

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 24 November 2014.

The finalisation dates and key assumptions that underpin the preparation of the Forecast Financial Statements are outlined in the Fiscal Outlook Chapter (pages 25 to 48).

Statement of Accounting Policies

Significant Accounting Policies

The 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. They comply with generally accepted accounting practice (GAAP) as required by the Public Finance Act 1989 and have been prepared in accordance with *Public Benefit Entity 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 2014 *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/hyefu2014

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

The 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 63 to 87.

Key forecast assumptions are set out on pages 46 to 48.

Reporting and Forecast Period

The reporting periods for these Forecast Financial Statements are the years ended 30 June 2015 to 30 June 2019. The "2014 Actual" figures reported in the statements are the audited results reported in the Financial Statements of Government for the year ended 30 June 2014. The "2015 Previous Budget" figures are the original forecasts to 30 June 2015 as presented in the 2014 Budget.

Government Reporting Entity as at 24 November 2014

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

Core Crown segment

Departments

Canterbury Earthquake Recovery Authority
Crown Law Office
Department of Conservation
Department of Corrections
Department of Internal Affairs
Department of the Prime Minister and Cabinet
Education Review Office
Government Communications Security Bureau
Inland Revenue Department
Land Information New Zealand
Ministry for Culture and Heritage
Ministry for Primary Industries
Ministry for the Environment
Ministry of Business, Innovation and Employment
Ministry of Defence
Ministry of Education
Ministry of Foreign Affairs and Trade
Ministry of Health

Ministry of Justice
Ministry of Māori Development
Ministry of Pacific Island Affairs
Ministry of Social Development
Ministry of Transport
Ministry of Women's Affairs
New Zealand Customs Service
New Zealand Defence Force
New Zealand Police
New Zealand Security Intelligence Service
Office of the Clerk of the House of Representatives
Parliamentary Counsel Office
Parliamentary Service
Serious Fraud Office
State Services Commission
Statistics New Zealand
The Treasury

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 segment

Airways Corporation of New Zealand Limited
Animal Control Products Limited
AsureQuality Limited
Electricity Corporation of New Zealand Limited
KiwiRail Holdings Limited
Kordia Group Limited
Landcorp Farming Limited

Learning Media Limited (in liquidation)
Meteorological Service of New Zealand Limited
New Zealand Post Limited
New Zealand Railways Corporation
Quotable Value Limited
Solid Energy New Zealand Limited
Transpower New Zealand Limited

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

Genesis Energy Limited
Meridian Energy Limited
Mighty River Power Limited

Others

Air New Zealand Limited

Crown entities segment

Accident Compensation Corporation	New Zealand Blood Service
Arts Council of New Zealand Toi Aotearoa	New Zealand Film Commission
Broadcasting Commission	New Zealand Fire Service Commission
Broadcasting Standards Authority	New Zealand Lotteries Commission
Callaghan Innovation	New Zealand Productivity Commission
Careers New Zealand	New Zealand Qualifications Authority
Children's Commissioner	New Zealand Symphony Orchestra
Civil Aviation Authority of New Zealand	New Zealand Teachers Council
Commerce Commission	New Zealand Tourism Board
Crown Irrigation Investments Limited	New Zealand Trade and Enterprise
Crown Research Institutes (7)	New Zealand Transport Agency
District Health Boards (20)	New Zealand Venture Investment Fund Limited
Drug Free Sport New Zealand	New Zealand Walking Access Commission
Earthquake Commission	Office of Film and Literature Classification
Education New Zealand	Pharmaceutical Management Agency
Electoral Commission	Privacy Commissioner
Electricity Authority	Public Trust
Energy Efficiency and Conservation Authority	Radio New Zealand Limited
Environmental Protection Authority	Real Estate Agents Authority
External Reporting Board	Retirement Commissioner
Families Commission	School Boards of Trustees (2,407)
Financial Markets Authority	Social Workers Registration Board
Government Superannuation Fund Authority	Sport and Recreation New Zealand
Guardians of New Zealand Superannuation	Standards Council
Health and Disability Commissioner	Takeovers Panel
Health Promotion Agency	Te Reo Whakapuaki Irirangi (Māori Broadcasting Funding Agency)
Health Quality and Safety Commission	Te Taura Whiri i te Reo Māori (Māori Language Commission)
Health Research Council of New Zealand	Television New Zealand Limited
Heritage New Zealand Pouhere Taonga	Tertiary Education Commission
Housing New Zealand Corporation	Tertiary education institutions (29)
Human Rights Commission	Testing Laboratory Registration Council
Independent Police Conduct Authority	Transport Accident Investigation Commission
Law Commission	WorkSafe New Zealand
Maritime New Zealand	
Museum of New Zealand Te Papa Tongarewa Board	
New Zealand Antarctic Institute	
New Zealand Artificial Limb Service	

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
 Ngāi 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
 Education Payroll 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

Legal entities created by Treaty of Waitangi settlements Acts (Public Finance Act schedule 6)

Te Urewera

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

		2014	2015	2015	2016	2017	2018	2019
	Note	Actual \$m	Previous Budget \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m
Revenue								
Taxation revenue	1	60,879	65,824	65,041	68,490	72,304	75,989	79,102
Other sovereign revenue	1	5,450	5,138	5,103	4,946	4,668	4,797	4,905
Total revenue levied through the Crown's sovereign power		66,329	70,962	70,144	73,436	76,972	80,786	84,007
Sales of goods and services		16,472	17,091	16,645	17,345	17,901	18,568	18,903
Interest revenue and dividends	2	3,175	3,672	3,709	4,181	4,883	5,362	5,743
Other revenue		3,420	3,842	3,802	3,902	3,967	4,018	4,096
Total revenue earned through the Crown's operations		23,067	24,605	24,156	25,428	26,751	27,948	28,742
Total revenue (excluding gains)		89,396	95,567	94,300	98,864	103,723	108,734	112,749
Expenses								
Transfer payments and subsidies	3	23,360	23,876	23,890	24,480	25,246	26,201	27,102
Personnel expenses	4	20,484	20,881	21,058	21,380	21,595	21,846	22,005
Depreciation and amortisation	5	4,872	4,882	4,844	5,030	5,102	5,187	5,161
Other operating expenses	6	35,553	37,520	37,209	37,251	36,981	37,285	37,329
Interest expenses	7	4,400	4,763	4,665	4,988	5,481	5,609	5,599
Insurance expenses	8	3,501	3,517	3,678	4,206	4,563	4,822	5,128
Forecast new operating spending	9	-	291	123	1,156	2,176	4,661	6,198
Top-down expense adjustment	9	-	(875)	(950)	(595)	(460)	(435)	(395)
Total expenses (excluding losses)		92,170	94,855	94,517	97,896	100,684	105,176	108,127
Minority interest share of operating balance before gains/(losses)		(159)	(340)	(355)	(403)	(437)	(484)	(521)
Operating balance before gains/(losses)		(2,933)	372	(572)	565	2,602	3,074	4,101
Net gains/(losses) on financial instruments	10	4,820	2,583	3,974	2,657	2,744	2,873	3,034
Net gains/(losses) on non-financial instruments	11	540	(82)	(1,782)	(58)	(50)	(51)	(52)
Minority interest share of net gains/(losses)		21	(25)	(36)	(24)	(15)	(13)	(1)
Total gains/(losses)		5,381	2,476	2,156	2,575	2,679	2,809	2,981
Net surplus from associates and joint ventures		360	254	316	335	337	338	338
Operating balance (excluding minority interests)	12	2,808	3,102	1,900	3,475	5,618	6,221	7,420

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

Forecast Analysis of Expenses by Functional Classification

for the years ending 30 June

	2014	2015	2015	2016	2017	2018	2019
	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	27,266	28,125	28,200	29,273	30,042	31,190	32,379
GSF pension expenses	295	409	376	410	417	410	402
Health	14,344	14,741	14,828	14,731	14,691	14,649	14,662
Education	13,064	13,571	13,595	13,749	13,860	13,944	13,978
Core government services	4,104	4,462	4,483	4,222	4,125	4,221	4,125
Law and order	3,730	3,750	3,857	3,818	3,775	3,780	3,792
Defence	1,776	1,936	1,928	2,000	1,977	1,954	1,953
Transport and communications	9,137	9,427	9,545	9,586	9,887	10,148	10,291
Economic and industrial services	7,767	7,924	7,703	8,076	8,212	8,497	8,540
Primary services	1,703	1,788	1,888	1,810	1,780	1,750	1,751
Heritage, culture and recreation	2,372	2,348	2,293	2,344	2,353	2,396	2,445
Housing and community development	1,095	1,141	1,152	1,245	1,245	1,277	1,281
Environmental protection	538	511	563	549	525	528	529
Other	579	543	268	534	598	597	597
Finance costs	4,400	4,763	4,665	4,988	5,481	5,609	5,599
Forecast new operating spending	-	291	123	1,156	2,176	4,661	6,198
Top-down expense adjustment	-	(875)	(950)	(595)	(460)	(435)	(395)
Total Crown expenses excluding losses	92,170	94,855	94,517	97,896	100,684	105,176	108,127

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.

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Core Crown expenses							
By functional classification¹							
Social security and welfare	23,281	23,954	23,917	24,519	25,028	25,957	26,842
GSF pension expenses	282	395	360	394	401	394	385
Health	14,898	15,065	15,110	15,145	15,200	15,248	15,333
Education	12,300	12,827	12,861	12,968	13,035	13,116	13,134
Core government services	4,502	4,816	4,839	4,583	4,489	4,582	4,506
Law and order	3,501	3,486	3,595	3,553	3,501	3,497	3,493
Defence	1,811	1,984	1,977	2,049	2,026	2,003	2,003
Transport and communications	2,237	2,217	2,297	2,200	2,245	2,316	2,306
Economic and industrial services	2,058	2,215	2,239	2,328	2,314	2,359	2,348
Primary services	676	700	754	671	620	610	615
Heritage, culture and recreation	842	770	781	797	755	742	735
Housing and community development	347	326	372	309	236	223	223
Environmental protection	533	510	659	542	517	520	521
Other	579	543	268	534	598	597	597
Finance costs	3,620	3,883	3,816	3,903	4,200	4,273	4,309
Forecast new operating spending	-	291	123	1,156	2,176	4,661	6,198
Top-down expense adjustment	-	(875)	(950)	(595)	(460)	(435)	(395)
Total core Crown expenses excluding losses	71,467	73,107	73,018	75,056	76,881	80,663	83,153

1. The classifications of the functions of the Government reflect current approved baselines. Forecast new operating spending is shown as a separate line item in the above analysis and will be allocated to functions of the Government once decisions are made in future Budgets.

