

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 1 May 2015.

The finalisation dates and key assumptions that underpin the preparation of the Forecast Financial Statements are outlined in the Fiscal Outlook chapter (pages 49 to 51).

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 2015 *Budget Economic and Fiscal Update Additional Information* document which can be found on the Treasury's website at www.treasury.govt.nz/budget/forecasts/befu2015

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.

The "Actual" Financial Statements for the year ended 30 June 2014 shown in these forecasts apply accounting policies established in accordance with New Zealand equivalents to International Financial Reporting Standards as appropriate for public benefit entities (NZ IFRS (PBE)).

As a consequence of the change in GAAP resulting from the External Reporting Board's Approved Accounting Standards Framework, the Forecast Financial Statements for the years ended 30 June 2015 to 30 June 2019 apply accounting policies established in accordance with Public Sector PBE Accounting Standards (PBE Standards) – Tier 1. These standards are based on International Public Sector Accounting Standards (IPSAS). The impact of changing from NZ IFRS (PBE) to PBE Standards is not significant. This is owing to a strong degree of convergence between the two suites of standards.

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 67 to 90.

Key forecast assumptions are set out on pages 49 to 51.

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 the 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 1 May 2015

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

Departments

Crown Law Office
 Department of Conservation
 Department of Corrections
 Department of Internal Affairs
 Department of the Prime Minister and Cabinet
 (includes Canterbury Earthquake Recovery Authority
 as a departmental agency)
 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 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 (2,417)
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
 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	65,462	68,098	71,718	75,995	79,633
Other sovereign revenue	1	5,450	5,138	5,191	5,038	4,621	4,444	4,284
Total Revenue Levied through the Crown's Sovereign Power		66,329	70,962	70,653	73,136	76,339	80,439	83,917
Sales of goods and services		16,472	17,091	16,625	17,253	17,756	18,325	18,682
Interest revenue and dividends	2	3,175	3,672	3,565	4,036	4,692	5,140	5,480
Other revenue		3,420	3,842	3,594	3,580	3,692	3,809	3,879
Total revenue earned through the Crown's operations		23,067	24,605	23,784	24,869	26,140	27,274	28,041
Total revenue (excluding gains)		89,396	95,567	94,437	98,005	102,479	107,713	111,958
Expenses								
Transfer payments and subsidies	3	23,360	23,876	23,846	24,482	25,353	26,228	27,232
Personnel expenses	4	20,484	20,881	21,182	21,594	21,699	21,868	22,025
Depreciation and amortisation	5	4,872	4,882	4,855	4,904	5,034	5,196	5,250
Other operating expenses	6	35,553	37,520	36,757	38,093	37,499	37,664	37,669
Finance costs	7	4,400	4,763	4,689	4,687	5,271	5,503	5,536
Insurance expenses	8	3,501	3,517	4,023	4,348	4,764	5,217	4,991
Forecast new operating spending	9	-	291	7	305	1,403	3,965	5,526
Top-down expense adjustment	9	-	(875)	(555)	(1,025)	(520)	(445)	(430)
Total expenses (excluding losses)		92,170	94,855	94,804	97,388	100,503	105,196	107,799
Minority interest share of operating balance before gains/(losses)		(159)	(340)	(317)	(441)	(500)	(522)	(535)
Operating balance before gains/(losses) (excluding minority interests)		(2,933)	372	(684)	176	1,476	1,995	3,624
Net gains/(losses) on financial instruments	10	4,820	2,583	6,021	2,560	2,518	2,602	2,689
Net gains/(losses) on non-financial instruments	11	540	(82)	(6,551)	(45)	(47)	(48)	(49)
Less minority interest share of net gains/losses		21	(25)	(66)	(32)	(13)	(11)	(1)
Total gains/(losses)		5,381	2,476	(596)	2,483	2,458	2,543	2,639
Net surplus/(deficit) from associates and joint ventures		360	254	646	331	333	333	334
Operating balance (excluding minority interests)	12	2,808	3,102	(634)	2,990	4,267	4,871	6,597

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	28,224	29,595	30,457	31,585	32,245
GSF pension expenses	295	409	375	371	334	322	311
Health	14,344	14,741	14,748	15,103	15,041	14,983	14,937
Education	13,064	13,571	13,772	13,894	13,990	14,031	14,033
Core government services	4,104	4,462	3,940	4,385	4,155	4,231	4,261
Law and order	3,730	3,750	3,863	3,881	3,850	3,853	3,863
Defence	1,776	1,936	1,878	2,036	2,064	2,051	2,051
Transport and communications	9,137	9,427	9,583	9,437	9,684	10,017	10,211
Economic and industrial services	7,767	7,924	8,169	7,866	7,984	8,256	8,328
Heritage, culture and recreation	2,372	2,348	2,174	2,304	2,328	2,350	2,376
Primary services	1,703	1,788	1,848	1,896	1,787	1,792	1,827
Housing and community development	1,095	1,141	1,211	1,547	1,517	1,545	1,567
Environmental protection	538	511	593	569	563	562	566
Other	579	543	285	537	595	595	591
Finance costs	4,400	4,763	4,689	4,687	5,271	5,503	5,536
Forecast new operating spending	-	291	7	305	1,403	3,965	5,526
Top-down expense adjustment	-	(875)	(555)	(1,025)	(520)	(445)	(430)
Total Crown expenses excluding losses	92,170	94,855	94,804	97,388	100,503	105,196	107,799

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	23,842	24,639	25,161	25,928	26,855
GSF pension expenses	282	395	359	355	318	305	294
Health	14,898	15,065	15,075	15,581	15,621	15,673	15,743
Education	12,300	12,827	13,021	13,134	13,211	13,255	13,249
Core government services	4,502	4,816	4,401	4,811	4,598	4,630	4,660
Law and order	3,501	3,486	3,606	3,622	3,576	3,572	3,572
Defence	1,811	1,984	1,927	2,087	2,118	2,108	2,108
Transport and communications	2,237	2,217	2,328	2,214	2,259	2,320	2,361
Economic and industrial services	2,058	2,215	2,268	2,262	2,178	2,242	2,188
Heritage, culture and recreation	842	770	779	808	784	769	754
Primary services	676	700	735	742	660	647	670
Housing and community development	347	326	357	582	497	477	472
Environmental protection	533	510	678	605	571	573	577
Other	579	543	285	537	595	595	591
Finance costs	3,620	3,883	3,977	3,676	4,080	4,217	4,254
Forecast new operating spending	-	291	7	305	1,403	3,965	5,526
Top-down expense adjustment	-	(875)	(555)	(1,025)	(520)	(445)	(430)
Total core Crown expenses excluding losses	71,467	73,107	73,090	74,935	77,110	80,831	83,444

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 Actual \$m	2015 Previous Budget \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m	2019 Forecast \$m
Operating Balance (including minority interest)	2,946	3,467	(251)	3,463	4,780	5,404	7,133
Other comprehensive income							
Revaluation of physical assets	5,395	-	(51)	-	-	-	-
Net change in hedging instruments entered into for cash flow hedges	(34)	(3)	(142)	10	-	2	(3)
Foreign currency translation differences for foreign operations	(51)	4	7	-	-	-	-
Valuation gains/(losses) on investments available for sale taken to reserves	(36)	10	24	10	11	11	12
Other movements	1	(30)	(46)	6	11	17	20
Total other comprehensive income	5,275	(19)	(208)	26	22	30	29
Total comprehensive income	8,221	3,448	(459)	3,489	4,802	5,434	7,162
Attributable to:							
- minority interest	147	365	306	480	514	534	534
- the Crown	8,074	3,083	(765)	3,009	4,288	4,900	6,628
Total comprehensive income	8,221	3,448	(459)	3,489	4,802	5,434	7,162

Forecast Statement of Changes in Net Worth

for the years ending 30 June

	2014 Actual \$m	2015 Previous Budget \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m	2019 Forecast \$m
Opening net worth	70,011	75,467	80,779	79,984	83,035	87,360	92,329
Operating balance (including minority interest)	2,946	3,467	(251)	3,463	4,780	5,404	7,133
Net revaluations	5,395	-	(51)	-	-	-	-
Transfers to/(from) reserves	(2)	10	(113)	30	20	25	24
(Gains)/losses transferred to the Statement of Financial Performance	(43)	3	7	6	8	13	13
Other movements	(75)	(32)	(51)	(10)	(6)	(8)	(8)
Comprehensive income	8,221	3,448	(459)	3,489	4,802	5,434	7,162
Gain/(loss) on Government share offers	(577)	-	-	-	-	-	-
Increase in minority interest from Government share offers ¹	3,308	-	23	-	-	-	-
Transactions with minority interest	(184)	(282)	(359)	(438)	(477)	(465)	(489)
Closing net worth	80,779	78,633	79,984	83,035	87,360	92,329	99,002

1. 2015 movement relates to the vesting of the loyalty bonus schemes on Government share offers.

