

Statement of Unappropriated Expenditure

for the year ended 30 June 2014

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 2014.

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	Expense type	Authority at time of breach	Amount without or exceeding appropriation
Vote	Appropriation name	\$000	\$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 Education

Education	<i>Non-Departmental Output Expense</i>		
	School Transport	176,383	297
	<i>Non-Departmental Other Expense</i>		
	Early Childhood Education	1,515,337	21,482

(B) Expenses and capital expenditure incurred in excess of appropriation but with authority of an Imprest Supply Act

None this year

Statement of Unappropriated Expenditure (continued)

Department		Amount without appropriation \$000
Vote	Nature of expense or capital expenditure	

(C) Expenses and capital expenditure incurred without appropriation but with authority of an Imprest Supply Act

Canterbury Earthquake Recovery Authority

Canterbury Earthquake Recovery	Reimbursement of interest costs incurred by the Christchurch City Council for interest costs	9,095
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Department	<i>Expense type</i>	Authority at time of breach \$000	Amount without or exceeding appropriation \$000
Vote	Appropriation name		

(D) Expenses and capital expenditure incurred in excess of appropriation and without authority of an Imprest Supply Act

Department of Internal Affairs

Internal Affairs	<i>Non-Departmental Other Expenses</i> Digital Literacy and Connection	2,123	1,600
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Ministry for Culture and Heritage

Arts, Culture and Heritage	<i>Non-Department Output Expense</i> Protection of Taonga Tūturu	279	126
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Ministry of Business, Innovation and Employment

Labour	<i>Departmental Output Expense</i> Health and Safety Services	38,568	2,982
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Economic Development	<i>Non-Departmental Capital Expenditure</i> Venture Investment Fund	10,519	4,481
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Ministry of Pacific Island Affairs

Pacific Island Affairs	<i>Departmental Output Expense</i> Policy Advice and Ministerial Servicing MCOA	6,452	175
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Ministry for Primary Industries

Food Safety	<i>Departmental Output Expense</i> Standards	18,309	123
	Assurance	56,148	1,384

The Treasury

Finance	<i>Non-Departmental Other Expense</i> Impairment of Loans to Taitokerau Forest Limited	200	61
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Statement of Unappropriated Expenditure (continued)

Department	Expense type	Amount without or exceeding appropriation
Vote	Appropriation name	\$000
(E) Expenses and capital expenditure outside of scope of an existing appropriation and without authority of an Imprest Supply Act		
Crown Law		
Attorney General	<i>Departmental Output Expense</i>	
	Supervision and Conduct of Crown Prosecutions and Appeals MCOA	
	1 July 2012 – 30 June 2013	225
	1 July 2013 – 30 June 2014	747
Ministry of Business, Innovation and Employment		
Employment	<i>Departmental Output Expense</i>	
	Policy Advice and Related Outputs MCOA	
	1 July 2012 – 30 June 2013	230
	1 July 2013 – 30 June 2014	656
Ministry of Maori Development		
Maori Affairs	<i>Non-Departmental Other Expense</i>	
	Orakei Act 1991	
	1 July 2012 – 30 June 2013	7
	1 July 2013 – 30 June 2014	7

Statement of Unappropriated Expenditure (continued)

Department		Amount without appropriation \$000
Vote	Nature of expense or capital expenditure	
(F) Expenses and capital expenditure incurred without appropriation and without authority of an Imprest Supply Act		
Canterbury Earthquake Recovery Authority		
Canterbury Earthquake Recovery	Movement in provision for anchor project land and concessionary leases	35,454
	Loss on valuation of land	62,463
	Transaction and demolition costs of anchor project land	24,956
	Movement in demolition debtor provision	4,003
	Christchurch bus interchange	3,093
	Loss on valuation of land held for sale	606
Inland Revenue Department		
Revenue	Paid Parental Leave Payments	67,689
Ministry of Business, Innovation and Employment		
Commerce	Write down of debts owed to the Crown	1,994

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 Customs Service	136,780	38
New Zealand Defence Force	5,279,585	259,252