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

Forecast Statement of Comprehensive Income

for the years ending 30 June

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Operating balance (including minority interest)	2,946	3,467	2,291	3,902	6,070	6,718	7,942
Other comprehensive income							
Revaluation of physical assets	5,395	-	(9)	-	-	-	-
Net change in hedging instruments entered into for cash flow hedges	(34)	(3)	(50)	17	5	3	(4)
Foreign currency translation differences for foreign operations	(51)	4	11	-	-	-	-
Valuation gains/(losses) on investments available for sale taken to reserves	(36)	10	19	10	11	12	13
Other movements	1	(30)	(13)	(2)	1	1	(2)
Total other comprehensive income	5,275	(19)	(42)	25	17	16	7
Total comprehensive income	8,221	3,448	2,249	3,927	6,087	6,734	7,949
Attributable to:							
- minority interest	147	365	441	427	452	497	522
- the Crown	8,074	3,083	1,808	3,500	5,635	6,237	7,427
Total comprehensive income	8,221	3,448	2,249	3,927	6,087	6,734	7,949

Forecast Statement of Changes in Net Worth

for the years ending 30 June

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Opening net worth	70,011	75,467	80,779	82,560	86,086	91,768	98,073
Operating balance	2,946	3,467	2,291	3,902	6,070	6,718	7,942
Net revaluations	5,395	-	(9)	-	-	-	-
Transfers to/(from) reserves	(2)	16	38	-	1	-	-
(Gains)/losses transferred to the Statement of Financial Performance	(43)	3	(7)	3	1	(1)	1
Other movements	(75)	(38)	(64)	22	15	17	6
Comprehensive income	8,221	3,448	2,249	3,927	6,087	6,734	7,949
Gain/(loss) on Government share offers	(577)	-	-	-	-	-	-
Increase in minority interest from Government share offers	3,308	-	-	-	-	-	-
Transactions with minority interest	(184)	(282)	(468)	(401)	(405)	(429)	(465)
Closing net worth	80,779	78,633	82,560	86,086	91,768	98,073	105,557

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

Forecast Statement of Cash Flows

for the years ending 30 June

	2014	2015	2015	2016	2017	2018	2019
	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	59,853	64,913	64,129	67,387	71,296	74,952	78,035
Other sovereign receipts	4,974	4,645	4,673	4,241	4,319	4,400	4,509
Sales of goods and services	16,608	17,113	16,759	17,453	17,964	18,609	18,938
Interest and dividend receipts	2,945	3,310	3,660	3,985	4,571	5,013	5,451
Other operating receipts	5,737	4,972	4,535	4,604	4,258	3,924	3,990
Total cash provided from operations	90,117	94,953	93,756	97,670	102,408	106,898	110,923
Cash was disbursed to							
Transfer payments and subsidies	23,447	24,020	24,015	24,509	25,241	26,172	27,082
Personnel and operating payments	59,891	63,953	62,143	62,472	60,086	60,904	60,781
Interest payments	4,312	4,728	4,964	5,024	5,494	5,617	5,651
Forecast new operating spending	-	291	123	1,155	2,175	4,661	6,198
Top-down expense adjustment	-	(875)	(950)	(595)	(460)	(435)	(395)
Total cash disbursed to operations	87,650	92,117	90,295	92,565	92,536	96,919	99,317
Net cash flows from operations	2,467	2,836	3,461	5,105	9,872	9,979	11,606
Cash flows from investing activities							
Cash was provided from/(disbursed to)							
Net purchase of physical assets	(5,503)	(7,832)	(7,767)	(7,394)	(6,528)	(5,475)	(5,365)
Net purchase of shares and other securities	(5,725)	4,339	3,747	(2,437)	(7,917)	2,501	1,444
Net purchase of intangible assets	(658)	(576)	(385)	(525)	(533)	(387)	(370)
Net repayment/(issues) of advances	(1,529)	(1,971)	(2,043)	(1,603)	(1,740)	(1,752)	(1,819)
Net acquisition of investments in associates	73	(46)	(42)	(54)	57	53	75
Forecast new capital spending	-	(326)	(113)	(446)	(732)	(825)	(830)
Top-down capital adjustment	-	370	575	275	125	75	75
Net cash flows from investing activities	(13,342)	(6,042)	(6,028)	(12,184)	(17,268)	(5,810)	(6,790)
Net cash flows from operating and investing activities	(10,875)	(3,206)	(2,567)	(7,079)	(7,396)	4,169	4,816
Cash flows from financing activities							
Cash was provided from/(disbursed to)							
Issues of circulating currency	274	152	130	155	159	164	169
Government share offer programme ¹	2,186	598	598	-	-	-	-
Net issue/(repayment) of government stock ²	5,520	(759)	(547)	5,408	7,151	(4,351)	(4,557)
Net issue/(repayment) of foreign-currency borrowings	1,442	(838)	(1,447)	(644)	(37)	(642)	41
Net issue/(repayment) of other New Zealand dollar borrowings	(832)	3,808	3,126	1,789	1,280	1,993	843
Dividends paid to minority interests	(166)	(365)	(398)	(457)	(475)	(498)	(540)
Net cash flows from financing activities	8,424	2,596	1,462	6,251	8,078	(3,334)	(4,044)
Net movement in cash	(2,451)	(610)	(1,105)	(828)	682	835	772
Opening cash balance	14,924	11,108	11,888	11,166	10,338	11,020	11,855
Foreign-exchange gains/(losses) on opening cash	(585)	-	383	-	-	-	-
Closing cash balance	11,888	10,498	11,166	10,338	11,020	11,855	12,627

1. Excludes purchases by ACC and NZS Fund.

2. Further information on the proceeds and repayments of government stock ("domestic bonds") is available in note 23.

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

	2014	2015	2015	2016	2017	2018	2019
	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	2,467	2,836	3,461	5,105	9,872	9,979	11,606
<i>Items included in the operating balance but not in net cash flows from operations</i>							
Gains/(losses)							
Net gains/(losses) on financial instruments	4,820	2,583	3,974	2,657	2,744	2,873	3,034
Net gains/(losses) on non-financial instruments	540	(82)	(1,782)	(58)	(50)	(51)	(52)
Minority interest share of net gains/(losses)	21	(25)	(36)	(24)	(15)	(13)	(1)
Total gains/(losses)	5,381	2,476	2,156	2,575	2,679	2,809	2,981
Other non-cash items in operating balance							
Depreciation and amortisation	(4,872)	(4,882)	(4,844)	(5,030)	(5,102)	(5,187)	(5,161)
Write-down on initial recognition of financial assets	(789)	(838)	(786)	(785)	(805)	(826)	(840)
Impairment on financial assets (excl. receivables)	(47)	(128)	(125)	(126)	(128)	(131)	(131)
Decrease/(increase) in defined benefit retirement plan liabilities	442	353	399	337	342	359	378
Decrease/(increase) in insurance liabilities	1,409	3,629	968	1,581	(1,295)	(1,658)	(1,739)
Other	202	(86)	(39)	(68)	(100)	(148)	(185)
Total other non-cash items	(3,655)	(1,952)	(4,427)	(4,091)	(7,088)	(7,591)	(7,678)
Movements in working capital							
Increase/(decrease) in receivables	(1,553)	(803)	385	470	155	553	401
Increase/(decrease) in accrued interest	143	326	349	232	325	358	344
Increase/(decrease) in inventories	(41)	(4)	3	27	17	(53)	(54)
Increase/(decrease) in prepayments	39	(27)	(64)	11	(10)	-	(5)
Decrease/(increase) in deferred revenue	(248)	(20)	12	(15)	(16)	(32)	(10)
Decrease/(increase) in payables/provisions	275	270	25	(839)	(316)	198	(165)
Total movements in working capital	(1,385)	(258)	710	(114)	155	1,024	511
Operating balance	2,808	3,102	1,900	3,475	5,618	6,221	7,420

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

Forecast Statement of Financial Position

as at 30 June

		2014	2015	2015	2016	2017	2018	2019
			Previous					
Note	Actual	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Assets								
Cash and cash equivalents	13	11,888	10,498	11,166	10,338	11,020	11,855	12,627
Receivables	13	17,480	16,610	17,602	17,487	17,686	18,291	18,746
Marketable securities, deposits and derivatives in gain	13	48,457	42,731	45,459	47,086	55,279	53,271	52,313
Share investments	13	20,596	21,234	22,718	24,120	25,682	27,348	29,123
Advances	13	24,756	26,626	26,428	28,136	29,975	31,678	33,543
Inventory		1,099	1,155	1,102	1,129	1,146	1,093	1,039
Other assets		2,510	2,144	2,279	2,256	2,277	2,277	2,351
Property, plant and equipment	15	116,306	115,873	120,046	123,323	125,488	126,562	127,488
Equity accounted investments ¹		10,071	10,326	10,519	10,900	11,173	11,442	11,703
Intangible assets and goodwill	16	2,920	2,934	3,066	3,093	3,136	3,083	3,030
Forecast for new capital spending	9	-	339	113	559	1,292	2,117	2,947
Top-down capital adjustment	9	-	(765)	(575)	(850)	(975)	(1,050)	(1,125)
Total assets		256,083	249,705	259,923	267,577	283,179	287,967	293,785
Liabilities								
Issued currency		4,964	5,224	5,153	5,308	5,467	5,631	5,800
Payables	18	11,294	11,874	12,319	12,595	13,398	13,603	14,282
Deferred revenue		1,962	1,821	1,950	1,965	1,981	2,013	2,024
Borrowings		103,419	104,390	104,442	110,342	118,499	115,306	111,463
Insurance liabilities	19	35,825	31,272	36,173	34,592	35,888	37,546	39,285
Retirement plan liabilities	20	10,885	10,380	10,891	10,554	10,212	9,853	9,475
Provisions	21	6,955	6,111	6,435	6,135	5,966	5,942	5,899
Total liabilities		175,304	171,072	177,363	181,491	191,411	189,894	188,228
Total assets less total liabilities		80,779	78,633	82,560	86,086	91,768	98,073	105,557
Net worth								
Taxpayers' funds		13,300	16,601	15,271	19,013	24,832	31,259	38,894
Property, plant and equipment revaluation reserve		62,225	56,509	62,153	61,884	61,684	61,479	61,262
Other reserves		43	5	(48)	(21)	(5)	10	19
Total net worth attributable to the Crown		75,568	73,115	77,376	80,876	86,511	92,748	100,175
Net worth attributable to minority interest		5,211	5,518	5,184	5,210	5,257	5,325	5,382
Total net worth	22	80,779	78,633	82,560	86,086	91,768	98,073	105,557