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	64,650	67,001	70,605	74,865	78,456
Other sovereign receipts	4,974	4,645	4,642	4,357	4,140	4,117	4,233
Sales of goods and services	16,608	17,113	17,135	17,352	17,807	18,358	18,656
Interest and dividend receipts	2,945	3,310	3,465	3,608	4,185	4,567	4,945
Other operating receipts	5,737	4,972	4,319	4,621	3,667	3,771	3,718
Total cash provided from operations	90,117	94,953	94,211	96,939	100,404	105,678	110,008
Cash was disbursed to							
Transfer payments and subsidies	23,447	24,020	23,944	24,498	25,333	26,194	27,188
Personnel and operating payments	59,891	63,953	62,090	63,069	60,884	61,782	61,251
Interest payments	4,312	4,728	4,784	4,704	5,173	5,327	5,351
Forecast new operating spending	-	291	7	305	1,403	3,965	5,526
Top-down expense adjustment	-	(875)	(555)	(1,025)	(520)	(445)	(430)
Total cash disbursed to operations	87,650	92,117	90,270	91,551	92,273	96,823	98,886
Net cash flows from operations	2,467	2,836	3,941	5,388	8,131	8,855	11,122
Cash Flows from Investing Activities							
Cash was provided from/(disbursed to)							
Net (purchase)/sale of physical assets	(5,503)	(7,832)	(7,022)	(8,128)	(7,115)	(6,264)	(5,872)
Net (purchase)/sale of shares and other securities	(5,725)	4,339	952	(788)	(5,692)	4,095	2,391
Net (purchase)/sale of intangible assets	(658)	(576)	(601)	(744)	(655)	(436)	(426)
Net (issue)/repayment of advances	(1,529)	(1,971)	(1,786)	(1,645)	(1,698)	(1,679)	(1,743)
Net acquisition of investments in associates	73	(46)	134	(75)	31	29	42
Forecast new capital spending	-	(326)	-	(316)	(412)	(677)	(880)
Top-down capital adjustment	-	370	375	280	75	100	100
Net cash flows from investing activities	(13,342)	(6,042)	(7,948)	(11,416)	(15,466)	(4,832)	(6,388)
Net cash flows from operating and investing activities	(10,875)	(3,206)	(4,007)	(6,028)	(7,335)	4,023	4,734
Cash Flows from Financing Activities							
Cash was provided from/(disbursed to)							
Issues of circulating currency	274	152	511	164	169	174	180
Government share offer programme ¹	2,186	598	595	-	-	-	-
Net issue/(repayment) of government bonds ²	5,520	(759)	(482)	6,685	6,909	(4,809)	(5,081)
Net issue/(repayment) of foreign-currency borrowings	1,442	(838)	(2,101)	(1,494)	(464)	(1,073)	21
Net issue/(repayment) of other New Zealand dollar borrowings	(832)	3,808	6,688	965	1,819	3,003	1,507
Dividends paid to minority interests	(166)	(365)	(471)	(464)	(514)	(524)	(547)
Net cash flows from financing activities	8,424	2,596	4,740	5,856	7,919	(3,229)	(3,920)
Net movement in cash	(2,451)	(610)	733	(172)	584	794	814
Opening cash balance	14,924	11,108	11,888	13,209	13,037	13,621	14,415
Foreign-exchange gains/(losses) on opening cash	(585)	-	588	-	-	-	-
Closing cash balance	11,888	10,498	13,209	13,037	13,621	14,415	15,229

1. Excludes purchases by ACC and NZS Fund.

2. Further information on the proceeds and repayments of government 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	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$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	3,941	5,388	8,131	8,855	11,122
<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	6,021	2,560	2,518	2,602	2,689
Net gains/(losses) on non-financial instruments	540	(82)	(6,551)	(45)	(47)	(48)	(49)
Minority interest share of net gains/(losses)	21	(25)	(66)	(32)	(13)	(11)	(1)
Total gains/(losses)	5,381	2,476	(596)	2,483	2,458	2,543	2,639
Other Non-cash Items in Operating Balance							
Depreciation and amortisation	(4,872)	(4,882)	(4,855)	(4,904)	(5,034)	(5,196)	(5,250)
Write-down on initial recognition of financial assets	(789)	(838)	(738)	(773)	(777)	(790)	(805)
Impairment on financial assets (excluding receivables)	(47)	(128)	(290)	(125)	(126)	(129)	(129)
Decrease/(increase) in defined benefit retirement plan liabilities	442	353	374	370	418	440	460
Decrease/(increase) in insurance liabilities	1,409	3,629	1,538	705	(1,089)	(1,478)	(1,713)
Other	202	(86)	330	(109)	(167)	(189)	(203)
Total other non-cash items	(3,655)	(1,952)	(3,641)	(4,836)	(6,775)	(7,342)	(7,640)
Movements in Working Capital							
Increase/(decrease) in receivables	(1,553)	(803)	390	(278)	501	323	577
Increase/(decrease) in accrued interest	143	326	194	445	409	397	350
Increase/(decrease) in inventories	(41)	(4)	(33)	22	(14)	(62)	(48)
Increase/(decrease) in prepayments	39	(27)	(61)	(10)	1	(1)	1
Decrease/(increase) in deferred revenue	(248)	(20)	(40)	(9)	(10)	(28)	(10)
Decrease/(increase) in payables/provisions	275	270	(788)	(215)	(434)	186	(394)
Total movements in working capital	(1,385)	(258)	(338)	(45)	453	815	476
Operating balance (excluding minority interests)	2,808	3,102	(634)	2,990	4,267	4,871	6,597

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
	Note	Actual \$m	Previous Budget \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m	Forecast \$m
Assets								
Cash and cash equivalents	13	11,888	10,498	13,209	13,037	13,621	14,415	15,229
Receivables	13	17,480	16,610	17,471	17,468	18,009	18,377	19,003
Marketable securities, deposits and derivatives in gain	13	48,457	42,731	46,469	46,799	52,760	49,167	47,226
Share investments	13	20,596	21,234	24,526	25,921	27,353	28,880	30,508
Advances	13	24,756	26,626	26,973	28,669	30,482	32,135	33,939
Inventory		1,099	1,155	1,067	1,089	1,075	1,014	965
Other assets		2,510	2,144	2,153	2,165	2,194	2,189	2,266
Property, plant and equipment	15	116,306	115,873	119,432	123,577	126,675	128,793	130,414
Equity accounted investments ¹		10,071	10,326	10,742	11,126	11,430	11,741	12,054
Intangible assets and goodwill	16	2,920	2,934	2,999	3,264	3,433	3,373	3,323
Forecast for new capital spending	9	-	339	-	316	729	1,406	2,286
Top-down capital adjustment	9	-	(765)	(375)	(655)	(730)	(830)	(930)
Total assets		256,083	249,705	264,666	272,776	287,031	290,660	296,283
Liabilities								
Issued currency		4,964	5,224	5,476	5,640	5,809	5,984	6,163
Payables	18	11,294	11,874	11,500	12,232	13,114	13,333	14,260
Deferred revenue		1,962	1,821	2,002	2,012	2,022	2,050	2,060
Borrowings		103,419	104,390	107,898	113,377	121,663	118,961	115,620
Insurance liabilities	19	35,825	31,272	38,519	37,814	38,903	40,381	42,094
Retirement plan liabilities	20	10,885	10,380	12,560	12,190	11,772	11,332	10,872
Provisions	21	6,955	6,111	6,727	6,476	6,388	6,290	6,212
Total liabilities		175,304	171,072	184,682	189,741	199,671	198,331	197,281
Total assets less total liabilities		80,779	78,633	79,984	83,035	87,360	92,329	99,002
Net Worth								
Taxpayers' funds		13,300	16,601	12,720	15,978	20,439	25,508	32,312
Property, plant and equipment revaluation reserve		62,225	56,509	62,142	61,873	61,689	61,507	61,322
Other reserves		43	5	(59)	(39)	(28)	(15)	(6)
Total net worth attributable to the Crown		75,568	73,115	74,803	77,812	82,100	87,000	93,628
Net worth attributable to minority interest		5,211	5,518	5,181	5,223	5,260	5,329	5,374
Total net worth	22	80,779	78,633	79,984	83,035	87,360	92,329	99,002