Statement of Expenses or Capital Expenditure Incurred in Emergencies

for the year ended 30 June 2014

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 2014

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 2014

Department Trust Account	As at 30 June 2013 \$000	Contributions \$000	Distributions \$000	Revenue \$000	Expenses \$000	As at 30 June 2014 \$000
Department of Conservation						
Bonds/Deposits Trust	7,743	147	(327)	216	-	7,779
Conservation Project Trust	1,112	718	(534)	19	-	1,315
National Parks Trust	90	60	(30)	1	-	121
Walkways Trust	10	1	-	-	-	11
Wildlife and Reserves Trusts ³¹	-	-	-	-	-	-
Department of Corrections						
Prisons Trust	1,756	15,646	(15,048)	-	-	2,354
Crown Law Office						
Legal Claims Trust	206	848	(772)	2	-	284
Ministry of Business, Innovation and Employment						
Certifiers Bond Trust	81	-	(81)	-	-	-
Licensed Building Practitioners Trust	20	242	(230)	-	(4)	28
Residential Tenancies Bond Trust	390,715	195,935	(165,900)	20,132	(20,132)	420,750
Residential Tenancies Bond Trust No. ³¹	4	-	-	-	-	4
Weathertight Services Financial Assistance Trust	-	3,764	(3,764)	-	-	-
Employment Relations Service Trust	-	-	-	-	-	-
Employment Relations Act Security of Costs Trust	-	-	-	-	-	-
New Zealand Immigration Service Trust	1,692	566	(740)	27	(2)	1,543
Coal and Minerals Deposits Trust	107	-	(40)	10	-	77
Criminal Assets Management and Enforcement Regulators Association Trust	12	3	-	-	-	15
Official Assignee's Office Trust	17,558	69,644	(53,662)	750	(10,514)	23,776
Patent Co-operation Treaty Fees Trust	99	1,137	(1,142)	5	-	99
Petroleum Deposits Trust	91	1	(11)	-	-	81
Proceeds of Crime Trust	32,382	47,255	(25,850)	1,054	(6,737)	48,104
Radio Frequencies Tender Trust	226	-	-	-	-	226
Ministry of Culture and Heritage						
New Zealand Oral History Awards Trust	1,176	-	(151)	44	-	1,069
Dictionary of New Zealand Biography Trust	14	-	-	-	-	14
New Zealand Historical Atlas Trust	137	-	-	5	-	142
New Zealand History Research Trust	1,527	-	(80)	65	-	1,512
War History Trust	1,054	-	-	24	(604)	474
New Zealand Customs Services						
Alcohol Liquor Advisory Council Trust	765	14,467	(13,917)	-	-	1,315
Customs Regional Deposit/Bonds Trust No.1, No.2 & No.3	5,913	41,527	(37,823)	-	-	9,617
Heavy Engineering Research Association Trust	73	1,505	(1,415)	-	-	163
Maritime Safety Authority Trust ³¹	-	-	-	-	-	-
New Zealand Customs Service Multiple Deposit Scheme Release Trust	74	38,014	(37,976)	-	-	112
New Zealand Customs Service Multiple Deposit Scheme Suspense Trust	16	41,573	(41,577)	-	-	12

Statement of Trust Money (continued)