1. Tertiary education institutions constitute most equity accounted investments.

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

Forecast Statement of Borrowings

as at 30 June

	2014 Actual \$m	2015 Previous Budget \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m	2019 Forecast \$m
Borrowings							
Government bonds	60,337	58,855	58,375	63,065	69,560	64,779	59,768
Treasury bills	3,147	3,688	4,129	3,928	3,920	3,914	3,909
Government retail stock	183	190	181	181	181	181	181
Settlement deposits with Reserve Bank	7,758	6,849	7,695	7,695	7,695	7,695	7,695
Derivatives in loss	2,245	1,890	2,680	2,262	2,025	1,937	1,868
Finance lease liabilities	1,501	1,994	1,991	2,174	2,125	2,163	1,819
Other borrowings	28,248	30,924	29,391	31,037	32,993	34,637	36,223
Total borrowings	103,419	104,390	104,442	110,342	118,499	115,306	111,463
Total sovereign-guaranteed debt	77,461	75,602	75,862	80,202	86,460	81,627	76,563
Total non-sovereign-guaranteed debt	25,958	28,788	28,580	30,140	32,039	33,679	34,900
Total borrowings	103,419	104,390	104,442	110,342	118,499	115,306	111,463
Net debt:							
Core Crown borrowings ¹	89,090	86,246	87,604	91,843	98,731	94,432	89,905
Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(622)	(767)	(847)	(963)	(991)	(993)	(991)
Gross sovereign-issued debt²	88,468	85,479	86,757	90,880	97,740	93,439	88,914
Less core Crown financial assets ³	68,047	63,248	65,846	69,138	78,594	77,466	77,606
Net core Crown debt	20,421	22,231	20,911	21,742	19,146	15,973	11,308
Core Crown advances	13,753	15,056	14,502	15,513	15,974	16,163	16,362
Net core Crown debt (incl. NZS Fund)⁴	34,174	37,287	35,413	37,255	35,120	32,136	27,670
Add back NZS Fund holdings of core Crown financial assets and NZS Fund financial assets ⁵	25,757	26,280	28,081	29,705	31,920	34,286	36,850
Net core Crown debt (excl. NZS Fund and advances)⁶	59,931	63,567	63,494	66,960	67,040	66,422	64,520
Gross debt:							
Gross sovereign-issued debt ²	88,468	85,479	86,757	90,880	97,740	93,439	88,914
Less Reserve Bank settlement cash and bank bills	(8,112)	(7,245)	(8,068)	(8,009)	(7,934)	(7,934)	(7,934)
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	81,956	79,834	80,289	84,471	91,406	87,105	82,580

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.

- Core Crown borrowings in this instance include unsettled purchases of securities (classified as accounts payable in the Statement of Financial Position).
- Gross sovereign-issued debt (GSID) represents debt issued by the sovereign (the core Crown) and includes any government stock held by the other Crown reporting entities.
- Core Crown financial assets exclude receivables.
- Net core Crown debt represents GSID less financial assets. This can provide information about the sustainability of the Government's accounts, and is used by some international agencies when determining the creditworthiness of a country.
- Adding back the NZS Fund assets provides the financial liabilities less financial assets of the core Crown, excluding those assets set aside to meet part of the future cost of New Zealand Superannuation.
- Net core Crown debt (excluding NZS Fund and advances) excludes financial assets which are held for public policy rather than treasury management purposes.
- The Reserve Bank has used \$1.6 billion of settlement cash to purchase reserves that were to have been funded by the 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 2014

	As at 31 Oct 2014 \$m	As at 30 June 2014 \$m
Capital commitments		
Specialist military equipment	638	732
Land and buildings	1,143	878
Other property, plant and equipment	5,346	5,307
Other capital commitments	862	919
Tertiary education institutions	201	201
Total capital commitments	8,190	8,037
Operating commitments		
Non-cancellable accommodation leases	2,969	3,059
Other non-cancellable leases	2,318	2,340
Tertiary education institutions	494	494
Total operating commitments	5,781	5,893
Total commitments	13,971	13,930
Total commitments by segment		
Core Crown	5,111	4,916
Crown entities	5,403	5,465
State-owned Enterprises	4,841	4,847
Inter-segment eliminations	(1,384)	(1,298)
Total commitments	13,971	13,930

Statement of Actual Contingent Liabilities and Assets

as at 31 October 2014

	As at 31 Oct 2014 \$m	As at 30 June 2014 \$m
Quantifiable contingent liabilities		
Guarantees and indemnities	217	222
Uncalled capital	6,089	5,662
Legal proceedings and disputes	481	604
Other contingent liabilities	381	357
Total quantifiable contingent liabilities	7,168	6,845
Total quantifiable contingent liabilities by segment		
Core Crown	6,897	6,568
Crown entities	42	44
State-owned Enterprises	229	233
Inter-segment eliminations	-	-
Total quantifiable contingent liabilities	7,168	6,845
Quantifiable contingent assets by segment		
Core Crown	140	129
Crown entities	4	4
State-owned Enterprises	12	-
Total quantifiable contingent assets	156	133

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

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 1: Sovereign Revenue (Accrual)							
Taxation revenue (accrual)							
Individuals							
Source deductions	23,738	25,224	25,034	26,327	27,727	29,240	30,879
Other persons	5,216	5,428	5,347	5,369	5,685	5,923	6,015
Refunds	(1,573)	(1,395)	(1,517)	(1,467)	(1,484)	(1,466)	(1,499)
Fringe benefit tax	489	512	505	526	549	573	598
Total individuals	27,870	29,769	29,369	30,755	32,477	34,270	35,993
Corporate tax							
Gross companies tax	9,020	9,555	9,840	10,292	10,927	11,271	11,548
Refunds	(192)	(207)	(198)	(216)	(234)	(247)	(254)
Non-resident withholding tax	428	481	467	526	552	579	605
Foreign-source dividend w/holding payments	8	2	(3)	2	2	2	2
Total corporate tax	9,264	9,831	10,106	10,604	11,247	11,605	11,901
Other direct income tax							
Resident w/holding tax on interest income	1,644	2,007	1,813	2,088	2,423	2,862	3,280
Resident w/holding tax on dividend income	446	495	494	535	568	586	599
Total other direct income tax	2,090	2,502	2,307	2,623	2,991	3,448	3,879
Total direct income tax	39,224	42,102	41,782	43,982	46,715	49,323	51,773
Goods and services tax							
Gross goods and services tax	27,208	29,392	28,799	30,179	31,682	33,667	35,430
Refunds	(11,191)	(11,630)	(11,428)	(11,841)	(12,458)	(13,503)	(14,736)
Total goods and services tax	16,017	17,762	17,371	18,338	19,224	20,164	20,694
Other indirect taxation							
Road user charges	1,205	1,268	1,246	1,321	1,385	1,457	1,520
Petroleum fuels excise – domestic production	865	936	940	1,084	1,199	1,221	1,242
Alcohol excise – domestic production	650	681	674	697	725	755	785
Tobacco excise – domestic production	273	286	285	295	300	299	299
Petroleum fuels excise – imports ¹	747	766	769	722	646	658	669
Alcohol excise – imports ¹	242	255	249	258	268	279	290
Tobacco excise – imports ¹	999	1,108	1,073	1,145	1,198	1,194	1,194
Other customs duty	172	155	157	149	142	134	127
Gaming duties	211	209	213	214	214	215	216
Motor vehicle fees	187	195	199	200	203	205	208
Approved issuer levy and cheque duty	52	65	50	51	51	51	51
Energy resources levies	35	36	33	34	34	34	34
Total other indirect taxation	5,638	5,960	5,888	6,170	6,365	6,502	6,635
Total indirect taxation	21,655	23,722	23,259	24,508	25,589	26,666	27,329
Total taxation revenue	66,879	65,824	65,041	68,490	72,304	75,989	79,102
Other sovereign revenue (accrual)							
ACC levies	3,600	3,172	3,195	2,935	2,894	2,972	3,040
Fire Service levies	339	348	350	351	354	359	364
EQC levies	274	282	282	285	288	290	293
Child support	545	665	582	632	429	477	502
Court fines	179	173	173	173	174	174	174
Other miscellaneous items	513	498	521	570	529	525	532
Total other sovereign revenue	5,450	5,138	5,103	4,946	4,668	4,797	4,905
Total sovereign revenue	66,329	70,962	70,144	73,436	76,972	80,786	84,007

1. Customs excise-equivalent duty.

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 1 (continued): Sovereign Receipts (Cash)							
Taxation receipts (cash)							
Individuals							
Source deductions	23,621	25,074	24,886	26,171	27,571	29,076	30,716
Other persons	5,466	5,964	5,900	5,804	6,112	6,477	6,599
Refunds	(2,276)	(2,211)	(2,293)	(2,212)	(2,241)	(2,314)	(2,378)
Fringe benefit tax	482	510	503	524	547	571	596
Total individuals	27,293	29,337	28,996	30,287	31,989	33,810	35,533
Corporate tax							
Gross companies tax	9,374	9,963	10,083	10,454	11,278	11,621	11,865
Refunds	(563)	(703)	(639)	(663)	(722)	(766)	(789)
Non-resident withholding tax	405	480	491	525	551	578	604
Foreign-source dividend w/holding payments	-	2	(3)	2	2	2	2
Total corporate tax	9,216	9,742	9,932	10,318	11,109	11,435	11,682
Other direct income tax							
Resident w/holding tax on interest income	1,629	2,005	1,811	2,086	2,421	2,860	3,278
Resident w/holding tax on dividend income	449	495	494	535	568	586	599
Total other direct income tax	2,078	2,500	2,305	2,621	2,989	3,446	3,877
Total direct income tax	38,587	41,579	41,233	43,226	46,087	48,691	51,092
Goods and services tax							
Gross goods and services tax	26,596	28,504	27,934	29,332	30,802	32,762	34,544
Refunds	(10,948)	(11,130)	(10,928)	(11,341)	(11,958)	(13,003)	(14,236)
Total goods and services tax	15,648	17,374	17,006	17,991	18,844	19,759	20,308
Other indirect taxation							
Road user charges	1,187	1,268	1,246	1,321	1,385	1,457	1,520
Petroleum fuels excise – domestic production	861	936	940	1,084	1,199	1,221	1,242
Alcohol excise – domestic production	651	681	674	697	725	755	785
Tobacco excise – domestic production	268	286	285	295	300	299	299
Customs duty	2,179	2,284	2,248	2,274	2,254	2,265	2,280
Gaming duties	208	209	213	214	214	215	216
Motor vehicle fees	178	195	199	200	203	205	208
Approved issuer levy and cheque duty	51	65	52	51	51	51	51
Energy resources levies	35	36	33	34	34	34	34
Total other indirect taxation	5,618	5,960	5,890	6,170	6,365	6,502	6,635
Total indirect taxation	21,266	23,334	22,896	24,161	25,209	26,261	26,943
Total taxation receipts	59,853	64,913	64,129	67,387	71,296	74,952	78,035
Other sovereign receipts (cash)							
ACC levies	3,579	3,174	3,219	2,771	2,880	2,949	3,046
Fire Service levies	340	348	350	351	354	359	364
EQC levies	273	282	284	284	287	290	293
Child support	219	252	217	228	231	238	248
Court fines	149	137	137	137	137	137	130
Other miscellaneous items	414	452	466	470	430	427	428
Total other sovereign receipts	4,974	4,645	4,673	4,241	4,319	4,400	4,509
Total sovereign receipts	64,827	69,558	68,802	71,628	75,615	79,352	82,544