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	58,381	64,149	70,456	65,364	60,024
Treasury bills	3,147	3,688	5,917	3,939	3,937	3,928	3,921
Government retail stock	183	190	179	179	179	179	179
Settlement deposits with Reserve Bank	7,758	6,849	7,311	7,311	7,311	7,311	7,311
Derivatives in loss	2,245	1,890	2,582	2,281	1,969	1,849	1,729
Finance lease liabilities	1,501	1,994	2,088	2,706	2,669	3,103	3,142
Other borrowings	28,248	30,924	31,440	32,812	35,142	37,227	39,314
Total borrowings	103,419	104,390	107,898	113,377	121,663	118,961	115,620
Sovereign-guaranteed debt	77,461	75,602	79,702	82,878	88,811	83,562	78,037
Non sovereign-guaranteed debt	25,958	28,788	28,196	30,499	32,852	35,399	37,583
Total borrowings	103,419	104,390	107,898	113,377	121,663	118,961	115,620
Net Debt:							
Core Crown borrowings ¹	89,090	86,246	91,162	94,467	100,896	96,081	90,992
Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(622)	(767)	(1,168)	(1,280)	(1,305)	(1,307)	(1,306)
Gross sovereign-issued debt²	88,468	85,479	89,994	93,187	99,591	94,774	89,686
Less core Crown financial assets ³	68,047	63,248	71,777	73,929	81,207	78,514	77,572
Net core Crown debt	20,421	22,231	18,217	19,258	18,384	16,260	12,114
Add back core Crown advances	13,753	15,056	14,352	15,425	15,758	15,823	15,881
Net core Crown debt (incl. NZS Fund)⁴	34,174	37,287	32,569	34,683	34,142	32,083	27,995
Add back NZS Fund holdings of core Crown financial assets and NZS Fund financial assets ⁵	25,757	26,280	29,104	30,914	32,962	35,136	37,472
Net core Crown debt (excl. NZS Fund and advances)⁶	59,931	63,567	61,673	65,597	67,104	67,219	65,467
Gross Debt:							
Gross sovereign-issued debt ²	88,468	85,479	89,994	93,187	99,591	94,774	89,686
Less Reserve Bank settlement cash and Reserve Bank bills	(8,112)	(7,245)	(7,684)	(7,625)	(7,550)	(7,550)	(7,550)
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 Reserve Bank bills⁴	81,956	79,834	83,910	87,162	93,641	88,824	83,736

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 March 2015

	As at 31 Mar 2015 \$m	As at 30 June 2014 \$m
Capital Commitments		
Specialist military equipment	479	732
Land and buildings	1,182	878
Other property, plant and equipment	5,513	5,307
Other capital commitments	842	919
Tertiary education institutions	201	201
Total capital commitments	8,217	8,037
Operating Commitments		
Non-cancellable accommodation leases	2,838	3,059
Other non-cancellable leases	2,388	2,340
Tertiary education institutions	494	494
Total operating commitments	5,720	5,893
Total commitments	13,937	13,930
Total Commitments by Segment		
Core Crown	4,366	4,916
Crown entities	5,368	5,465
State-owned Enterprises	5,025	4,847
Inter-segment eliminations	(822)	(1,298)
Total commitments	13,937	13,930

Statement of Actual Contingent Liabilities and Assets

as at 31 March 2015

	As at 31 Mar 2015 \$m	As at 30 June 2014 \$m
Quantifiable Contingent Liabilities		
Guarantees and indemnities	223	222
Uncalled capital	6,089	5,662
Legal proceedings and disputes	459	604
Other contingent liabilities	376	357
Total quantifiable contingent liabilities	7,147	6,845
Total Quantifiable Contingent Liabilities by Segment		
Core Crown	6,881	6,568
Crown entities	47	44
State-owned Enterprises	219	233
Inter-segment eliminations	-	-
Total quantifiable contingent liabilities	7,147	6,845
Quantifiable Contingent Assets by Segment		
Core Crown	141	129
Crown entities	3	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	25,114	26,364	27,710	29,173	30,766
Other persons	5,216	5,428	5,661	5,584	6,018	6,399	6,578
Refunds	(1,573)	(1,395)	(1,517)	(1,696)	(1,680)	(1,710)	(1,783)
Fringe benefit tax	489	512	519	540	561	585	609
Total individuals	27,870	29,769	29,777	30,792	32,609	34,447	36,170
Corporate Tax							
Gross companies tax	9,020	9,555	9,838	9,785	10,369	10,988	11,423
Refunds	(192)	(207)	(152)	(148)	(152)	(160)	(167)
Non-resident withholding tax	428	481	486	506	527	567	605
Foreign-source dividend w/holding payments	8	2	(2)	2	2	2	2
Total corporate tax	9,264	9,831	10,170	10,145	10,746	11,397	11,863
Other Direct Income Tax							
Resident w/holding tax on interest income	1,644	2,007	1,777	2,094	2,243	2,567	3,045
Resident w/holding tax on dividend income	446	495	523	537	566	594	615
Total other direct income tax	2,090	2,502	2,300	2,631	2,809	3,161	3,660
Total direct income tax	39,224	42,102	42,247	43,568	46,164	49,005	51,693
Goods and Services Tax							
Gross goods and services tax	27,208	29,392	28,519	30,242	31,754	33,384	34,663
Refunds	(11,191)	(11,630)	(11,312)	(11,949)	(12,609)	(12,957)	(13,429)
Total goods and services tax	16,017	17,762	17,207	18,293	19,145	20,427	21,234
Other Indirect Taxation							
Road user charges	1,205	1,268	1,265	1,339	1,396	1,475	1,543
Petroleum fuels excise – domestic production	865	936	972	1,074	1,191	1,219	1,243
Alcohol excise – domestic production	650	681	665	689	713	742	772
Tobacco excise – domestic production	273	286	307	309	310	309	309
Petroleum fuels excise – imports ¹	747	766	716	717	642	657	670
Alcohol excise – imports ¹	242	255	259	255	264	275	286
Tobacco excise – imports ¹	999	1,108	1,154	1,197	1,241	1,236	1,237
Other customs duty	172	155	169	160	152	144	136
Gaming duties	211	209	217	213	215	218	220
Motor vehicle fees	187	195	199	200	203	205	208
Approved issuer levy and cheque duty	52	65	48	47	47	47	47
Energy resources levies	35	36	37	37	35	36	35
Total other indirect taxation	5,638	5,960	6,008	6,237	6,409	6,563	6,706
Total indirect taxation	21,655	23,722	23,215	24,530	25,554	26,990	27,940
Total taxation revenue	60,879	65,824	65,462	68,098	71,718	75,995	79,633
Other Sovereign Revenue (accrual)							
ACC levies	3,600	3,172	3,303	2,941	2,671	2,514	2,387
Fire Service levies	339	348	355	357	360	365	370
EQC levies	274	282	280	281	283	286	289
Child support	545	665	501	642	484	449	398
Court fines	179	173	179	178	179	180	181
Other miscellaneous items	513	498	573	639	644	650	659
Total other sovereign revenue	5,450	5,138	5,191	5,038	4,621	4,444	4,284
Total sovereign revenue	66,329	70,962	70,653	73,136	76,339	80,439	83,917

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	24,982	26,229	27,569	29,027	30,612
Other persons	5,466	5,964	5,949	5,823	6,198	6,707	6,915
Refunds	(2,276)	(2,211)	(2,111)	(2,273)	(2,252)	(2,362)	(2,474)
Fringe benefit tax	482	510	517	538	559	583	607
Total individuals	27,293	29,337	29,337	30,317	32,074	33,955	35,660
Corporate Tax							
Gross companies tax	9,374	9,963	10,050	9,956	10,599	11,202	11,628
Refunds	(563)	(703)	(544)	(561)	(579)	(609)	(637)
Non-resident withholding tax	405	480	517	505	526	566	604
Foreign-source dividend w/holding payments	-	2	(4)	2	2	2	2
Total corporate tax	9,216	9,742	10,019	9,902	10,548	11,161	11,597
Other Direct Income Tax							
Resident w/holding tax on interest income	1,629	2,005	1,776	2,093	2,242	2,566	3,043
Resident w/holding tax on dividend income	449	495	523	537	566	594	615
Total other direct income tax	2,078	2,500	2,299	2,630	2,808	3,160	3,658
Total direct income tax	38,587	41,579	41,655	42,849	45,430	48,276	50,915
Goods and Services Tax							
Gross goods and services tax	26,596	28,504	27,799	29,364	30,875	32,483	33,764
Refunds	(10,948)	(11,130)	(10,812)	(11,449)	(12,109)	(12,457)	(12,929)
Total goods and services tax	15,648	17,374	16,987	17,915	18,766	20,026	20,835
Other Indirect Taxation							
Road user charges	1,187	1,268	1,265	1,339	1,396	1,475	1,543
Petroleum fuels excise – domestic production	861	936	972	1,074	1,191	1,219	1,243
Alcohol excise – domestic production	651	681	665	689	713	742	772
Tobacco excise – domestic production	268	286	307	309	310	309	309
Customs duty	2,179	2,284	2,298	2,329	2,299	2,312	2,329
Gaming duties	208	209	217	213	215	218	220
Motor vehicle fees	178	195	199	200	203	205	208
Approved issuer levy and cheque duty	51	65	48	47	47	47	47
Energy resources levies	35	36	37	37	35	36	35
Total other indirect taxation	5,618	5,960	6,008	6,237	6,409	6,563	6,706
Total indirect taxation	21,266	23,334	22,995	24,152	25,175	26,589	27,541
Total taxation receipts	59,853	64,913	64,650	67,001	70,605	74,865	78,456
Other Sovereign Receipts (cash)							
ACC levies	3,579	3,174	3,154	2,858	2,631	2,595	2,693
Fire Service levies	340	348	355	357	360	365	370
EQC levies	273	282	287	280	283	286	289
Child support	219	252	207	216	219	223	229
Court fines	149	137	152	153	153	153	154
Other miscellaneous items	414	452	487	493	494	495	498
Total other sovereign receipts	4,974	4,645	4,642	4,357	4,140	4,117	4,233
Total sovereign receipts	64,827	69,558	69,292	71,358	74,745	78,982	82,689