for the year ended 30 June 2014

Department Trust Account	As at 30 June 2013 \$000	Contributions \$000	Distributions \$000	Revenue \$000	Expenses \$000	As at 30 June 2014 \$000
Ministry of Education						
Code of Practice for Providers who Enrol International Students Trust	2,314	3,717	(2,756)	193	(42)	3,426
Conferences Trust	2	-	-	-	-	2
Ministry of Foreign Affairs and Trade						
Cook Island Trust	220	2,069	(2,070)	12	-	231
Fred Hollows Foundation New Zealand - Pacific Regional Blindness Prevention Programme Trust	9	798	-	1	-	808
Government Administration Building, Niue Trust	284	-	-	4	-	288
Niue Primary School Infrastructure Project Trust	5,314	-	-	84	-	5,398
Kiribati Sustainable Towns Programme Trust	5	-	(5)	-	-	-
New Zealand/France Friendship Trust	12	180	(164)	-	(12)	16
Afghanistan New Zealand Aid Programme Trust	684	2,642	(2,730)	13	-	609
Tuvalu Ship to Shore Transport Project Trust	-	1,514	-	-	-	1,514
Ministry of Health						
Health Benefits Offices Trust	883	6,768,710	(6,768,705)	-	(13)	875
Medicines Review Objectors Deposit Trust ³¹	-	-	-	-	-	-
Inland Revenue Department						
Child Support Agency Trust	22,000	235,378	(239,984)	-	-	17,394
KiwiSaver Employer Trust ³¹	-	-	-	-	-	-
KiwiSaver Returned Transactions Trust	273	(229)	-	-	-	44
Reciprocal Child Support Agreement Trust	337	11,802	(11,743)	-	-	396
Department of Internal Affairs						
Christchurch Earthquake Appeal Trust	54,944	1,867	(47,845)	1,991	(1,842)	9,115
Interloan Billing System Trust	58	-	-	404	(422)	40
Macklin Bequest Fund Trust	290	13	-	11	(28)	286
New Zealand 1990 Scholarship Trust	743	-	-	20	-	763
Vogel House Trust ³¹	-	-	-	-	-	-
Ministry of Justice						
Courts Law Trust	10,558	18,321	(14,393)	-	-	14,486
Election Candidates Deposit Trust ³¹	-	-	-	-	-	-
Employment Court Trust	176	822	(303)	-	-	695
Fines Trust	33,552	347,672	(340,634)	-	-	40,590
Foreign Currency Euro Fund Trust ³¹	-	-	-	-	-	-
Foreign Currency United States Dollar Trust	-	-	-	-	-	-
Legal Complaints Review Officer Trust	335	2	(331)	-	-	6
Maori Land Court Trust	61	3	(4)	-	-	60
Supreme Court Trust	62	81	(42)	-	-	101
Victims' Claims Trust	43	-	(43)	-	-	-

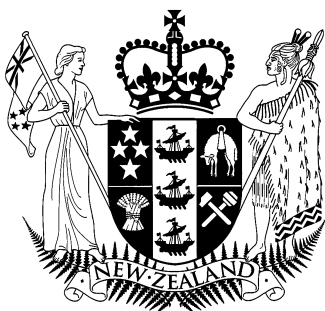
Statement of Trust Money (continued)

for the year ended 30 June 2014

Department Trust Account	As at 30 June 2013 \$000	Contributions \$000	Distributions \$000	Revenue \$000	Expenses \$000	As at 30 June 2014 \$000
Land Information New Zealand						
Crown Forestry Licences Trust	453	9,495	(9,840)	-	-	108
Deposits Trust	-	-	-	-	-	-
Endowment Rentals Trust	1	138	(138)	-	-	1
Hunter Gift for the Settlement of Discharged Soldiers Trust	55	-	-	-	-	55
New Zealand Police						
Bequests, Donations and Appeals Trust	70	1	(1)	-	-	70
Found Money Trust	95	200	(158)	-	-	137
Money in Custody Trust	10,896	5,375	(4,732)	-	-	11,539
Reparation Trust	11	1	(4)	-	-	8
Rewards Monies Trust ³¹	-	-	-	-	-	-
Ministry for Primary Industries						
MAF Overfishing Account Trust	2,858	6,561	(6,463)	79	-	3,035
MAF Fish Forfeit Property Trust	1,233	641	-	39	-	1,913
Meat Board Levies Trust	56	64,027	(64,084)	1	-	-
Seized Timber Trust	1	-	-	-	-	1
National Animal Identification Tracing Trust	223	4,091	(4,030)	-	-	284
Ministry of Social Development						
Australian Recovery Debt Trust	3	13	(14)	-	-	2
Australian Dollar Embargoed Arrears Trust	379	5,943	(5,296)	-	-	1,026
Maintenance Trust	54	533	(338)	2	-	251
Netherlands Recovery Debt Trust	1	108	(105)	-	-	4
Overseas Debt Recovery Trust ³¹	-	-	-	-	-	-
WR Wallace Trust	410	-	(57)	52	-	405
Ministry of Transport						
Rena Settlement Proceeds Trust	27,954	-	(28,206)	252	-	-
Treasury						
Trustee Act 1956 Trust	2,961	1,920	(106)	90	(85)	4,780
Mighty River Share Offer Trust	1,025	44	(1,065)	-	-	4
Meridian Share Offer Trust ³²	-	850,435	(850,369)	-	-	66
Genesis Share Offer Trust ³²	-	1,039,603	(1,039,436)	-	-	167
Total	646,551	9,857,544	(9,847,264)	25,602	(40,437)	641,996

³¹ Inoperative trust account.