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	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	2,516	3,101	3,075	3,526	4,181	4,622	4,957
Dividends	659	571	634	655	702	740	786
Total interest revenue and dividends	3,175	3,672	3,709	4,181	4,883	5,362	5,743
<i>By source</i>							
Core Crown	2,295	2,492	2,372	2,687	3,184	3,517	3,815
Crown entities	1,249	1,277	1,465	1,470	1,531	1,609	1,692
State-owned Enterprises	879	1,006	1,072	1,291	1,507	1,638	1,725
Inter-segment eliminations	(1,248)	(1,103)	(1,200)	(1,267)	(1,339)	(1,402)	(1,489)
Total interest revenue and dividends	3,175	3,672	3,709	4,181	4,883	5,362	5,743
NOTE 3: Transfer payments and subsidies							
New Zealand Superannuation	10,913	11,590	11,577	12,159	12,790	13,498	14,300
Jobseeker Support and Emergency Benefit	1,691	1,648	1,679	1,590	1,522	1,512	1,541
Supported Living Payment	1,422	1,518	1,513	1,534	1,552	1,572	1,588
Sole Parent Support	1,222	1,243	1,187	1,175	1,162	1,155	1,157
Family tax credit	1,965	1,934	1,890	1,869	1,917	2,050	1,978
Other working for families tax credits	567	527	557	558	556	551	549
Accommodation Assistance	1,146	1,141	1,132	1,131	1,127	1,138	1,158
Income related rents	660	718	718	775	825	879	935
Disability assistance	379	373	379	383	384	385	387
Student allowances	539	531	523	533	550	564	567
Other social assistance benefits	1,519	1,293	1,350	1,407	1,437	1,420	1,426
Total social assistance grants	22,023	22,516	22,505	23,114	23,822	24,724	25,586
Subsidies							
KiwiSaver subsidies	804	827	854	824	851	891	930
Other transfer payments							
Official development assistance	533	533	531	542	573	586	586
Total transfer payments and subsidies	23,360	23,876	23,890	24,480	25,246	26,201	27,102
NOTE 4: Personnel expenses							
<i>By source</i>							
Core Crown	6,232	6,361	6,507	6,560	6,566	6,602	6,579
Crown entities	11,315	11,607	11,688	11,905	12,035	12,174	12,295
State-owned Enterprises	2,956	2,923	2,874	2,926	3,005	3,081	3,143
Inter-segment eliminations	(19)	(10)	(11)	(11)	(11)	(11)	(12)
Total personnel expenses	20,484	20,881	21,058	21,380	21,595	21,846	22,005
NOTE 5: Depreciation and amortisation							
<i>By source</i>							
Core Crown	1,476	1,533	1,497	1,579	1,580	1,601	1,596
Crown entities	1,661	1,710	1,698	1,793	1,836	1,851	1,872
State-owned Enterprises	1,735	1,639	1,649	1,658	1,686	1,735	1,693
Inter-segment eliminations	-	-	-	-	-	-	-
Total depreciation and amortisation	4,872	4,882	4,844	5,030	5,102	5,187	5,161
NOTE 6: Other operating expenses							
<i>By source</i>							
Core Crown	36,779	38,038	38,135	37,971	37,575	37,760	37,763
Crown entities	17,297	17,759	18,095	18,154	18,186	18,063	17,999
State-owned Enterprises	9,042	9,556	9,237	9,640	9,977	10,422	10,622
Inter-segment eliminations	(27,565)	(27,833)	(28,258)	(28,514)	(28,757)	(28,960)	(29,055)
Total other operating expenses	35,553	37,520	37,209	37,251	36,981	37,285	37,329

Notes to the Forecast Financial Statements

	2014 Actual \$m	2015 Previous Budget \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m	2019 Forecast \$m
--	-----------------------	-----------------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

NOTE 7: Interest expenses

By type

Interest on financial liabilities	4,360	4,721	4,615	4,928	5,418	5,559	5,550
Interest unwind on provisions	40	42	50	60	63	50	49
Total interest expenses	4,400	4,763	4,665	4,988	5,481	5,609	5,599

By source

Core Crown	3,620	3,883	3,816	3,903	4,200	4,273	4,309
Crown entities	219	237	224	222	235	237	243
State-owned Enterprises	1,161	1,295	1,348	1,543	1,722	1,810	1,788
Inter-segment eliminations	(600)	(652)	(723)	(680)	(676)	(711)	(741)
Total interest expenses	4,400	4,763	4,665	4,988	5,481	5,609	5,599

NOTE 8: Insurance expenses

By entity

ACC	3,484	3,561	3,675	4,103	4,355	4,592	4,888
EQC	(111)	34	(21)	141	221	226	227
Southern Response	87	(89)	12	(51)	(26)	(10)	-
Other (incl. inter-segment eliminations)	41	11	12	13	13	14	13
Total insurance expenses	3,501	3,517	3,678	4,206	4,563	4,822	5,128

NOTE 9: Forecast new spending and top-down expense adjustment

	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m	2019 Forecast \$m
Forecast new operating spending					
Unallocated contingencies	123	239	239	218	265
Forecast new spending for Budget 2015	-	917	937	943	933
Forecast new spending for Budget 2016	-	-	1,000	1,000	1,000
Forecast new spending for Budget 2017	-	-	-	2,500	2,500
Forecast new spending for Budget 2018	-	-	-	-	1,500
Total forecast new operating spending	123	1,156	2,176	4,661	6,198
Operating top-down adjustment	(950)	(595)	(460)	(435)	(395)

Unallocated contingencies represent expenses included in Budget 2014 and previous Budgets that have yet to be allocated. Forecast new spending indicates the expected spending increases from future Budgets.

The operating allowance for Budget 2015 is \$1 billion. Some of this allowance has been pre-committed to departments' baselines as at the forecast finalisation date of 24 November 2014 with only the unallocated portion of the allowance included in the forecast new spending line. The pre-committed portion is forecast in the appropriate expense (or revenue line) that it relates to.

	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m	2019 Forecast \$m	Post-2019 Forecast \$m	Total Forecast \$m
Forecast new capital spending (annual)							
Unallocated contingencies	110	61	97	-	-	-	268
Forecast new spending for Budget 2015	3	285	235	175	-	-	698
Forecast new spending for Budget 2016	-	100	300	250	180	-	830
Forecast new spending for Budget 2017	-	-	100	300	250	250	900
Forecast new spending for Budget 2018	-	-	-	100	300	518	918
Forecast new spending for Budget 2019	-	-	-	-	100	836	936
Total forecast new capital spending	113	446	732	825	830	1,604	4,550
Forecast new capital spending (cumulative)	113	559	1,292	2,117	2,947		
Capital top-down adjustment (cumulative)	(575)	(850)	(975)	(1,050)	(1,125)		

Unallocated contingencies represent capital spending from Budget 2014 and previous Budgets that has yet to be allocated. Forecast new spending indicates the expected capital spending increases from future Budgets.

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 10: Gains and losses on financial instruments							
By source							
Core Crown	4,045	2,378	3,140	2,494	2,565	2,689	2,849
Crown entities	702	373	994	344	381	417	454
State-owned Enterprises	161	52	39	79	48	34	7
Inter-segment eliminations	(88)	(220)	(199)	(260)	(250)	(267)	(276)
Net gains/(losses) on financial instruments	4,820	2,583	3,974	2,657	2,744	2,873	3,034
NOTE 11: Gains and losses on non-financial instruments							
By type							
Actuarial gains/(losses) on GSF liability	577	-	(405)	-	-	-	-
Actuarial gains/(losses) on ACC outstanding claims	479	-	(1,316)	-	-	-	-
Other	(516)	(82)	(61)	(58)	(50)	(51)	(52)
Net gains/(losses) on non-financial instruments	540	(82)	(1,782)	(58)	(50)	(51)	(52)
By source							
Core Crown	220	(13)	(445)	(1)	(1)	(1)	(1)
Crown entities	477	(69)	(1,333)	(39)	(40)	(41)	(42)
State-owned Enterprises	(156)	(20)	(5)	(19)	(9)	(9)	(9)
Inter-segment eliminations	(1)	20	1	1	-	-	-
Net gains/(losses) on non-financial instruments	540	(82)	(1,782)	(58)	(50)	(51)	(52)
NOTE 12: Operating balance (excluding minority interests)							
By source							
Core Crown	203	1,871	1,212	2,851	5,182	5,614	6,775
Crown entities	2,874	1,357	715	705	540	721	731
State-owned Enterprises	428	593	513	747	804	833	933
Inter-segment eliminations	(697)	(719)	(540)	(828)	(908)	(947)	(1,019)
Total operating balance	2,808	3,102	1,900	3,475	5,618	6,221	7,420
NOTE 13: Financial assets							
Cash and cash equivalents	11,888	10,498	11,166	10,338	11,020	11,855	12,627
Tax receivables	8,112	8,664	8,917	9,346	9,759	10,244	10,552
Trade and other receivables	9,368	7,946	8,685	8,141	7,927	8,047	8,194
Student loans (refer note 14)	8,716	9,024	8,990	9,294	9,569	9,821	10,018
Kiwibank mortgages	14,630	16,361	16,037	17,446	19,026	20,528	22,176
Long-term deposits	3,844	1,986	3,336	3,210	3,274	3,459	3,737
IMF financial assets	2,142	2,557	2,791	2,835	2,876	2,917	2,958
Other advances	1,410	1,241	1,401	1,396	1,380	1,329	1,349
Share investments	20,596	21,234	22,718	24,120	25,682	27,348	29,123
Derivatives in gain	4,164	2,797	2,813	2,518	2,520	2,547	2,630
Other marketable securities	38,307	35,391	36,519	38,523	46,609	44,348	42,988
Total financial assets	123,177	117,699	123,373	127,167	139,642	142,443	146,352
Financial assets by entity							
NZDMO	18,873	13,555	13,411	15,099	22,433	18,048	15,258
Reserve Bank of New Zealand	19,740	18,657	18,408	18,613	18,977	18,642	18,715
NZS Fund	26,990	27,419	29,167	30,719	32,950	35,365	37,986
Other core Crown	22,953	21,202	24,346	24,445	24,616	25,509	26,184
Intra-segment eliminations	(8,473)	(6,318)	(7,439)	(7,266)	(7,730)	(6,927)	(6,937)
Total core Crown segment	80,083	74,515	77,893	81,610	91,246	90,637	91,206
ACC portfolio	29,891	32,539	32,616	34,111	35,950	37,891	39,800
EQC portfolio	2,871	102	1,431	559	636	615	596
Other Crown entities	11,546	7,852	10,042	8,375	8,205	8,344	8,668
Intra-segment eliminations	(2,464)	(1,777)	(2,315)	(2,283)	(2,276)	(2,270)	(2,272)
Total Crown entities segment	41,844	38,716	41,774	40,762	42,515	44,580	46,792
Total state-owned enterprises segment	21,151	23,459	23,318	24,840	26,699	28,642	30,411
Inter-segment eliminations	(19,901)	(18,991)	(19,612)	(20,045)	(20,818)	(21,416)	(22,057)
Total financial assets	123,177	117,699	123,373	127,167	139,642	142,443	146,352