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	2,913	3,356	3,971	4,376	4,670
Dividends	659	571	652	680	721	764	810
Total interest revenue and dividends	3,175	3,672	3,565	4,036	4,692	5,140	5,480
<i>By source</i>							
Core Crown	2,295	2,492	2,419	2,561	3,031	3,333	3,551
Crown entities	1,249	1,277	1,459	1,481	1,522	1,569	1,624
State-owned Enterprises	879	1,006	1,070	1,300	1,523	1,652	1,746
Inter-segment eliminations	(1,248)	(1,103)	(1,383)	(1,306)	(1,384)	(1,414)	(1,441)
Total interest revenue and dividends	3,175	3,672	3,565	4,036	4,692	5,140	5,480
NOTE 3: Transfer Payments and Subsidies							
New Zealand superannuation	10,913	11,590	11,589	12,256	12,861	13,571	14,383
Jobseeker support and emergency benefit	1,691	1,648	1,686	1,616	1,574	1,531	1,519
Supported living payment	1,422	1,518	1,512	1,519	1,530	1,536	1,564
Sole parent support	1,222	1,243	1,186	1,187	1,242	1,218	1,224
Family tax credit	1,965	1,934	1,857	1,837	1,835	1,916	1,983
Other working for families tax credits	567	527	550	577	655	648	639
Accommodation assistance	1,146	1,141	1,128	1,137	1,151	1,169	1,174
Income related rents	660	718	718	774	818	872	927
Disability assistance	379	373	377	379	378	379	380
Student allowances	539	531	520	529	548	560	558
Other social assistance benefits	1,519	1,293	1,310	1,409	1,423	1,436	1,450
Total social assistance grants	22,023	22,516	22,433	23,220	24,015	24,836	25,801
Subsidies							
KiwiSaver	804	827	882	720	765	806	845
Other transfer payments							
Official development assistance	533	533	531	542	573	586	586
Total transfer payments and subsidies	23,360	23,876	23,846	24,482	25,353	26,228	27,232
NOTE 4: Personnel Expenses							
<i>By source</i>							
Core Crown	6,232	6,361	6,540	6,739	6,628	6,642	6,612
Crown entities	11,315	11,607	11,749	11,964	12,108	12,201	12,328
State-owned Enterprises	2,956	2,923	2,909	2,908	2,980	3,042	3,103
Inter-segment eliminations	(19)	(10)	(16)	(17)	(17)	(17)	(18)
Total personnel expenses	20,484	20,881	21,182	21,594	21,699	21,868	22,025
NOTE 5: Depreciation and Amortisation							
<i>By source</i>							
Core Crown	1,476	1,533	1,457	1,536	1,574	1,588	1,606
Crown entities	1,661	1,710	1,687	1,743	1,797	1,858	1,885
State-owned Enterprises	1,735	1,639	1,711	1,625	1,663	1,750	1,759
Inter-segment eliminations	-	-	-	-	-	-	-
Total depreciation and amortisation	4,872	4,882	4,855	4,904	5,034	5,196	5,250
NOTE 6: Other Operating Expenses							
<i>By source</i>							
Core Crown	36,779	38,038	37,816	39,219	38,592	38,635	38,644
Crown entities	17,297	17,759	17,947	18,471	18,400	18,300	18,205
State-owned Enterprises	9,042	9,556	9,270	9,396	9,682	10,082	10,328
Inter-segment eliminations	(27,565)	(27,833)	(28,276)	(28,993)	(29,175)	(29,353)	(29,508)
Total other operating expenses	35,553	37,520	36,757	38,093	37,499	37,664	37,669

Notes to the Forecast Financial Statements

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

NOTE 7: Finance Costs

By type

Interest on financial liabilities	4,360	4,721	4,633	4,630	5,216	5,449	5,480
Interest unwind on provisions	40	42	56	57	55	54	56
Total finance costs	4,400	4,763	4,689	4,687	5,271	5,503	5,536

By source

Core Crown	3,620	3,883	3,977	3,676	4,080	4,217	4,254
Crown entities	219	237	221	216	230	243	251
State-owned Enterprises	1,161	1,295	1,333	1,520	1,700	1,805	1,818
Inter-segment eliminations	(600)	(652)	(842)	(725)	(739)	(762)	(787)
Total finance costs	4,400	4,763	4,689	4,687	5,271	5,503	5,536

NOTE 8: Insurance Expenses

By entity

ACC	3,484	3,561	3,783	4,329	4,641	5,001	4,756
EQC	(111)	34	(59)	57	153	224	225
Southern Response	87	(89)	286	(49)	(42)	(21)	(3)
Other (incl. inter-segment eliminations)	41	11	13	11	12	13	13
Total insurance expenses	3,501	3,517	4,023	4,348	4,764	5,217	4,991

NOTE 9: Forecast New Spending and Top-down Expense Adjustment

	2015	2016	2017	2018	2019
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Forecast New Operating Spending					
Unallocated contingencies	7	305	403	465	526
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	7	305	1,403	3,965	5,526
Operating top-down adjustment	(555)	(1,025)	(520)	(445)	(430)

Unallocated contingencies represent expenses included in Budget 2015 and previous Budgets that have yet to be allocated. Forecast new spending indicates the expected spending increases from future Budgets.

	2015	2016	2017	2018	2019	Post-2019	Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Forecast New Capital Spending (annual)							
Unallocated contingencies	-	241	254	77	30	-	602
Forecast new spending for Budget 2016	-	75	59	200	200	-	534
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	-	316	413	677	880	1,604	3,890
Forecast new capital spending (cumulative)	-	316	729	1,406	2,286		
Capital top-down adjustment (cumulative)	(375)	(655)	(730)	(830)	(930)		

Unallocated contingencies represent capital spending from Budget 2015 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: Net Gains and Losses on Financial Instruments							
<i>By source</i>							
Core Crown	4,045	2,378	4,415	2,344	2,370	2,466	2,604
Crown entities	702	373	2,765	316	318	331	335
State-owned Enterprises	161	52	59	123	59	42	(2)
Inter-segment eliminations	(88)	(220)	(1,218)	(223)	(229)	(237)	(248)
Net gains/(losses) on financial instruments	4,820	2,583	6,021	2,560	2,518	2,602	2,689

NOTE 11: Net Gains and Losses on Non-Financial Instruments							
<i>By type</i>							
Actuarial gains/(losses) on GSF liability	577	-	(2,049)	-	-	-	-
Actuarial gains/(losses) on ACC outstanding claims	479	-	(4,232)	-	-	-	-
Other	(516)	(82)	(270)	(45)	(47)	(48)	(49)
Net gains/(losses) on non-financial instruments	540	(82)	(6,551)	(45)	(47)	(48)	(49)
<i>By source</i>							
Core Crown	220	(13)	(2,360)	(1)	(1)	(1)	(1)
Crown entities	477	(69)	(4,243)	(45)	(47)	(48)	(49)
State-owned Enterprises	(156)	(20)	53	1	1	1	1
Inter-segment eliminations	(1)	20	(1)	-	-	-	-
Net gains/(losses) on non-financial instruments	540	(82)	(6,551)	(45)	(47)	(48)	(49)

NOTE 12: Operating Balance (excluding Minority Interests)							
<i>By source</i>							
Core Crown	203	1,871	916	2,406	4,279	5,223	6,596
Crown entities	2,874	1,357	(392)	585	48	(289)	52
State-owned Enterprises	428	593	490	800	830	809	845
Inter-segment eliminations	(697)	(719)	(1,648)	(801)	(890)	(872)	(896)
Total operating balance	2,808	3,102	(634)	2,990	4,267	4,871	6,597