³² New trust account.



ADDITIONAL FINANCIAL INFORMATION

Fiscal Indicator Analysis

for the year ended 30 June 2014

The purpose of the following fiscal indicator analysis is to provide a link between the financial statements (published on pages 28 to 167) 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 2014

Forecast		Actual	
Budget 2013 \$m	Budget 2014 \$m	30 June 2014 \$m	30 June 2013 \$m
Core Crown Cash Flows from Operations			
62,056	61,892	61,321	57,808
644	732	747	651
1,660	1,546	1,627	1,553
2,641	2,917	2,397	2,385
(23,877)	(23,800)	(23,447)	(22,780)
(42,800)	(42,417)	(41,989)	(40,412)
(3,680)	(3,664)	(3,642)	(3,729)
(461)	(77)	-	-
600	660	-	-
(3,217)	(2,211)	(2,986)	(4,524)
(2,560)	(2,370)	(1,867)	(1,231)
(990)	(877)	(716)	(342)
(1,166)	(1,153)	(865)	(1,308)
1,500	2,315	2,325	1,663
(503)	(13)	-	-
50	395	-	-
(3,669)	(1,703)	(1,123)	(1,218)
(6,886)	(3,914)	(4,109)	(5,742)
The residual cash deficit is funded as follows:			
Debt programme cash flows			
Market:			
10,245	7,769	7,716	15,458
-	(2,046)	(2,196)	(9,982)
90	(795)	(935)	(5,404)
10,335	4,928	4,585	72
Non market:			
-	-	-	-
(757)	-	-	(499)
(219)	-	-	100
(976)	-	-	(399)
9,359	4,928	4,585	(327)
Other borrowing cash flows			
724	(440)	(674)	4,494
(512)	(118)	1,083	(3,047)
212	(558)	409	1,447
Investing cash flows			
(2,826)	(2,644)	(1,510)	5,699
141	382	274	234
-	1,806	351	(1,311)
(2,685)	(456)	(885)	4,622
6,886	3,914	4,109	5,742

³³ Short-term borrowing consists of Treasury Bills and may include Euro-Commercial Paper.

Fiscal Indicator Analysis – Debt

as at 30 June 2014

Forecast			Actual	
Budget 2013 \$m	Budget 2014 \$m		30 June 2014 \$m	30 June 2013 \$m
Gross and net debt analysis:				
112,201	103,058	Total borrowings	103,419	100,087
Net debt:				
94,504	88,442	Core Crown borrowings ³⁴	89,090	84,873
(1,027)	(640)	Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(622)	(587)
93,477	87,802	Gross sovereign-issued debt³⁵	88,468	84,286
65,786	66,764	Less core Crown financial assets ³⁶	68,047	62,984
27,691	21,038	Net core Crown debt (including NZS Fund)³⁷	20,421	21,302
22,700	24,598	Add back NZS Fund holdings of core Crown financial assets and NZS Fund financial assets ³⁸	25,757	21,407
50,391	45,636	Net core Crown debt (excluding NZS Fund)³⁷	46,178	42,709
14,374	13,785	Advances	13,753	13,126
64,765	59,421	Net core Crown debt (excluding NZS Fund and advances)³⁹	59,931	55,835
28.4%	25.8%	<i>As a percentage of GDP</i>	26.2%	26.3%
Gross debt:				
93,477	87,802	Gross sovereign-issued debt ³⁵	88,468	84,286
(7,391)	(7,245)	Less Reserve Bank settlement cash and bank bills	(8,112)	(7,902)
1,600	1,600	Add back changes to DMO borrowing due to settlement cash ⁴⁰	1,600	1,600
87,686	82,157	Gross sovereign-issued debt excluding settlement cash and bank bills	81,956	77,984
38.5%	35.6%	<i>As a percentage of GDP</i>	35.8%	36.7%

³⁴ Core Crown borrowings in this instance includes unsettled purchases of securities (classified as accounts payable in the statement of financial position).

³⁵ 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.