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 14: Student loans							
Nominal value (including accrued interest)	14,235	14,790	14,793	15,366	15,912	16,452	16,960
Opening book value	8,288	8,752	8,716	8,990	9,294	9,569	9,821
Amount borrowed in current year	1,512	1,586	1,537	1,600	1,656	1,715	1,758
Less initial write-down to fair value	(630)	(668)	(638)	(643)	(666)	(690)	(707)
Repayments made during the year	(1,032)	(1,158)	(1,131)	(1,180)	(1,261)	(1,335)	(1,430)
Interest unwind	579	601	596	616	634	651	665
Impairment	(12)	(100)	(100)	(100)	(100)	(100)	(100)
Other movements	11	11	10	11	12	11	11
Closing book value	8,716	9,024	8,990	9,294	9,569	9,821	10,018

NOTE 15: Property, plant and equipment

By class of asset

Net carrying value¹

Land	37,138	35,030	37,379	37,217	37,025	37,027	37,033
Buildings	27,396	27,365	28,528	29,936	30,765	30,849	30,923
State highways	19,709	19,797	21,102	22,509	23,871	25,079	26,275
Electricity generation assets	13,941	13,529	13,778	13,607	13,472	13,229	13,056
Electricity distribution network (cost)	3,992	4,261	4,130	4,243	4,352	4,460	4,548
Specialist military equipment	2,891	3,080	3,146	3,302	3,268	3,123	3,003
Specified cultural and heritage assets	2,975	2,679	3,073	3,098	3,119	3,129	3,150
Aircraft (excluding military)	2,287	3,269	2,780	3,211	3,407	3,505	3,377
Rail network	936	1,372	1,089	1,190	1,305	1,345	1,401
Other plant and equipment (cost)	5,041	5,491	5,041	5,010	4,904	4,816	4,722
Total property, plant and equipment	116,306	115,873	120,046	123,323	125,488	126,562	127,488

By source

Core Crown	30,963	31,334	32,242	33,450	34,033	33,931	33,852
Crown entities	56,802	54,618	58,945	60,782	62,317	63,723	65,125
State-owned enterprises	28,541	29,921	28,859	29,091	29,138	28,908	28,511
Inter-segment eliminations	-	-	-	-	-	-	-
Total property, plant and equipment	116,306	115,873	120,046	123,323	125,488	126,562	127,488

Land breakdown by usage

Housing	11,361	9,410	11,371	11,089	10,882	10,670	10,451
State highway corridor land	8,853	8,303	8,853	8,881	8,923	9,073	9,223
Conservation land	5,432	5,385	5,439	5,461	5,471	5,471	5,472
Rail network	3,256	3,234	3,231	3,211	3,201	3,191	3,181
Schools	3,167	2,875	3,175	3,170	3,165	3,160	3,160
Commercial (SOEs) excluding Rail	1,312	1,489	1,327	1,363	1,378	1,420	1,462
Other	3,757	4,334	3,983	4,042	4,005	4,042	4,084
Total land	37,138	35,030	37,379	37,217	37,025	37,027	37,033

1. Using a revaluation methodology unless otherwise stated.

Notes to the Forecast Financial Statements

	2014 Actual \$m	2015 Previous Budget \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m	2019 Forecast \$m
NOTE 15 (continued): Property, plant and equipment							
Schedule of movements							
Cost or valuation							
Opening balance	122,796	129,107	130,342	138,302	145,885	152,416	157,966
Additions (refer below for further breakdown)	6,672	8,678	8,663	8,512	7,403	6,332	6,174
Disposals	(1,432)	(865)	(656)	(868)	(841)	(751)	(756)
Net revaluations	3,038	-	(2)	-	-	-	-
Other ¹	(732)	(37)	(45)	(61)	(31)	(31)	(38)
Total cost or valuation	130,342	136,883	138,302	145,885	152,416	157,966	163,346
Accumulated depreciation and impairment							
Opening balance	12,963	16,843	14,036	18,256	22,562	26,928	31,404
Eliminated on disposal	(813)	(52)	(62)	(48)	(47)	(51)	(49)
Eliminated on revaluation	(2,133)	-	-	-	-	-	-
Impairment losses charged to operating balance	346	-	-	-	-	-	-
Depreciation expense	3,805	4,224	4,192	4,332	4,397	4,502	4,493
Other ¹	(132)	(5)	90	22	16	25	10
Total accumulated depreciation and impairment	14,036	21,010	18,256	22,562	26,928	31,404	35,858
Total property, plant and equipment	116,306	115,873	120,046	123,323	125,488	126,562	127,488
Additions – by functional classification							
Transport	2,363	3,235	3,325	3,271	2,944	2,746	2,484
Economic	1,108	717	759	661	740	684	714
Education	529	895	913	973	885	723	750
Health	443	803	762	720	727	427	403
Defence	386	619	626	601	408	307	339
Other	1,843	2,409	2,278	2,286	1,699	1,445	1,484
Total additions to property, plant and equipment²	6,672	8,678	8,663	8,512	7,403	6,332	6,174

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

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 16: Intangible assets and goodwill

By type

Goodwill	628	650	613	613	613	613	613
Other intangible assets	2,292	2,284	2,453	2,480	2,523	2,470	2,417
Total intangible assets and goodwill	2,920	2,934	3,066	3,093	3,136	3,083	3,030

By source

Core Crown	1,184	1,182	1,281	1,310	1,424	1,414	1,402
Crown entities	542	587	612	623	555	517	479
State-owned Enterprises	1,194	1,165	1,173	1,160	1,157	1,152	1,149
Inter-segment eliminations	-	-	-	-	-	-	-
Total intangible assets and goodwill	2,920	2,934	3,066	3,093	3,136	3,083	3,030

Notes to the Forecast Financial Statements

	2014 Actual \$m	2015 Previous Budget \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m	2019 Forecast \$m
NOTE 17: NZS Fund							
Revenue	767	685	730	795	874	958	1,048
Less current tax expense	1,074	585	576	662	715	773	835
Less other expenses	164	157	151	167	191	213	236
Add gains/(losses)	3,735	1,914	2,338	2,128	2,286	2,456	2,641
Operating balance	3,264	1,857	2,341	2,094	2,254	2,428	2,618
Opening net worth	22,549	25,157	25,809	28,179	30,301	32,591	35,064
Operating balance	3,264	1,857	2,341	2,094	2,254	2,428	2,618
Other movements in reserves	(4)	19	29	28	36	45	54
Closing net worth	25,809	27,033	28,179	30,301	32,591	35,064	37,736
Comprising:							
Financial assets	26,990	27,419	29,167	30,719	32,950	35,365	37,986
Financial liabilities	(2,323)	(1,557)	(2,233)	(1,762)	(1,818)	(1,881)	(1,948)
Net other assets	1,142	1,171	1,245	1,344	1,459	1,580	1,698
Closing net worth	25,809	27,033	28,179	30,301	32,591	35,064	37,736
NOTE 18: Payables							
By type							
Accounts payable	7,626	7,439	7,768	7,643	7,885	7,463	7,712
Taxes repayable	3,668	4,435	4,551	4,952	5,513	6,140	6,570
Total payables	11,294	11,874	12,319	12,595	13,398	13,603	14,282
By source							
Core Crown	7,800	7,856	8,370	8,595	9,429	9,672	10,382
Crown entities	5,382	5,270	5,449	5,375	5,256	5,107	5,000
State-owned Enterprises	4,832	5,146	5,066	5,149	5,276	5,340	5,379
Inter-segment eliminations	(6,720)	(6,398)	(6,566)	(6,524)	(6,563)	(6,516)	(6,479)
Total payables	11,294	11,874	12,319	12,595	13,398	13,603	14,282

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

NOTE 19: Insurance liabilities

By entity

ACC	29,948	30,383	32,472	33,915	35,560	37,282	39,016
EQC	4,747	364	2,814	297	188	188	190
Southern Response	1,434	466	817	308	66	-	-
Other (incl. inter-segment eliminations)	(304)	59	70	72	74	76	79
Total insurance liabilities	35,825	31,272	36,173	34,592	35,888	37,546	39,285

ACC liability

Calculation information

PwC NZ has prepared an independent actuarial estimate of the ACC outstanding claims liability as at 30 June 2014. 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 2014. The equivalent single effective discount rate, taking into account ACC's projected future cash flow patterns, is 4.80% and allows for a long-term discount rate of 5.5% 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

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 as assets in the Statement of Financial Position.