NOTE 13: Financial Assets and Sovereign Receivables							
Cash and cash equivalents	11,888	10,498	13,209	13,037	13,621	14,415	15,229
Tax receivables	8,112	8,664	8,884	9,290	9,818	10,504	11,113
Trade and other receivables	9,368	7,946	8,587	8,178	8,191	7,873	7,890
Student loans (refer note 14)	8,716	9,024	8,878	9,171	9,415	9,615	9,750
Kiwibank mortgages	14,630	16,361	16,037	17,446	19,026	20,528	22,176
Long-term deposits	3,844	1,986	3,046	2,848	2,869	3,072	3,347
IMF financial assets	2,142	2,557	2,504	2,525	2,545	2,565	2,585
Other advances	1,410	1,241	2,058	2,052	2,041	1,992	2,013
Share investments	20,596	21,234	24,526	25,921	27,353	28,880	30,508
Derivatives in gain	4,164	2,797	3,303	2,950	3,039	3,155	3,358
Other marketable securities	38,307	35,391	37,616	38,476	44,307	40,375	37,936
Total financial assets and sovereign receivables	123,177	117,699	128,648	131,894	142,225	142,974	145,905

Financial Assets by Entity							
NZDMO	18,359	13,555	17,552	17,907	23,558	18,371	14,803
Reserve Bank of New Zealand	18,849	18,657	20,521	20,683	21,055	20,682	20,837
NZS Fund	26,990	27,419	30,062	32,038	34,100	36,316	38,702
Other core Crown	24,358	21,202	22,988	22,909	23,172	23,826	24,290
Intra-segment eliminations	(8,473)	(6,318)	(7,585)	(7,648)	(8,173)	(7,515)	(7,309)
Total core Crown segment	80,083	74,515	83,538	85,889	93,712	91,680	91,323
ACC portfolio	30,897	32,539	34,787	36,131	37,289	38,183	39,416
EQC portfolio	3,605	102	1,557	71	121	118	119
Other Crown entities	9,806	7,852	8,984	7,923	7,802	8,005	8,253
Intra-segment eliminations	(2,464)	(1,777)	(2,765)	(2,222)	(2,177)	(2,136)	(2,066)
Total Crown entities segment	41,844	38,716	42,563	41,903	43,035	44,170	45,722
Total state-owned enterprises segment	21,151	23,459	23,156	25,140	26,931	28,915	31,005
Inter-segment eliminations	(19,901)	(18,991)	(20,609)	(21,038)	(21,453)	(21,791)	(22,145)
Total financial assets and sovereign receivables	123,177	117,699	128,648	131,894	142,225	142,974	145,905

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous					
	\$m	Budget	Forecast	Forecast	Forecast	Forecast	Forecast
		\$m	\$m	\$m	\$m	\$m	\$m
NOTE 14: Student Loans							
Nominal value (including accrued interest)	14,235	14,790	14,802	15,375	15,875	16,341	16,768
Opening book value	8,288	8,752	8,716	8,878	9,171	9,415	9,615
Amount borrowed in current year	1,512	1,586	1,529	1,583	1,615	1,655	1,702
Less initial write-down to fair value	(630)	(668)	(606)	(646)	(652)	(668)	(687)
Repayments made during the year	(1,032)	(1,158)	(1,114)	(1,161)	(1,251)	(1,334)	(1,436)
Interest unwind	579	601	596	605	622	636	646
Impairment	(12)	(100)	(253)	(100)	(100)	(100)	(100)
Other movements	11	11	10	12	10	11	10
Closing book value	8,716	9,024	8,878	9,171	9,415	9,615	9,750

NOTE 15: Property, Plant and Equipment

Net Carrying Value¹

By class of asset

Land	37,138	35,030	37,312	37,240	37,111	37,140	37,159
Buildings	27,396	27,365	28,498	30,198	31,147	31,313	31,768
State highways	19,709	19,797	20,828	22,419	23,908	25,434	26,910
Electricity generation assets	13,941	13,529	13,643	13,413	13,192	12,933	12,703
Electricity distribution network (cost)	3,992	4,261	4,124	4,242	4,440	4,528	4,621
Specialist military equipment	2,891	3,080	3,091	3,109	3,173	3,090	3,126
Specified cultural and heritage assets	2,975	2,679	2,993	3,018	3,045	3,072	3,098
Aircraft (excluding military)	2,287	3,269	2,891	3,593	4,072	4,670	4,883
Rail network	936	1,372	1,040	1,367	1,699	1,782	1,856
Other plant and equipment (cost)	5,041	5,491	5,012	4,978	4,888	4,831	4,290
Total property, plant and equipment	116,306	115,873	119,432	123,577	126,675	128,793	130,414

By source

Core Crown	30,963	31,334	31,956	33,292	34,210	34,397	34,561
Crown entities	56,802	54,618	58,773	60,902	62,548	64,202	65,787
State-owned Enterprises	28,541	29,921	28,703	29,383	29,917	30,194	30,066
Inter-segment eliminations	-	-	-	-	-	-	-
Total property, plant and equipment	116,306	115,873	119,432	123,577	126,675	128,793	130,414

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	5,357	5,368	5,378	5,389	5,399
Rail network	3,256	3,234	3,231	3,214	3,194	3,183	3,163
Schools	3,167	2,875	3,186	3,228	3,223	3,218	3,218
Commercial (SOEs) excluding Rail	1,312	1,489	1,327	1,364	1,378	1,420	1,462
Other	3,757	4,334	3,987	4,096	4,133	4,187	4,243
Total land	37,138	35,030	37,312	37,240	37,111	37,140	37,159

1. Using a revaluation methodology unless otherwise stated.

Notes to the Forecast Financial Statements

	2014	2015	2015	2016	2017	2018	2019
	Actual	Previous	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m
NOTE 15: Property, Plant and Equipment (continued)							
Schedule of Movements							
Cost or Valuation							
Opening balance	122,796	129,107	130,342	137,593	145,930	153,326	159,887
Additions (refer below)	6,672	8,678	8,039	9,247	8,180	7,301	6,910
Disposals	(1,432)	(865)	(731)	(912)	(780)	(763)	(789)
Net revaluations	3,038	-	(3)	-	-	-	1
Other ¹	(732)	(37)	(54)	2	(4)	23	6
Total cost or valuation	130,342	136,883	137,593	145,930	153,326	159,887	166,015
Accumulated Depreciation and Impairment							
Opening balance	12,963	16,843	14,036	18,161	22,353	26,651	31,094
Eliminated on disposal	(813)	(52)	(92)	(55)	(60)	(60)	(60)
Eliminated on revaluation	(2,133)	-	(19)	-	-	-	-
Impairment losses charged to operating balance	346	-	-	-	-	-	-
Depreciation expense	3,805	4,224	4,199	4,253	4,364	4,501	4,563
Other ¹	(132)	(5)	37	(6)	(6)	2	4
Total accumulated depreciation and impairment	14,036	21,010	18,161	22,353	26,651	31,094	35,601
Total property, plant and equipment	116,306	115,873	119,432	123,577	126,675	128,793	130,414
Additions – by functional classification							
Transport and communications	2,363	3,235	3,081	3,834	3,355	3,347	2,917
Economic and industrial services	1,108	717	593	610	710	626	650
Education	529	895	899	1,162	1,024	853	814
Health	443	803	772	701	722	417	410
Defence	386	619	334	441	511	362	486
Other	1,843	2,409	2,360	2,499	1,858	1,696	1,633
Total additions to property, plant and equipment²	6,672	8,678	8,039	9,247	8,180	7,301	6,910

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	589	589	589	589	589
Other intangible assets	2,292	2,284	2,410	2,675	2,844	2,784	2,734
Total intangible assets and goodwill	2,920	2,934	2,999	3,264	3,433	3,373	3,323

By source

Core Crown	1,184	1,182	1,247	1,436	1,566	1,569	1,571
Crown entities	542	587	573	657	696	640	577
State-owned Enterprises	1,194	1,165	1,179	1,171	1,171	1,164	1,175
Inter-segment eliminations	-	-	-	-	-	-	-
Total intangible assets and goodwill	2,920	2,934	2,999	3,264	3,433	3,373	3,323

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: NZ Superannuation Fund							
Revenue	767	685	678	714	782	854	930
Less current tax expense	1,074	585	508	616	660	708	760
Less other expenses	164	157	138	168	195	220	242
Add gains/(losses)	3,735	1,914	3,328	2,025	2,161	2,306	2,460
Operating balance	3,264	1,857	3,360	1,955	2,088	2,232	2,388
Opening net worth	22,549	25,157	25,809	29,190	31,165	33,279	35,545
Operating balance	3,264	1,857	3,360	1,955	2,088	2,232	2,388
Other movements in reserves	(4)	19	21	20	26	34	42
Closing net worth	25,809	27,033	29,190	31,165	33,279	35,545	37,975
Comprising:							
Financial assets	26,990	27,419	30,062	32,038	34,100	36,316	38,702
Financial liabilities	(2,323)	(1,557)	(2,005)	(2,095)	(2,147)	(2,204)	(2,265)
Net other assets	1,142	1,171	1,133	1,222	1,326	1,433	1,538
Closing net worth	25,809	27,033	29,190	31,165	33,279	35,545	37,975

