	4,774
Expenses by functional classification					
Social security and welfare	24,244	5,055	-	(515)	28,784
Health	14,953	12,498	-	(13,133)	14,318
Education	12,785	9,951	18	(9,230)	13,524
Transport and communications	2,173	2,486	7,621	(2,363)	9,917
Other	15,578	5,040	7,831	(2,746)	25,703
Finance costs	3,949	227	1,415	(564)	5,027
Forecast for future new spending and top-down adjustment	1,804	-	-	-	1,804
Total Crown expenses (excluding losses)	75,486	35,257	16,885	(28,551)	99,077
Statement of Financial Position as at 30 June 2016					
Assets					
Cash and cash equivalents	6,447	1,743	1,259	(213)	9,236
Receivables	12,815	4,723	2,387	(1,734)	18,191
Other financial assets	60,067	32,809	21,925	(16,620)	98,181
Property, plant and equipment	31,190	56,617	29,509	-	117,316
Equity accounted investments	36,312	8,747	203	(34,931)	10,331
Intangible assets and goodwill	1,229	483	1,117	-	2,829
Inventory and other assets	1,890	508	1,336	(34)	3,700
Forecast for new capital spending and top-down adjustment	789	-	-	-	789
Total assets	150,739	105,630	57,736	(53,532)	260,573
Liabilities					
Borrowings	90,329	6,363	30,743	(16,903)	110,532
Other liabilities	28,228	38,003	8,510	(7,547)	67,194
Total liabilities	118,557	44,366	39,253	(24,450)	177,726
Total assets less total liabilities	32,182	61,264	18,483	(29,082)	82,847
Net worth					
Taxpayers' funds	14,777	33,961	7,681	(36,031)	20,388
Reserves	15,906	27,147	10,155	3,444	56,652
Net worth attributable to minority interest	1,499	156	647	3,505	5,807
Total net worth	32,182	61,264	18,483	(29,082)	82,847

Forecast Statement of Segments (continued)

	Core Crown 2017 Forecast \$m	Crown entities 2017 Forecast \$m	State-Owned Enterprises 2017 Forecast \$m	Inter-segment eliminations 2017 Forecast \$m	Total Crown 2017 Forecast \$m
Statement of Financial Performance for the year ended 30 June 2017					
Revenue					
Taxation revenue	74,200	-	-	(707)	73,493
Other sovereign revenue	1,201	4,683	-	(1,251)	4,633
Revenue from core Crown funding	-	24,978	110	(25,088)	-
Sales of goods and services	1,407	2,131	15,753	(598)	18,693
Interest revenue and dividends	3,158	1,364	1,305	(1,151)	4,676
Other revenue	947	2,544	1,045	(499)	4,037
Total revenue (excluding gains)	80,913	35,700	18,213	(29,294)	105,532
Expenses					
Social assistance and official development assistance	25,468	-	-	-	25,468
Personnel expenses	6,371	11,585	3,086	(8)	21,034
Other operating expenses	38,827	19,612	12,826	(28,074)	43,191
Interest expenses	4,280	241	1,550	(598)	5,473
Insurance expenses	5	4,384	8	(2)	4,395
Forecast for future new spending and top-down adjustment	2,867	-	-	-	2,867
Total expenses (excluding losses)	77,818	35,822	17,470	(28,682)	102,428
Operating balance before gains/(losses)					
	3,095	(122)	743	(612)	3,104
Total gains/(losses)	2,276	897	15	(216)	2,972
Net surplus/(deficit) from associates and joint ventures	79	171	8	(4)	254
Operating balance	5,450	946	766	(832)	6,330
Expenses by functional classification					
Social security and welfare	25,123	5,405	-	(519)	30,009
Health	14,930	12,478	-	(13,119)	14,289
Education	12,835	10,015	18	(9,246)	13,622
Transport and communications	2,247	2,549	7,765	(2,459)	10,102
Other	15,536	5,134	8,137	(2,741)	26,066
Finance costs	4,280	241	1,550	(598)	5,473
Forecast for future new spending and top-down adjustment	2,867	-	-	-	2,867
Total Crown expenses (excluding losses)	77,818	35,822	17,470	(28,682)	102,428
Statement of Financial Position as at 30 June 2017					
Assets					
Cash and cash equivalents	6,329	1,729	1,271	(212)	9,117
Receivables	13,174	4,578	2,475	(1,585)	18,642
Other financial assets	69,280	34,504	23,507	(17,268)	110,023
Property, plant and equipment	31,188	57,985	29,660	-	118,833
Equity accounted investments	37,688	8,918	201	(36,329)	10,478
Intangible assets and goodwill	1,213	461	1,114	-	2,788
Inventory and other assets	1,850	496	1,342	(36)	3,652
Forecast for new capital spending and top-down adjustment	1,614	-	-	-	1,614
Total assets	162,336	108,671	59,570	(55,430)	275,147
Liabilities					
Borrowings	96,209	6,337	32,272	(17,547)	117,271
Other liabilities	28,480	38,805	9,035	(7,680)	68,640
Total liabilities	124,689	45,142	41,307	(25,227)	185,911
Total assets less total liabilities	37,647	63,529	18,263	(30,203)	89,236
Net worth					
Taxpayers' funds	20,227	36,397	7,456	(37,154)	26,926
Reserves	15,921	26,947	10,160	3,447	56,475
Net worth attributable to minority interest	1,499	185	647	3,504	5,835
Total net worth	37,647	63,529	18,263	(30,203)	89,236