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

Gross ACC liability

Opening gross liability	29,446	29,209	29,948	32,472	33,915	35,560	37,282
Net change	502	1,174	2,524	1,443	1,645	1,722	1,734
Closing gross liability	29,948	30,383	32,472	33,915	35,560	37,282	39,016

Less net assets available to ACC

Opening net asset value	27,193	29,309	29,840	32,536	34,258	36,071	38,014
Net change	2,647	2,042	2,696	1,722	1,813	1,943	1,917
Closing net asset value	29,840	31,351	32,536	34,258	36,071	38,014	39,931

Net ACC reserves (net liability)

Opening reserves position	(2,253)	100	(108)	64	343	511	732
Net change	2,145	868	172	279	168	221	183
Closing reserves position (net liability)/net asset	(108)	968	64	343	511	732	915

Notes to the Forecast Financial Statements

NOTE 19 (continued): Insurance liabilities

EQC liability

Calculation information

Melville Jessup Weaver prepared an independent actuarial estimate of the EQC outstanding claims liability at 30 June 2014 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 2014 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.

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
EQC liability							
Opening gross liability	6,869	4,308	4,747	2,814	297	188	188
Net change	(2,122)	(3,944)	(1,933)	(2,517)	(109)	-	2
Closing gross liability	4,747	364	2,814	297	188	188	190
Less reinsurance receivable							
Opening reinsurance receivable	2,623	1,161	1,225	699	5	1	-
Net change	(1,398)	(1,111)	(526)	(694)	(4)	(1)	-
Closing reinsurance receivable	1,225	50	699	5	1	-	-
Net EQC liability							
Opening net position	(4,246)	(3,147)	(3,522)	(2,115)	(292)	(187)	(188)
Net change	724	2,833	1,407	1,823	105	(1)	(2)
Closing net position (net liability)	(3,522)	(314)	(2,115)	(292)	(187)	(188)	(190)

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

NOTE 20: Retirement plan liabilities

Government Superannuation Fund	10,886	10,385	10,900	10,563	10,221	9,862	9,484
Other funds	(1)	(5)	(9)	(9)	(9)	(9)	(9)
Total retirement plan liabilities	10,885	10,380	10,891	10,554	10,212	9,853	9,475

The net liability of the Government Superannuation Fund (GSF) was calculated by GSF's actuary as at 30 September 2014. 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 2014, based on membership data as at 30 June 2014 with adjustments for cash flows to 30 September 2014. 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 2014.

Other principal long-term financial assumptions were an inflation rate, as measured by the Consumers Price Index, of 2.1% for the nine years to 30 June 2023, then increasing by 0.04% each year reaching to 2.5% in the year ending 30 June 2033 and remaining at 2.5% pa for all years after that. In addition an annual salary growth rate, before any promotional effects, of 3% (unchanged from 30 June 2014).

The 2014/15 projected increase in the net GSF liability is \$14 million, reflecting an increase in the GSF liability of \$220 million and an increase in the GSF net assets of \$206 million.

The increase in the GSF liability of \$220 million includes an actuarial loss between 1 July 2014 and 30 September 2014, of \$526 million, owing to movements in the discount rates. The remaining \$306 million reduction is owing to lower than 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 \$206 million includes a gain of \$121 million reflecting the updated market value of assets at 30 September 2014. The balance of \$85 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 2014/15 onwards reflect the net of the expected current service cost, interest cost, investment returns and contributions.

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

GSF liability

Opening GSF liability	15,290	14,360	14,560	14,780	14,503	14,218	13,915
Net projected change	(730)	(299)	220	(277)	(285)	(303)	(325)
Closing GSF liability	14,560	14,061	14,780	14,503	14,218	13,915	13,590

Less net assets available to GSF

Opening net asset value	3,382	3,622	3,674	3,880	3,940	3,997	4,053
Investment valuation changes	395	195	337	228	231	235	238
Contribution and other income less pension payments	(103)	(141)	(131)	(168)	(174)	(179)	(185)
Closing net asset value	3,674	3,676	3,880	3,940	3,997	4,053	4,106

Net GSF liability

Opening unfunded liability	11,908	10,738	10,886	10,900	10,563	10,221	9,862
Net projected change	(1,022)	(353)	14	(337)	(342)	(359)	(378)
Closing unfunded liability	10,886	10,385	10,900	10,563	10,221	9,862	9,484

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m

NOTE 21: Provisions

Provision for employee entitlements	3,444	3,174	3,200	3,202	3,233	3,248	3,226
Provision for ETS credits	521	362	567	538	512	487	460
Provision for National Provident Fund guarantee	910	942	872	833	794	756	718
Provision for infrastructure costs	394	201	204	-	-	-	-
Provision for weathertight services financial assistance package	112	123	67	36	22	16	10
Other provisions	1,574	1,309	1,525	1,526	1,405	1,435	1,485
Total provisions	6,955	6,111	6,435	6,135	5,966	5,942	5,899

By source

Core Crown	4,208	3,562	4,045	3,569	3,194	3,132	3,053
Crown entities	2,076	2,017	1,996	2,008	2,024	2,038	2,051
State-owned Enterprises	1,177	1,016	996	1,004	1,011	1,049	1,087
Inter-segment eliminations	(506)	(484)	(602)	(446)	(263)	(277)	(292)
Total provisions	6,955	6,111	6,435	6,135	5,966	5,942	5,899

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 2014.

The ETS impact on the fiscal forecast is as follows:

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Revenue	13	46	61	105	105	107	111
Expenses	(46)	(51)	(73)	(76)	(79)	(82)	(84)
Kyoto compliant units surrender expense	(24)	(6)	(3)	-	-	-	-
Gains/(losses)	(285)	-	(31)	-	-	-	-
Operating balance	(342)	(11)	(46)	29	26	25	27

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 22: Net worth							
Taxpayers' funds	13,300	16,601	15,271	19,013	24,832	31,259	38,894
Property, plant and equipment revaluation reserve	62,225	56,509	62,153	61,884	61,684	61,479	61,262
Investment revaluation reserve	58	104	77	87	98	110	123
Cash flow hedge reserve	33	(47)	(44)	(27)	(22)	(19)	(23)
Foreign currency translation reserve	(92)	(52)	(81)	(81)	(81)	(81)	(81)
Share based payment reserve	44	-	-	-	-	-	-
Net worth attributable to minority interests	5,211	5,518	5,184	5,210	5,257	5,325	5,382
Total net worth	80,779	78,633	82,560	86,086	91,768	98,073	105,557
Taxpayers' funds							
Opening taxpayers' funds	10,862	13,344	13,300	15,271	19,013	24,832	31,259
Operating balance excluding minority interest	2,808	3,102	1,900	3,475	5,618	6,221	7,420
Government share offers in SOEs	(577)	-	-	-	-	-	-
Transfers from/(to) other reserves	229	155	51	269	201	205	217
Other movements	(22)	-	20	(2)	-	1	(2)
Closing taxpayers' funds	13,300	16,601	15,271	19,013	24,832	31,259	38,894
Property, plant and equipment revaluation reserve							
Opening revaluation reserve	57,068	56,648	62,225	62,153	61,884	61,684	61,479
Net revaluations	5,386	-	(21)	-	-	-	-
Transfers from/(to) other reserves	(229)	(139)	(51)	(269)	(200)	(205)	(217)
Closing property, plant and equipment revaluation reserve	62,225	56,509	62,153	61,884	61,684	61,479	61,262

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous Budget	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
NOTE 23: Core Crown residual cash							
Core Crown cash flows from operations							
Tax receipts	61,321	66,030	65,447	68,690	72,718	76,524	79,708
Other sovereign receipts	747	771	788	803	765	772	778
Interest, profits and dividends	1,627	1,737	1,678	1,737	2,067	2,286	2,480
Sale of goods and services and other receipts	2,397	2,307	2,232	2,075	2,264	1,857	1,843
Transfer payments and subsidies	(23,447)	(24,021)	(24,015)	(24,509)	(25,241)	(26,172)	(27,082)
Personnel and operating costs	(41,989)	(42,419)	(43,011)	(42,337)	(41,992)	(42,731)	(42,094)
Finance costs	(3,642)	(3,884)	(3,906)	(3,708)	(3,998)	(4,061)	(4,135)
Forecast for future new operating spending	-	(291)	(123)	(1,155)	(2,175)	(4,661)	(6,198)
Top-down expense adjustment	-	875	950	595	460	435	395
Net core Crown operating cash flows	(2,986)	1,105	40	2,191	4,868	4,249	5,695
Core Crown capital cash flows							
Net purchase of physical assets	(1,867)	(2,600)	(2,588)	(2,753)	(2,269)	(1,353)	(1,412)
Net increase in advances	(716)	(1,423)	(890)	(1,125)	(578)	(311)	(323)
Net purchase of investments	(865)	(2,060)	(1,661)	(1,670)	(1,539)	(1,283)	(1,364)
Government share offer programme	2,325	628	628	-	-	-	-
Forecast for future new capital spending	-	(326)	(113)	(446)	(732)	(825)	(830)
Top-down capital adjustment	-	370	575	275	125	75	75
Net core Crown capital cash flows	(1,123)	(5,411)	(4,049)	(5,719)	(4,993)	(3,697)	(3,854)
Residual cash (deficit)/surplus	(4,109)	(4,306)	(4,009)	(3,528)	(125)	552	1,841
<i>The residual cash (deficit)/surplus is funded or invested as follows:</i>							
Debt programme cash flows							
Market:							
Issue of government bonds	7,716	8,046	8,137	7,210	7,151	6,961	6,898
Repayment of government bonds	(2,196)	(8,805)	(8,684)	(1,802)	-	(11,312)	(11,455)
Net issue/(repayment) of short-term borrowing ¹	(935)	720	1,180	(200)	-	-	-
Total market debt cash flows	4,585	(39)	633	5,208	7,151	(4,351)	(4,557)
Non-market:							
Repayment of government bonds	-	(1,427)	(760)	(675)	-	-	-
Net issue/(repayment) of short-term borrowing	-	(500)	(480)	(100)	-	-	-
Total non-market debt cash flows	-	(1,927)	(1,240)	(775)	-	-	-
Total debt programme cash flows	4,585	(1,966)	(607)	4,433	7,151	(4,351)	(4,557)
Other borrowing cash flows							
Net (repayment)/issue of other New Zealand dollar borrowing	(674)	1,136	852	704	(41)	740	(41)
Net (repayment)/issue of foreign currency borrowing	1,083	(842)	(1,523)	(685)	(36)	(641)	42
Total other borrowing cash flows	409	294	(671)	19	(77)	99	1
Investing cash flows							
Net sale/(purchase) of marketable securities and deposits	(1,510)	5,830	4,731	(1,074)	(7,103)	3,541	2,552
Issues of circulating currency	274	152	130	155	159	164	169
Decrease/(increase) in cash	351	(4)	426	(5)	(5)	(5)	(6)
Total investing cash flows	(885)	5,978	5,287	(924)	(6,949)	3,700	2,715
Residual cash deficit/(surplus) funding or investing	4,109	4,306	4,009	3,528	125	(552)	(1,841)