NOTE 18: Payables

By type

Accounts payable	7,626	7,439	7,081	7,445	7,759	7,234	7,486
Taxes repayable	3,668	4,435	4,419	4,787	5,355	6,099	6,774
Total payables	11,294	11,874	11,500	12,232	13,114	13,333	14,260

By source

Core Crown	7,800	7,856	7,869	8,621	9,493	9,750	10,750
Crown entities	5,382	5,270	5,027	4,865	4,810	4,672	4,524
State-owned Enterprises	4,832	5,146	5,040	5,057	5,099	5,166	5,228
Inter-segment eliminations	(6,720)	(6,398)	(6,436)	(6,311)	(6,288)	(6,255)	(6,242)
Total payables	11,294	11,874	11,500	12,232	13,114	13,333	14,260

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
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NOTE 19: Insurance Liabilities

By entity

ACC	29,948	30,383	35,307	36,842	38,458	40,126	41,863
EQC	4,747	364	2,288	262	170	163	158
Southern Response	1,434	466	1,193	645	208	23	-
Other (incl. inter-segment eliminations)	(304)	59	(269)	65	67	69	73
Total insurance liabilities	35,825	31,272	38,519	37,814	38,903	40,381	42,094

ACC liability

Calculation information

PwC NZ has prepared an independent actuarial estimate of the ACC outstanding claims liability as at 31 December 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 31 March 2015. The equivalent single effective discount rate, taking into account ACC's projected future cash flow patterns, is 3.82% and allows for a long-term discount rate of 5.5% from 2065.

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 below (less cross-holdings of NZ Government stock) are included as assets in the Statement of Financial Position.

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

Opening gross liability	29,446	29,209	29,948	35,307	36,842	38,458	40,126
Net change	502	1,174	5,359	1,535	1,616	1,668	1,737
Closing gross liability	29,948	30,383	35,307	36,842	38,458	40,126	41,863

Less Net Assets Available to ACC

Opening net asset value	27,193	29,309	29,840	34,297	35,917	37,140	38,005
Net change	2,647	2,042	4,457	1,620	1,223	865	1,202
Closing net asset value	29,840	31,351	34,297	35,917	37,140	38,005	39,207

Net ACC Reserves (Net Liability)

Opening reserves position	(2,253)	100	(108)	(1,010)	(925)	(1,318)	(2,121)
Net change	2,145	868	(902)	85	(393)	(803)	(535)
Closing reserves position (net liability)/net asset	(108)	968	(1,010)	(925)	(1,318)	(2,121)	(2,656)

Notes to the Forecast Financial Statements

NOTE 19: Insurance Liabilities (continued)

EQC liability

Calculation information

Melville Jessup Weaver prepared an independent actuarial estimate of the EQC outstanding claims liability at 31 December 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 31 December 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	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	Budget	\$m	\$m	\$m	\$m	\$m
		\$m					
EQC Liability							
Opening gross liability	6,869	4,308	4,747	2,288	262	170	163
Net change	(2,122)	(3,944)	(2,459)	(2,026)	(92)	(7)	(5)
Closing gross liability	4,747	364	2,288	262	170	163	158
Less Reinsurance Receivable							
Opening reinsurance receivable	2,623	1,161	1,225	664	17	5	2
Net change	(1,398)	(1,111)	(561)	(647)	(12)	(3)	(2)
Closing reinsurance receivable	1,225	50	664	17	5	2	-
Net EQC Liability							
Opening net position	(4,246)	(3,147)	(3,522)	(1,624)	(245)	(165)	(161)
Net change	724	2,833	1,898	1,379	80	4	3
Closing net position (net liability)	(3,522)	(314)	(1,624)	(245)	(165)	(161)	(158)

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
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NOTE 20: Retirement Plan Liabilities

Government Superannuation Fund	10,886	10,385	12,562	12,192	11,774	11,334	10,874
Other funds	(1)	(5)	(2)	(2)	(2)	(2)	(2)
Total retirement plan liabilities	10,885	10,380	12,560	12,190	11,772	11,332	10,872

The net liability of the Government Superannuation Fund (GSF) was calculated by GSF's actuary as at 31 January 2015. 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 31 January 2015, based on membership data as at 30 June 2014 with adjustments for cash flows to 31 January 2015. 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 31 January 2015.

Other principal long-term financial assumptions were an inflation rate, as measured by the Consumers Price Index (CPI), of 1.3% for the year to 30 June 2015, increasing to 1.9% for the 11 years to 30 June 2026, then increasing by 0.05% each year reaching to 2.5% in the year ending 30 June 2039 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 \$1,676 million, reflecting an increase in the GSF liability of \$1,981 million and an increase in the GSF net assets of \$305 million.

The increase in the GSF liability of \$1,981 million includes an actuarial loss between 1 July 2014 and 31 January 2015, of \$2,266 million, owing to movements in the discount rates offset by the impact of movements in CPI rates. The remaining \$285 million reduction is owing to lower than expected benefits 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 \$305 million includes a gain of \$217 million reflecting the updated market value of assets at 31 January 2015. The balance of \$88 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 Actual \$m	2015 Previous Budget \$m	2015 Forecast \$m	2016 Forecast \$m	2017 Forecast \$m	2018 Forecast \$m	2019 Forecast \$m
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GSF Liability

Opening GSF liability	15,290	14,360	14,560	16,541	16,238	15,886	15,510
Net projected change	(730)	(299)	1,981	(303)	(352)	(376)	(397)
Closing GSF liability	14,560	14,061	16,541	16,238	15,886	15,510	15,113

Less Net Assets Available to GSF

Opening net asset value	3,382	3,622	3,674	3,979	4,046	4,112	4,176
Investment valuation changes	395	195	433	234	238	241	245
Contribution and other income less pension payments	(103)	(141)	(128)	(167)	(172)	(177)	(182)
Closing net asset value	3,674	3,676	3,979	4,046	4,112	4,176	4,239

Net GSF Liability

Opening unfunded liability	11,908	10,738	10,886	12,562	12,192	11,774	11,334
Net projected change	(1,022)	(353)	1,676	(370)	(418)	(440)	(460)
Closing unfunded liability	10,886	10,385	12,562	12,192	11,774	11,334	10,874

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	3,264	3,251	3,289	3,304	3,286
Provision for ETS credits	521	362	863	821	777	732	683
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	64	33	19	13	7
Other provisions	1,574	1,309	1,460	1,538	1,509	1,485	1,518
Total provisions	6,955	6,111	6,727	6,476	6,388	6,290	6,212

By source

Core Crown	4,208	3,562	4,413	4,040	3,680	3,579	3,473
Crown entities	2,076	2,017	1,994	2,001	2,017	2,028	2,042
State-owned Enterprises	1,177	1,016	964	956	958	945	955
Inter-segment eliminations	(506)	(484)	(644)	(521)	(267)	(262)	(258)
Total provisions	6,955	6,111	6,727	6,476	6,388	6,290	6,212

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 March 2015.

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	83	144	148	154	159
Expenses	(46)	(51)	(114)	(102)	(104)	(109)	(110)
Kyoto compliant units surrender expense	(24)	(6)	-	-	-	-	-
Gains/(losses)	(285)	-	(311)	-	-	-	-
Operating balance	(342)	(11)	(342)	42	44	45	49

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 22: Changes in Net Worth							
Taxpayers' funds	13,300	16,601	12,720	15,978	20,439	25,508	32,312
Property, plant and equipment revaluation reserve	62,225	56,509	62,142	61,873	61,689	61,507	61,322
Investment revaluation reserve	58	104	82	92	103	114	126
Cash flow hedge reserve	33	(47)	(56)	(46)	(46)	(44)	(47)
Foreign currency translation reserve	(92)	(52)	(85)	(85)	(85)	(85)	(85)
Share based payment reserve	44	-	-	-	-	-	-
Net worth attributable to minority interests	5,211	5,518	5,181	5,223	5,260	5,329	5,374
Total net worth	80,779	78,633	79,984	83,035	87,360	92,329	99,002
Taxpayers' funds							
Opening taxpayers' funds	10,862	13,344	13,300	12,720	15,978	20,439	25,508
Operating balance excluding minority interest	2,808	3,102	(634)	2,990	4,267	4,871	6,597
Government share offers in SOEs	(577)	-	-	-	-	-	-
Transfers from/(to) other reserves	229	155	65	279	201	205	215
Other movements	(22)	-	(11)	(11)	(7)	(7)	(8)
Closing taxpayers' funds	13,300	16,601	12,720	15,978	20,439	25,508	32,312
Property, Plant and Equipment Revaluation Reserve							
Opening revaluation reserve	57,068	56,648	62,225	62,142	61,873	61,689	61,507
Net revaluations	5,386	-	(39)	-	-	-	-
Transfers from/(to) other reserves	(229)	(139)	(44)	(269)	(184)	(182)	(185)
Closing property, plant and equipment revaluation reserve	62,225	56,509	62,142	61,873	61,689	61,507	61,322