³⁶ Core Crown financial assets exclude receivables.

³⁷ 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.

³⁸ 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.

³⁹ Net core Crown Debt (excluding NZS Fund and advances) excludes financial assets which are held for public policy rather than treasury management purposes.

⁴⁰ 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).

Mixed Ownership Companies

In addition to the core Crown's direct investment in the mixed ownership companies (Air New Zealand, Genesis Energy, Meridian Energy and Mighty River Power) a number of Crown Financial Institutions (CFIs) have invested in the company as part of their normal investment activities. These investments have the effect of reducing the overall minority interest.

Company	% minority interest before CFI investment	% minority interest after CFI investment
Air New Zealand	47.58%	44.78%
Genesis Energy	47.61%	45.05%
Meridian Energy	48.96%	43.83%
Mighty River Power	47.36%	44.44%

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 2014:

SOEs	Balance date	Information reported to
AsureQuality Limited	30 September	30 June 2014
Crown entities		
New Zealand Symphony Orchestra	31 December	30 June 2014
School boards of trustees	31 December	31 December 2013
TEIs	31 December	30 June 2014

Annual Reports

The results presented in the following tables use Crown accounting policies and classifications. These may differ from those used by the company in their own reporting. As a consequence the results may differ from those published in individual annual reports and profit announcements.

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

	30 June 2014				30 June 2013			
	Revenue (excl gains)	Expenses (excl losses)	Operating balance	Distri- butions	Revenue (excl gains)	Expenses (excl losses)	Operating balance	Distri- butions
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
State-owned enterprises								
Airways Corporation of New Zealand Limited	181	169	12	3	183	161	22	2
AsureQuality Limited	173	162	13	10	160	151	10	8
Landcorp Farming Limited	246	232	55	5	195	190	(18)	20
Meteorological Service of New Zealand Limited	46	42	3	2	42	39	3	1
New Zealand Post Limited	2,176	2,073	107	14	2,212	2,171	121	14
KiwiRail Holdings Limited	836	1,005	(174)	-	912	971	(45)	-
Solid Energy New Zealand Limited	467	652	(182)	-	634	972	(334)	-
Transpower New Zealand Limited	1,004	799	216	197	917	693	264	363
Kordia Group Limited	303	312	(9)	4	309	306	4	2
Animal Control Products Limited	6	5	1	1	4	4	-	1
Learning Media Limited	1	4	(3)	-	19	19	(1)	-
Quotable Value New Zealand	41	38	5	8	43	44	1	6
New Zealand Railways Corporation	-	1	(1)	-	-	1	(1)	-
Total State-owned enterprises	5,480	5,494	43	244	5,630	5,722	26	417
Air New Zealand Limited	4,695	4,444	152	105	4,650	4,404	344	71
Genesis Energy Limited	1,961	1,948	50	121	2,007	1,993	100	57
Meridian Energy Limited	2,517	2,311	230	261	2,714	2,614	295	100
Mighty River Power Limited	1,258	1,085	213	173	1,372	1,345	115	112
Less minority interests	-	-	(173)	(166)	-	-	(75)	(20)
Total mixed ownership companies	10,431	9,788	472	494	10,743	10,356	779	320
Intra-segmental eliminations	(423)	(374)	(87)	-	(437)	(326)	(191)	-
Total SOE segment	15,488	14,908	428	738	15,936	15,752	614	737
Crown Entities								
Accident Compensation Corporation	5,679	4,649	2,145	-	5,687	4,246	4,929	-
Crown Asset Management	9	4	21	67	27	10	77	-
Crown Fibre Holdings Limited	16	171	(154)	-	11	109	(98)	-
Crown Research Institutes	647	633	22	2	638	620	18	-
Callaghan Innovation	179	176	1	-	144	139	3	-
District Health Boards	12,793	12,796	(4)	-	12,725	12,457	267	-
Earthquake Commission	222	(67)	289	-	160	(35)	175	-
Housing New Zealand Corporation	1,146	1,000	182	90	1,125	974	178	77
Museum of New Zealand Te Papa	53	61	(8)	-	53	59	(6)	-
New Zealand Fire Service Commission	354	349	5	-	355	327	29	-
New Zealand Lotteries Commission	943	715	226	-	901	698	202	-
New Zealand Transport Agency	2,163	1,974	189	-	2,056	2,003	57	-
Public Trust	69	68	5	-	78	82	10	-
Schools	6,759	6,714	40	-	6,640	6,597	36	-
Southern Response Earthquake Services	(3)	111	(116)	-	61	20	52	-
Tertiary Education Commission	2,819	2,816	2	-	2,759	2,749	6	6
TEIs	-	-	242	-	-	-	169	-
Television New Zealand	353	336	15	-	361	342	14	11
Other Crown entities	1,911	1,902	18	4	1,692	1,689	24	4
Total Crown entities	36,112	34,408	3,120	163	35,473	33,086	6,142	98
Intra-segmental eliminations	(714)	(452)	(246)	-	(409)	(225)	(265)	-
Total Crown entities segment	35,398	33,956	2,874	163	35,064	32,861	5,877	98