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
	2014	2014	2014	2014	2014
	Actual	Actual	Actual	Actual	Actual
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance					
for the year ended 30 June 2014					
Revenue					
Taxation revenue	61,474	-	-	(595)	60,879
Other sovereign revenue	1,201	5,409	-	(1,160)	5,450
Revenue from core Crown funding	-	24,782	187	(24,969)	-
Sales of goods and services	1,488	1,868	13,650	(534)	16,472
Interest revenue and dividends	2,295	1,249	879	(1,248)	3,175
Other revenue	839	2,090	772	(281)	3,420
Total revenue (excluding gains)	67,297	35,398	15,488	(28,787)	89,396
Expenses					
Social assistance and official development assistance	23,360	-	-	-	23,360
Personnel expenses	6,232	11,315	2,956	(19)	20,484
Other operating expenses	38,255	18,958	10,777	(27,565)	40,425
Interest expenses	3,620	219	1,161	(600)	4,400
Insurance expenses	-	3,464	14	23	3,501
Forecast for future new spending and top-down adjustment	-	-	-	-	-
Total expenses (excluding losses)	71,467	33,956	14,908	(28,161)	92,170
Minority interest share of operating balance before gains/(losses)	-	18	(173)	(4)	(159)
Operating balance before gains/(losses)	(4,170)	1,460	407	(630)	(2,933)
Total gains/(losses)	4,265	1,179	5	(68)	5,381
Net surplus/(deficit) from associates and joint ventures	108	235	16	1	360
Operating balance	203	2,874	428	(697)	2,808
Expenses by functional classification					
Social security and welfare	23,281	4,526	-	(541)	27,266
Health	14,898	12,640	-	(13,194)	14,344
Education	12,300	9,622	4	(8,862)	13,064
Transport and communications	2,237	2,289	6,909	(2,298)	9,137
Other	15,131	4,660	6,834	(2,666)	23,959
Finance costs	3,620	219	1,161	(600)	4,400
Forecast for future new spending and top-down adjustment	-	-	-	-	-
Total Crown expenses (excluding losses)	71,467	33,956	14,908	(28,161)	92,170
Statement of Financial Position					
as at 30 June 2014					
Assets					
Cash and cash equivalents	8,227	2,780	1,574	(693)	11,888
Receivables	11,819	6,379	1,762	(2,480)	17,480
Other financial assets	60,037	32,685	17,815	(16,728)	93,809
Property, plant and equipment	30,963	56,802	28,541	-	116,306
Equity accounted investments	32,543	8,627	192	(31,291)	10,071
Intangible assets and goodwill	1,184	542	1,194	-	2,920
Inventory and other assets	1,633	607	1,404	(35)	3,609
Forecast for new capital spending and top-down adjustment	-	-	-	-	-
Total assets	146,406	108,422	52,482	(51,227)	256,083
Liabilities					
Borrowings	89,090	5,155	26,185	(17,011)	103,419
Other liabilities	28,442	43,836	7,245	(7,638)	71,885
Total liabilities	117,532	48,991	33,430	(24,649)	175,304
Total assets less total liabilities	28,874	59,431	19,052	(26,578)	80,779
Net worth					
Taxpayers' funds	11,971	27,744	3,358	(29,773)	13,300
Reserves	16,903	31,627	10,111	3,627	62,268
Net worth attributable to minority interest	-	60	5,583	(432)	5,211
Total net worth	28,874	59,431	19,052	(26,578)	80,779

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	65,626	-	-	(585)	65,041
Other sovereign revenue	1,250	4,964	-	(1,111)	5,103
Revenue from core Crown funding	-	25,369	142	(25,511)	-
Sales of goods and services	1,400	1,908	13,874	(537)	16,645
Interest revenue and dividends	2,372	1,465	1,072	(1,200)	3,709
Other revenue	818	2,455	953	(424)	3,802
Total revenue (excluding gains)	71,466	36,161	16,041	(29,368)	94,300
Expenses					
Social assistance and official development assistance	23,890	-	-	-	23,890
Personnel expenses	6,507	11,688	2,874	(11)	21,058
Other operating expenses	39,632	19,793	10,886	(28,258)	42,053
Interest expenses	3,816	224	1,348	(723)	4,665
Insurance expenses	-	3,670	8	-	3,678
Forecast for future new spending and top-down adjustment	(827)	-	-	-	(827)
Total expenses (excluding losses)	73,018	35,375	15,116	(28,992)	94,517
Minority interest share of operating balance before gains/(losses)	-	25	(416)	36	(355)
Operating balance before gains/(losses)	(1,552)	811	509	(340)	(572)
Total gains/(losses)	2,695	(339)	34	(234)	2,156
Net surplus/(deficit) from associates and joint ventures	69	243	(30)	34	316
Operating balance	1,212	715	513	(540)	1,900
Expenses by functional classification					
<i>Social security and welfare</i>	23,917	4,811	-	(528)	28,200
<i>Health</i>	15,110	12,947	-	(13,229)	14,828
<i>Education</i>	12,861	9,908	1	(9,175)	13,595
<i>Transport and communications</i>	2,297	2,550	7,090	(2,392)	9,545
<i>Other</i>	15,844	4,935	6,677	(2,945)	24,511
<i>Finance costs</i>	3,816	224	1,348	(723)	4,665
Forecast for future new spending and top-down adjustment	(827)	-	-	-	(827)
Total Crown expenses (excluding losses)	73,018	35,375	15,116	(28,992)	94,517
Statement of Financial Position					
as at 30 June 2015					
Assets					
Cash and cash equivalents	7,525	2,775	1,464	(598)	11,166
Receivables	12,048	5,515	2,056	(2,017)	17,602
Other financial assets	58,320	33,484	19,798	(16,997)	94,605
Property, plant and equipment	32,242	58,945	28,859	-	120,046
Equity accounted investments	34,259	9,014	215	(32,969)	10,519
Intangible assets and goodwill	1,281	612	1,173	-	3,066
Inventory and other assets	1,541	601	1,271	(32)	3,381
Forecast for new capital spending and top-down adjustment	(462)	-	-	-	(462)
Total assets	146,754	110,946	54,836	(52,613)	259,923
Liabilities					
Borrowings	87,600	5,665	28,380	(17,203)	104,442
Other liabilities	29,017	43,800	7,313	(7,209)	72,921
Total liabilities	116,617	49,465	35,693	(24,412)	177,363
Total assets less total liabilities	30,137	61,481	19,143	(28,201)	82,560
Net worth					
Taxpayers' funds	13,227	29,837	3,555	(31,348)	15,271
Reserves	16,910	31,577	10,044	3,574	62,105
Net worth attributable to minority interest	-	67	5,544	(427)	5,184
Total net worth	30,137	61,481	19,143	(28,201)	82,560

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	69,178	-	-	(688)	68,490
Other sovereign revenue	1,348	4,829	-	(1,231)	4,946
Revenue from core Crown funding	-	25,478	109	(25,587)	-
Sales of goods and services	1,373	1,966	14,548	(542)	17,345
Interest revenue and dividends	2,687	1,470	1,291	(1,267)	4,181
Other revenue	746	2,656	994	(494)	3,902
Total revenue (excluding gains)	75,332	36,399	16,942	(29,809)	98,864
Expenses					
Social assistance and official development assistance	24,480	-	-	-	24,480
Personnel expenses	6,560	11,905	2,926	(11)	21,380
Other operating expenses	39,550	19,947	11,298	(28,514)	42,281
Interest expenses	3,903	222	1,543	(680)	4,988
Insurance expenses	2	4,196	9	(1)	4,206
Forecast for future new spending and top-down adjustment	561	-	-	-	561
Total expenses (excluding losses)	75,056	36,270	15,776	(29,206)	97,896
Minority interest share of operating balance before gains/(losses)	-	24	(463)	36	(403)
Operating balance before gains/(losses)	276	153	703	(567)	565
Total gains/(losses)	2,493	305	60	(283)	2,575
Net surplus/(deficit) from associates and joint ventures	82	247	(16)	22	335
Operating balance	2,851	705	747	(828)	3,475
Expenses by functional classification					
<i>Social security and welfare</i>	24,519	5,294	-	(540)	29,273
<i>Health</i>	15,145	12,872	-	(13,286)	14,731
<i>Education</i>	12,968	10,065	1	(9,285)	13,749
<i>Transport and communications</i>	2,200	2,610	7,243	(2,467)	9,586
<i>Other</i>	15,760	5,207	6,989	(2,948)	25,008
<i>Finance costs</i>	3,903	222	1,543	(680)	4,988
Forecast for future new spending and top-down adjustment	561	-	-	-	561
Total Crown expenses (excluding losses)	75,056	36,270	15,776	(29,206)	97,896
Statement of Financial Position as at 30 June 2016					
Assets					
Cash and cash equivalents	7,510	2,017	1,351	(540)	10,338
Receivables	12,474	4,744	2,125	(1,856)	17,487
Other financial assets	61,626	34,001	21,364	(17,649)	99,342
Property, plant and equipment	33,450	60,782	29,091	-	123,323
Equity accounted investments	35,731	9,381	221	(34,433)	10,900
Intangible assets and goodwill	1,310	623	1,160	-	3,093
Inventory and other assets	1,575	549	1,292	(31)	3,385
Forecast for new capital spending and top-down adjustment	(291)	-	-	-	(291)
Total assets	153,385	112,097	56,604	(54,509)	267,577
Liabilities					
Borrowings	91,841	6,384	29,942	(17,825)	110,342
Other liabilities	28,547	42,165	7,452	(7,015)	71,149
Total liabilities	120,388	48,549	37,394	(24,840)	181,491
Total assets less total liabilities	32,997	63,548	19,210	(29,669)	86,086
Net worth					
Taxpayers' funds	16,078	32,177	3,582	(32,824)	19,013
Reserves	16,919	31,305	10,056	3,583	61,863
Net worth attributable to minority interest	-	66	5,572	(428)	5,210
Total net worth	32,997	63,548	19,210	(29,669)	86,086