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 23: Core Crown Residual Cash							
Core Crown Cash Flows from Operations							
Tax receipts	61,321	66,030	66,032	68,282	72,028	76,360	80,025
Other sovereign receipts	747	771	821	835	839	846	858
Interest, profits and dividends	1,627	1,737	1,921	1,718	2,023	2,217	2,350
Sale of goods and services and other receipts	2,397	2,307	2,442	2,438	1,996	2,002	1,992
Transfer payments and subsidies	(23,447)	(24,021)	(23,944)	(24,498)	(25,333)	(26,194)	(27,188)
Personnel and operating costs	(41,989)	(42,419)	(42,757)	(43,745)	(42,974)	(43,749)	(43,045)
Interest payments	(3,642)	(3,884)	(4,043)	(3,691)	(3,980)	(4,048)	(4,091)
Forecast for future new operating spending	-	(291)	(7)	(305)	(1,403)	(3,965)	(5,526)
Top-down expense adjustment	-	875	555	1,025	520	445	430
Net core Crown operating cash flows	(2,986)	1,105	1,020	2,059	3,716	3,914	5,805
Core Crown Capital Cash Flows							
Net purchase of physical assets	(1,867)	(2,600)	(2,486)	(2,928)	(2,528)	(1,715)	(1,633)
Net increase in advances	(716)	(1,423)	(759)	(1,216)	(466)	(191)	(192)
Net purchase of investments	(865)	(2,060)	(1,452)	(2,045)	(1,997)	(1,589)	(1,494)
Government share offer programme	2,325	628	628	-	-	-	-
Forecast for future new capital spending	-	(326)	-	(316)	(412)	(677)	(880)
Top-down capital adjustment	-	370	375	280	75	100	100
Net core Crown capital cash flows	(1,123)	(5,411)	(3,694)	(6,225)	(5,328)	(4,072)	(4,099)
Residual cash (deficit)/surplus	(4,109)	(4,306)	(2,674)	(4,166)	(1,612)	(158)	1,706
<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	8,201	8,462	6,909	6,503	6,374
Repayment of government bonds	(2,196)	(8,805)	(8,684)	(1,777)	-	(11,312)	(11,455)
Net issue/(repayment) of short-term borrowing ¹	(935)	720	3,380	(2,400)	-	-	-
Total market debt cash flows	4,585	(39)	2,897	4,285	6,909	(4,809)	(5,081)
Non-market:							
Repayment of government bonds	-	(1,427)	(1,152)	(303)	-	-	-
Net issue/(repayment) of short-term borrowing	-	(500)	(480)	(100)	-	-	-
Total non-market debt cash flows	-	(1,927)	(1,632)	(403)	-	-	-
Total debt programme cash flows	4,585	(1,966)	1,265	3,882	6,909	(4,809)	(5,081)
Other Borrowing Cash Flows							
Net (repayment)/issue of other New Zealand dollar borrowing	(674)	1,136	1,682	509	(79)	1,160	(21)
Net (repayment)/issue of foreign currency borrowing	1,083	(842)	(1,769)	(722)	(106)	(1,072)	22
Total other borrowing cash flows	409	294	(87)	(213)	(185)	88	1
Investing Cash Flows							
Net sale/(purchase) of marketable securities and deposits	(1,510)	5,830	2,120	337	(5,275)	4,711	3,199
Issues of circulating currency	274	152	511	164	169	174	180
Decrease/(increase) in cash	351	(4)	(1,135)	(4)	(6)	(6)	(5)
Total investing cash flows	(885)	5,978	1,496	497	(5,112)	4,879	3,374
Residual cash deficit/(surplus) funding/(investing)	4,109	4,306	2,674	4,166	1,612	158	(1,706)

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	66,077	-	-	(615)	65,462
Other sovereign revenue	1,236	5,071	-	(1,116)	5,191
Revenue from core Crown funding	-	25,378	142	(25,520)	-
Sales of goods and services	1,429	1,787	13,928	(519)	16,625
Interest revenue and dividends	2,419	1,459	1,070	(1,383)	3,565
Other revenue	723	2,413	894	(436)	3,594
Total revenue (excluding gains)	71,884	36,108	16,034	(29,589)	94,437
Expenses					
Social assistance and official development assistance	23,846	-	-	-	23,846
Personnel expenses	6,540	11,749	2,909	(16)	21,182
Other operating expenses	39,273	19,634	10,981	(28,276)	41,612
Interest expenses	3,977	221	1,333	(842)	4,689
Insurance expenses	2	4,013	8	-	4,023
Forecast for future new spending and top-down adjustment	(548)	-	-	-	(548)
Total expenses (excluding losses)	73,090	35,617	15,231	(29,134)	94,804
Minority interest share of operating balance before gains/(losses)	-	19	(362)	26	(317)
Operating balance before gains/(losses)	(1,206)	510	441	(429)	(684)
Total gains/(losses)	2,055	(1,478)	46	(1,219)	(596)
Net surplus/(deficit) from associates and joint ventures	67	576	3	-	646
Operating balance	916	(392)	490	(1,648)	(634)
Expenses by functional classification					
Social security and welfare	23,842	4,910	-	(528)	28,224
Health	15,075	12,893	-	(13,220)	14,748
Education	13,021	9,912	1	(9,162)	13,772
Transport and communications	2,328	2,637	7,150	(2,532)	9,583
Other	15,395	5,044	6,747	(2,850)	24,336
Finance costs	3,977	221	1,333	(842)	4,689
Forecast for future new spending and top-down adjustment	(548)	-	-	-	(548)
Total Crown expenses (excluding losses)	73,090	35,617	15,231	(29,134)	94,804
Statement of Financial Position as at 30 June 2015					
Assets					
Cash and cash equivalents	9,462	2,684	1,663	(600)	13,209
Receivables	12,161	5,617	1,984	(2,291)	17,471
Other financial assets	61,915	34,262	19,509	(17,718)	97,968
Property, plant and equipment	31,956	58,773	28,703	-	119,432
Equity accounted investments	34,085	9,331	164	(32,838)	10,742
Intangible assets and goodwill	1,247	573	1,179	-	2,999
Inventory and other assets	1,454	577	1,215	(26)	3,220
Forecast for new capital spending and top-down adjustment	(375)	-	-	-	(375)
Total assets	151,905	111,817	54,417	(53,473)	264,666
Liabilities					
Borrowings	91,161	5,484	28,278	(17,025)	107,898
Other liabilities	30,882	46,070	7,294	(7,462)	76,784
Total liabilities	122,043	51,554	35,572	(24,487)	184,682
Total assets less total liabilities	29,862	60,263	18,845	(28,986)	79,984
Net worth					
Taxpayers' funds	12,931	28,585	3,401	(32,197)	12,720
Reserves	16,931	31,569	10,012	3,571	62,083
Net worth attributable to minority interest	-	109	5,432	(360)	5,181
Total net worth	29,862	60,263	18,845	(28,986)	79,984