Forecast Statement of Segments (continued)

	Core Crown 2018 Forecast \$m	Crown entities 2018 Forecast \$m	State-Owned Enterprises 2018 Forecast \$m	Inter-segment eliminations 2018 Forecast \$m	Total Crown 2018 Forecast \$m
Statement of Financial Performance for the year ended 30 June 2018					
Revenue					
Taxation revenue	77,869	-	-	(743)	77,126
Other sovereign revenue	1,256	4,782	-	(1,259)	4,779
Revenue from core Crown funding	-	24,995	110	(25,105)	-
Sales of goods and services	1,411	2,214	16,248	(603)	19,270
Interest revenue and dividends	3,527	1,446	1,465	(1,246)	5,192
Other revenue	802	2,425	1,085	(352)	3,960
Total revenue (excluding gains)	84,865	35,862	18,908	(29,308)	110,327
Expenses					
Social assistance and official development assistance	26,395	-	-	1	26,396
Personnel expenses	6,472	11,723	3,163	(8)	21,350
Other operating expenses	37,967	19,491	13,288	(27,999)	42,747
Interest expenses	4,350	250	1,676	(655)	5,621
Insurance expenses	5	4,764	9	(3)	4,775
Forecast for future new spending and top-down adjustment	3,815	-	-	-	3,815
Total expenses (excluding losses)	79,004	36,228	18,136	(28,664)	104,704
Operating balance before gains/(losses)					
	5,861	(366)	772	(644)	5,623
Total gains/(losses)	2,389	877	36	(228)	3,074
Net surplus/(deficit) from associates and joint ventures	75	171	8	(1)	253
Operating balance	8,325	682	816	(873)	8,950
Expenses by functional classification					
Social security and welfare	26,034	5,781	-	(529)	31,286
Health	14,860	12,475	-	(13,113)	14,222
Education	12,882	10,072	18	(9,262)	13,710
Transport and communications	2,250	2,529	8,040	(2,481)	10,338
Other	14,813	5,121	8,402	(2,624)	25,712
Finance costs	4,350	250	1,676	(655)	5,621
Forecast for future new spending and top-down adjustment	3,815	-	-	-	3,815
Total Crown expenses (excluding losses)	79,004	36,228	18,136	(28,664)	104,704
Statement of Financial Position as at 30 June 2018					
Assets					
Cash and cash equivalents	6,155	1,827	1,525	(211)	9,296
Receivables	13,521	4,586	2,563	(1,580)	19,090
Other financial assets	68,848	36,220	25,103	(17,962)	112,209
Property, plant and equipment	30,960	59,250	29,689	-	119,899
Equity accounted investments	39,012	9,090	203	(37,674)	10,631
Intangible assets and goodwill	1,209	439	1,113	-	2,761
Inventory and other assets	1,837	497	1,341	(35)	3,640
Forecast for new capital spending and top-down adjustment	2,389	-	-	-	2,389
Total assets	163,931	111,909	61,537	(57,462)	279,915
Liabilities					
Borrowings	90,396	6,342	33,780	(18,236)	112,282
Other liabilities	27,547	40,112	9,710	(7,971)	69,398
Total liabilities	117,943	46,454	43,490	(26,207)	181,680
Total assets less total liabilities	45,988	65,455	18,047	(31,255)	98,235
Net worth					
Taxpayers' funds	28,552	38,497	7,238	(38,207)	36,080
Reserves	15,937	26,750	10,162	3,448	56,297
Net worth attributable to minority interest	1,499	208	647	3,504	5,858
Total net worth	45,988	65,455	18,047	(31,255)	98,235