The results presented in the table above use Crown accounting policies and classifications. These may differ from those used by the company in their own reporting. As a consequence the results may differ from those published in individual annual reports and profit announcements.

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

	Purchase of PPE \$m	Total PPE \$m	30 June 2014			Equity \$m	30 June 2013 Equity \$m
			Total assets \$m	Borrow- ings \$m	Total liabilities \$m		
State-owned enterprises							
Airways Corporation of New Zealand Limited	34	130	162	37	85	77	68
AsureQuality Limited	6	29	80	14	40	40	38
Landcorp Farming Limited	49	1,277	1,748	285	320	1,428	1,318
Meteorological Service of New Zealand Limited	3	23	43	17	25	18	17
New Zealand Post Limited	23	157	17,557	16,133	16,512	1,045	943
KiwiRail Holdings Limited	331	1,416	1,628	235	446	1,182	1,207
Solid Energy New Zealand Limited	13	240	636	320	623	13	92
Transpower New Zealand Limited	445	4,644	5,696	3,781	4,240	1,456	1,438
Kordia Group Limited	15	84	206	66	126	80	93
Animal Control Products Limited	-	2	8	-	2	6	5
Learning Media Limited	-	-	-	-	-	-	3
Quotable Value New Zealand	-	1	24	3	10	14	18
New Zealand Railways Corporation	-	3,272	3,272	-	-	3,272	3,273
Total State-owned enterprises	919	11,275	31,060	20,891	22,429	8,631	8,513
Air New Zealand Limited	597	3,003	5,836	1,790	3,983	1,853	1,881
Genesis Energy Limited	68	3,101	3,629	1,025	1,749	1,880	1,949
Meridian Energy Limited	293	6,929	7,570	1,306	2,936	4,634	4,688
Mighty River Power Limited	81	5,095	5,688	1,273	2,469	3,219	3,182
Total mixed ownership companies	1,039	18,128	22,723	5,394	11,137	11,586	11,700
Intra-segmental eliminations	-	(862)	(1,301)	(100)	(136)	(1,165)	(1,067)
Total SOE segment	1,958	28,541	52,482	26,185	33,430	19,052	19,146
Crown Entities							
Accident Compensation Corporation	72	33	31,399	202	31,508	(109)	(2,254)
Crown Asset Management	4	-	48	-	4	44	117
Crown Fibre Holdings Limited	78	247	371	18	47	324	240
Crown Research Institutes	47	440	708	-	180	528	511
Callaghan Innovation	4	29	105	-	61	44	43
District Health Boards	334	5,455	7,017	2,352	4,510	2,507	2,765
Earthquake Commission	6	20	3,660	-	4,741	(1,081)	(1,417)
Housing New Zealand Corporation	286	18,678	19,593	1,932	4,031	15,562	13,327
Museum of New Zealand Te Papa	9	1,226	1,251	-	7	1,244	1,193
New Zealand Fire Service Commission	49	614	684	6	91	593	557
New Zealand Lotteries Commission	7	15	136	3	114	22	29
New Zealand Transport Agency	1,369	28,580	29,059	(14)	381	28,678	26,115
Public Trust	1	6	559	505	516	43	39
Schools	185	1,388	2,817	122	889	1,928	1,884
Southern Response Earthquake Services	1	1	1,323	-	1,434	(111)	5
Tertiary Education Commission	-	2	59	20	35	24	22
TEIs	-	-	8,508	-	-	8,508	8,060
Television New Zealand	8	84	251	-	53	198	186
Other Crown entities	94	250	1,936	663	1,128	808	693
Total Crown entities	2,554	57,068	109,484	5,809	49,730	59,754	52,115
Intra-segmental eliminations	(19)	(266)	(1,062)	(654)	(739)	(323)	(223)
Total Crown entities segment	2,535	56,802	108,422	5,155	48,991	59,431	51,892