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	73,072	-	-	(768)	72,304
Other sovereign revenue	1,105	4,898	-	(1,335)	4,668
Revenue from core Crown funding	-	25,614	105	(25,719)	-
Sales of goods and services	1,382	2,035	15,035	(551)	17,901
Interest revenue and dividends	3,184	1,531	1,507	(1,339)	4,883
Other revenue	677	2,693	1,026	(429)	3,967
Total revenue (excluding gains)	79,420	36,771	17,673	(30,141)	103,723
Expenses					
Social assistance and official development assistance	25,246	-	-	-	25,246
Personnel expenses	6,566	12,035	3,005	(11)	21,595
Other operating expenses	39,155	20,022	11,663	(28,757)	42,083
Interest expenses	4,200	235	1,722	(676)	5,481
Insurance expenses	(2)	4,553	9	3	4,563
Forecast for future new spending and top-down adjustment	1,716	-	-	-	1,716
Total expenses (excluding losses)	76,881	36,845	16,399	(29,441)	100,684
Minority interest share of operating balance before gains/(losses)	-	29	(504)	38	(437)
Operating balance before gains/(losses)	2,539	(45)	770	(662)	2,602
Total gains/(losses)	2,564	341	39	(265)	2,679
Net surplus/(deficit) from associates and joint ventures	79	244	(5)	19	337
Operating balance	5,182	540	804	(908)	5,618
Expenses by functional classification					
Social security and welfare	25,028	5,564	-	(550)	30,042
Health	15,200	12,920	-	(13,429)	14,691
Education	13,035	10,116	1	(9,292)	13,860
Transport and communications	2,245	2,663	7,523	(2,544)	9,887
Other	15,457	5,347	7,153	(2,950)	25,007
Finance costs	4,200	235	1,722	(676)	5,481
Forecast for future new spending and top-down adjustment	1,716	-	-	-	1,716
Total Crown expenses (excluding losses)	76,881	36,845	16,399	(29,441)	100,684
Statement of Financial Position as at 30 June 2017					
Assets					
Cash and cash equivalents	8,050	2,039	1,395	(464)	11,020
Receivables	12,652	4,621	2,160	(1,747)	17,686
Other financial assets	70,544	35,855	23,144	(18,607)	110,936
Property, plant and equipment	34,033	62,317	29,138	-	125,488
Equity accounted investments	37,074	9,640	226	(35,767)	11,173
Intangible assets and goodwill	1,424	555	1,157	-	3,136
Inventory and other assets	1,617	572	1,265	(31)	3,423
Forecast for new capital spending and top-down adjustment	317	-	-	-	317
Total assets	165,711	115,599	58,485	(56,616)	283,179
Liabilities					
Borrowings	98,730	6,898	31,561	(18,690)	118,499
Other liabilities	28,793	43,359	7,630	(6,870)	72,912
Total liabilities	127,523	50,257	39,191	(25,560)	191,411
Total assets less total liabilities	38,188	65,342	19,294	(31,056)	91,768
Net worth					
Taxpayers' funds	21,259	34,153	3,634	(34,214)	24,832
Reserves	16,929	31,107	10,057	3,586	61,679
Net worth attributable to minority interest	-	82	5,603	(428)	5,257
Total net worth	38,188	65,342	19,294	(31,056)	91,768

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	76,825	-	-	(836)	75,989
Other sovereign revenue	1,154	5,082	-	(1,439)	4,797
Revenue from core Crown funding	-	25,681	103	(25,784)	-
Sales of goods and services	1,408	2,121	15,597	(558)	18,568
Interest revenue and dividends	3,517	1,609	1,638	(1,402)	5,362
Other revenue	605	2,725	1,074	(386)	4,018
Total revenue (excluding gains)	83,509	37,218	18,412	(30,405)	108,734
Expenses					
Social assistance and official development assistance	26,201	-	-	-	26,201
Personnel expenses	6,602	12,174	3,081	(11)	21,846
Other operating expenses	39,361	19,914	12,157	(28,960)	42,472
Interest expenses	4,273	237	1,810	(711)	5,609
Insurance expenses	-	4,813	9	-	4,822
Forecast for future new spending and top-down adjustment	4,226	-	-	-	4,226
Total expenses (excluding losses)	80,663	37,138	17,057	(29,682)	105,176
Minority interest share of operating balance before gains/(losses)	-	19	(543)	40	(484)
Operating balance before gains/(losses)	2,846	99	812	(683)	3,074
Total gains/(losses)	2,688	376	25	(280)	2,809
Net surplus/(deficit) from associates and joint ventures	80	246	(4)	16	338
Operating balance	5,614	721	833	(947)	6,221
Expenses by functional classification					
<i>Social security and welfare</i>	25,957	5,796	-	(563)	31,190
<i>Health</i>	15,248	12,887	-	(13,486)	14,649
<i>Education</i>	13,116	10,133	1	(9,306)	13,944
<i>Transport and communications</i>	2,316	2,645	7,842	(2,655)	10,148
<i>Other</i>	15,527	5,440	7,404	(2,961)	25,410
<i>Finance costs</i>	4,273	237	1,810	(711)	5,609
Forecast for future new spending and top-down adjustment	4,226	-	-	-	4,226
Total Crown expenses (excluding losses)	80,663	37,138	17,057	(29,682)	105,176
Statement of Financial Position as at 30 June 2018					
Assets					
Cash and cash equivalents	8,634	1,987	1,698	(464)	11,855
Receivables	13,172	4,623	2,257	(1,761)	18,291
Other financial assets	68,831	37,970	24,687	(19,191)	112,297
Property, plant and equipment	33,931	63,723	28,908	-	126,562
Equity accounted investments	38,363	9,894	231	(37,046)	11,442
Intangible assets and goodwill	1,414	517	1,152	-	3,083
Inventory and other assets	1,584	591	1,226	(31)	3,370
Forecast for new capital spending and top-down adjustment	1,067	-	-	-	1,067
Total assets	166,996	119,305	60,159	(58,493)	287,967
Liabilities					
Borrowings	94,429	7,159	32,973	(19,255)	115,306
Other liabilities	28,752	44,886	7,788	(6,838)	74,588
Total liabilities	123,181	52,045	40,761	(26,093)	189,894
Total assets less total liabilities	43,815	67,260	19,398	(32,400)	98,073
Net worth					
Taxpayers' funds	26,873	36,251	3,692	(35,557)	31,259
Reserves	16,942	30,901	10,060	3,586	61,489
Net worth attributable to minority interest	-	108	5,646	(429)	5,325
Total net worth	43,815	67,260	19,398	(32,400)	98,073

Forecast Statement of Segments (continued)

	Core Crown 2019 Forecast \$m	Crown entities 2019 Forecast \$m	State-owned Enterprises 2019 Forecast \$m	Inter-segment eliminations 2019 Forecast \$m	Total Crown 2019 Forecast \$m
Statement of Financial Performance for the year ended 30 June 2019					
Revenue					
Taxation revenue	79,981	-	-	(879)	79,102
Other sovereign revenue	1,186	5,252	-	(1,533)	4,905
Revenue from core Crown funding	-	25,655	103	(25,758)	-
Sales of goods and services	1,434	2,188	15,845	(564)	18,903
Interest revenue and dividends	3,815	1,692	1,725	(1,489)	5,743
Other revenue	583	2,790	1,093	(370)	4,096
Total revenue (excluding gains)	86,999	37,577	18,766	(30,593)	112,749
Expenses					
Social assistance and official development assistance	27,102	-	-	-	27,102
Personnel expenses	6,579	12,295	3,143	(12)	22,005
Other operating expenses	39,359	19,871	12,315	(29,055)	42,490
Interest expenses	4,309	243	1,788	(741)	5,599
Insurance expenses	1	5,118	9	-	5,128
Forecast for future new spending and top-down adjustment	5,803	-	-	-	5,803
Total expenses (excluding losses)	83,153	37,527	17,255	(29,808)	108,127
Minority interest share of operating balance before gains/(losses)	-	22	(585)	42	(521)
Operating balance before gains/(losses)	3,846	72	926	(743)	4,101
Total gains/(losses)	2,848	412	(2)	(277)	2,981
Net surplus/(deficit) from associates and joint ventures	81	247	9	1	338
Operating balance	6,775	731	933	(1,019)	7,420
Expenses by functional classification					
<i>Social security and welfare</i>	26,842	6,111	-	(574)	32,379
<i>Health</i>	15,333	12,897	-	(13,568)	14,662
<i>Education</i>	13,134	10,127	1	(9,284)	13,978
<i>Transport and communications</i>	2,306	2,645	8,004	(2,664)	10,291
<i>Other</i>	15,426	5,504	7,462	(2,977)	25,415
<i>Finance costs</i>	4,309	243	1,788	(741)	5,599
Forecast for future new spending and top-down adjustment	5,803	-	-	-	5,803
Total Crown expenses (excluding losses)	83,153	37,527	17,255	(29,808)	108,127
Statement of Financial Position as at 30 June 2019					
Assets					
Cash and cash equivalents	9,272	1,901	1,914	(460)	12,627
Receivables	13,601	4,670	2,275	(1,800)	18,746
Other financial assets	68,333	40,221	26,222	(19,797)	114,979
Property, plant and equipment	33,852	65,125	28,511	-	127,488
Equity accounted investments	39,735	10,142	237	(38,411)	11,703
Intangible assets and goodwill	1,402	479	1,149	-	3,030
Inventory and other assets	1,636	606	1,179	(31)	3,390
Forecast for new capital spending and top-down adjustment	1,822	-	-	-	1,822
Total assets	169,653	123,144	61,487	(60,499)	293,785
Liabilities					
Borrowings	89,904	7,335	34,061	(19,837)	111,463
Other liabilities	29,147	46,535	7,897	(6,814)	76,765
Total liabilities	119,051	53,870	41,958	(26,651)	188,228
Total assets less total liabilities	50,602	69,274	19,529	(33,848)	105,557
Net worth					
Taxpayers' funds	33,648	38,449	3,797	(37,000)	38,894
Reserves	16,954	30,686	10,059	3,582	61,281
Net worth attributable to minority interest	-	139	5,673	(430)	5,382
Total net worth	50,602	69,274	19,529	(33,848)	105,557