The results presented in the table above use Crown accounting policies and classifications. These may differ from those used by the company in their own reporting. As a consequence the results may differ from those published in individual annual reports and profit announcements.

Government Reporting Entity as at 30 June 2014

These 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 (classified in the three institutional components used for segmental reporting):

Core Crown segment	
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 segment	
Airways Corporation of New Zealand Limited	Learning Media Limited (in liquidation)
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
Kiwirail Holdings Limited	Quotable Value Limited
Kordia Group Limited	Solid Energy New Zealand Limited
Landcorp Farming Limited	Transpower New Zealand Limited
Mixed ownership model companies (Public Finance Act schedule 5 companies)	Others
Genesis Energy Limited	Air New Zealand Limited
Meridian Energy Limited	
Mighty River Power Limited	

Crown entities segment

Accident Compensation Corporation	New Zealand Artificial Limb Service
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 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 Irrigation Investments Limited	New Zealand Tourism Board
Crown Research Institutes (7)	New Zealand Trade and Enterprise
District Health Boards (20)	New Zealand Transport Agency
Drug Free Sport New Zealand	New Zealand Venture Investment Fund Limited
Earthquake Commission	New Zealand Walking Access Commission
Education New Zealand	Office of Film and Literature Classification
Electoral Commission	Pharmaceutical Management Agency
Electricity Authority	Privacy Commissioner
Energy Efficiency and Conservation Authority	Public Trust
Environmental Protection Authority	Radio New Zealand Limited
External Reporting Board	Real Estate Agents Authority
Families Commission	Retirement Commissioner
Financial Markets Authority	School Boards of Trustees (2,409)
Government Superannuation Fund Authority	Social Workers Registration Board
Guardians of New Zealand Superannuation	Sport and Recreation New Zealand
Health and Disability Commissioner	Standards Council
Health Promotion Agency	Takeovers Panel
Health Quality and Safety Commission	Te Reo Whakapuaki Irirangi (Māori Broadcasting Funding Agency)
Health Research Council of New Zealand	Te Taura Whiri i te Reo Māori (Māori Language Commission)
Heritage New Zealand Pouhere Taonga	Television New Zealand Limited
Housing New Zealand Corporation	Tertiary Education Commission
Human Rights Commission	Tertiary education institutions (29)
Independent Police Conduct Authority	Testing Laboratory Registration Council
Law Commission	Transport Accident Investigation Commission
Maritime New Zealand	WorkSafe New Zealand
Museum of New Zealand Te Papa Tongarewa Board	
New Zealand Antarctic Institute	

Crown entities segment continued

Organisations listed in schedule 4 of the Public Finance Act 1989

Agricultural and Marketing Research and Development Trust
 Asia New Zealand Foundation
 Fish and Game Councils (12)
 Game Animal Council
 Leadership Development Centre Trust
 Māori Trustee
 National Pacific Radio Trust
 New Zealand Fish and Game Council
 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)
 Sentencing Council
 Te Ariki Trust

Non-listed companies in which the Crown is majority or sole shareholder (Public Finance Act schedule 4A companies)

Crown Asset Management Limited
 Crown Fibre Holdings Limited
 Fairway Resolution Limited
 Health Benefits Limited
 Research and Education Advanced Network New Zealand Limited
 Southern Response Earthquake Services Limited
 Tāmaki Redevelopment Company Limited
 The Network for Learning Limited

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

Glossary of Terms

Comparatives (Budget 2013 and Budget 2014)

Comparatives referred to as Budget 2013 were forecasts published in the *2013 Budget Economic and Fiscal Update* while comparatives referred to as Budget 2014 were forecasts published in the *2014 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 176 to 178).

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 176 and 178).