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2016	2016	2016	2016	2016
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance for the year ended 30 June 2016					
Revenue					
Taxation revenue	68,868	-	-	(770)	68,098
Other sovereign revenue	1,438	4,832	-	(1,232)	5,038
Revenue from core Crown funding	-	25,829	111	(25,940)	-
Sales of goods and services	1,416	1,925	14,450	(538)	17,253
Interest revenue and dividends	2,561	1,481	1,300	(1,306)	4,036
Other revenue	638	2,706	800	(564)	3,580
Total revenue (excluding gains)	74,921	36,773	16,661	(30,350)	98,005
Expenses					
Social assistance and official development assistance	24,482	-	-	-	24,482
Personnel expenses	6,739	11,964	2,908	(17)	21,594
Other operating expenses	40,755	20,214	11,021	(28,993)	42,997
Interest expenses	3,676	216	1,520	(725)	4,687
Insurance expenses	3	4,340	8	(3)	4,348
Forecast for future new spending and top-down adjustment	(720)	-	-	-	(720)
Total expenses (excluding losses)	74,935	36,734	15,457	(29,738)	97,388
Minority interest share of operating balance before gains/(losses)	-	27	(504)	36	(441)
Operating balance before gains/(losses)	(14)	66	700	(576)	176
Total gains/(losses)	2,343	271	92	(223)	2,483
Net surplus/(deficit) from associates and joint ventures	77	248	8	(2)	331
Operating balance	2,406	585	800	(801)	2,990
Expenses by functional classification					
<i>Social security and welfare</i>	24,639	5,494	-	(538)	29,595
<i>Health</i>	15,581	13,161	-	(13,639)	15,103
<i>Education</i>	13,134	10,145	1	(9,386)	13,894
<i>Transport and communications</i>	2,214	2,600	7,155	(2,532)	9,437
<i>Other</i>	16,411	5,118	6,781	(2,918)	25,392
<i>Finance costs</i>	3,676	216	1,520	(725)	4,687
Forecast for future new spending and top-down adjustment	(720)	-	-	-	(720)
Total Crown expenses (excluding losses)	74,935	36,734	15,457	(29,738)	97,388
Statement of Financial Position as at 30 June 2016					
Assets					
Cash and cash equivalents	9,715	1,849	1,990	(517)	13,037
Receivables	12,361	4,811	2,035	(1,739)	17,468
Other financial assets	63,813	35,244	21,115	(18,783)	101,389
Property, plant and equipment	33,292	60,902	29,383	-	123,577
Equity accounted investments	35,983	9,700	171	(34,728)	11,126
Intangible assets and goodwill	1,436	657	1,171	-	3,264
Inventory and other assets	1,508	585	1,188	(27)	3,254
Forecast for new capital spending and top-down adjustment	(339)	-	-	-	(339)
Total assets	157,769	113,748	57,053	(55,794)	272,776
Liabilities					
Borrowings	94,467	6,447	30,490	(18,027)	113,377
Other liabilities	31,017	44,885	7,348	(6,886)	76,364
Total liabilities	125,484	51,332	37,838	(24,913)	189,741
Total assets less total liabilities	32,285	62,416	19,215	(30,881)	83,035
Net worth					
Taxpayers' funds	15,336	31,030	3,704	(34,092)	15,978
Reserves	16,949	31,293	10,019	3,573	61,834
Net worth attributable to minority interest	-	93	5,492	(362)	5,223
Total net worth	32,285	62,416	19,215	(30,881)	83,035

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2017	2017	2017	2017	2017
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance for the year ended 30 June 2017					
Revenue					
Taxation revenue	72,544	-	-	(826)	71,718
Other sovereign revenue	1,288	4,673	-	(1,340)	4,621
Revenue from core Crown funding	-	25,904	103	(26,007)	-
Sales of goods and services	1,478	1,993	14,843	(558)	17,756
Interest revenue and dividends	3,031	1,522	1,523	(1,384)	4,692
Other revenue	604	2,702	898	(512)	3,692
Total revenue (excluding gains)	78,945	36,794	17,367	(30,627)	102,479
Expenses					
Social assistance and official development assistance	25,353	-	-	-	25,353
Personnel expenses	6,628	12,108	2,980	(17)	21,699
Other operating expenses	40,166	20,197	11,345	(29,175)	42,533
Interest expenses	4,080	230	1,700	(739)	5,271
Insurance expenses	-	4,755	8	1	4,764
Forecast for future new spending and top-down adjustment	883	-	-	-	883
Total expenses (excluding losses)	77,110	37,290	16,033	(29,930)	100,503
Minority interest share of operating balance before gains/(losses)	-	24	(561)	37	(500)
Operating balance before gains/(losses)	1,835	(472)	773	(660)	1,476
Total gains/(losses)	2,369	271	47	(229)	2,458
Net surplus/(deficit) from associates and joint ventures	75	249	10	(1)	333
Operating balance	4,279	48	830	(890)	4,267
Expenses by functional classification					
Social security and welfare	25,161	5,856	-	(560)	30,457
Health	15,621	13,168	-	(13,748)	15,041
Education	13,211	10,204	1	(9,426)	13,990
Transport and communications	2,259	2,633	7,347	(2,555)	9,684
Other	15,895	5,199	6,985	(2,902)	25,177
Finance costs	4,080	230	1,700	(739)	5,271
Forecast for future new spending and top-down adjustment	883	-	-	-	883
Total Crown expenses (excluding losses)	77,110	37,290	16,033	(29,930)	100,503
Statement of Financial Position as at 30 June 2017					
Assets					
Cash and cash equivalents	10,178	1,922	1,963	(442)	13,621
Receivables	12,906	4,572	2,055	(1,524)	18,009
Other financial assets	70,628	36,540	22,914	(19,487)	110,595
Property, plant and equipment	34,210	62,548	29,917	-	126,675
Equity accounted investments	37,730	9,962	204	(36,466)	11,430
Intangible assets and goodwill	1,566	696	1,171	-	3,433
Inventory and other assets	1,519	602	1,175	(27)	3,269
Forecast for new capital spending and top-down adjustment	(1)	-	-	-	(1)
Total assets	168,736	116,842	59,399	(57,946)	287,031
Liabilities					
Borrowings	100,895	6,992	32,435	(18,659)	121,663
Other liabilities	31,249	45,938	7,430	(6,609)	78,008
Total liabilities	132,144	52,930	39,865	(25,268)	199,671
Total assets less total liabilities	36,592	63,912	19,534	(32,678)	87,360
Net worth					
Taxpayers' funds	19,615	32,733	3,983	(35,892)	20,439
Reserves	16,977	31,090	10,017	3,577	61,661
Net worth attributable to minority interest	-	89	5,534	(363)	5,260
Total net worth	36,592	63,912	19,534	(32,678)	87,360

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2018	2018	2018	2018	2018
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance for the year ended 30 June 2018					
Revenue					
Taxation revenue	76,811	-	-	(816)	75,995
Other sovereign revenue	1,263	4,622	-	(1,441)	4,444
Revenue from core Crown funding	-	25,970	103	(26,073)	-
Sales of goods and services	1,527	2,070	15,307	(579)	18,325
Interest revenue and dividends	3,333	1,569	1,652	(1,414)	5,140
Other revenue	583	2,749	960	(483)	3,809
Total revenue (excluding gains)	83,517	36,980	18,022	(30,806)	107,713
Expenses					
Social assistance and official development assistance	26,228	-	-	-	26,228
Personnel expenses	6,642	12,201	3,042	(17)	21,868
Other operating expenses	40,223	20,158	11,832	(29,353)	42,860
Interest expenses	4,217	243	1,805	(762)	5,503
Insurance expenses	1	5,209	8	(1)	5,217
Forecast for future new spending and top-down adjustment	3,520	-	-	-	3,520
Total expenses (excluding losses)	80,831	37,811	16,687	(30,133)	105,196
Minority interest share of operating balance before gains/(losses)	-	10	(569)	37	(522)
Operating balance before gains/(losses)	2,686	(821)	766	(636)	1,995
Total gains/(losses)	2,465	283	32	(237)	2,543
Net surplus/(deficit) from associates and joint ventures	72	249	11	1	333
Operating balance	5,223	(289)	809	(872)	4,871
Expenses by functional classification					
Social security and welfare	25,928	6,261	(24)	(580)	31,585
Health	15,673	13,134	-	(13,824)	14,983
Education	13,255	10,203	1	(9,428)	14,031
Transport and communications	2,320	2,601	7,704	(2,608)	10,017
Other	15,918	5,369	7,201	(2,931)	25,557
Finance costs	4,217	243	1,805	(762)	5,503
Forecast for future new spending and top-down adjustment	3,520	-	-	-	3,520
Total Crown expenses (excluding losses)	80,831	37,811	16,687	(30,133)	105,196
Statement of Financial Position as at 30 June 2018					
Assets					
Cash and cash equivalents	10,672	1,898	2,288	(443)	14,415
Receivables	13,570	4,239	2,090	(1,522)	18,377
Other financial assets	67,439	38,034	24,537	(19,828)	110,182
Property, plant and equipment	34,397	64,202	30,194	-	128,793
Equity accounted investments	39,326	10,219	249	(38,053)	11,741
Intangible assets and goodwill	1,569	640	1,164	-	3,373
Inventory and other assets	1,494	617	1,118	(26)	3,203
Forecast for new capital spending and top-down adjustment	576	-	-	-	576
Total assets	169,043	119,849	61,640	(59,872)	290,660
Liabilities					
Borrowings	96,080	7,412	34,471	(19,002)	118,961
Other liabilities	31,113	47,292	7,536	(6,571)	79,370
Total liabilities	127,193	54,704	42,007	(25,573)	198,331
Total assets less total liabilities	41,850	65,145	19,633	(34,299)	92,329
Net worth					
Taxpayers' funds	24,838	34,142	4,037	(37,509)	25,508
Reserves	17,012	30,887	10,018	3,575	61,492
Net worth attributable to minority interest	-	116	5,578	(365)	5,329
Total net worth	41,850	65,145	19,633	(34,299)	92,329

Forecast Statement of Segments (continued)

	Core Crown	Crown entities	State-owned Enterprises	Inter-segment eliminations	Total Crown
	2019	2019	2019	2019	2019
	Forecast	Forecast	Forecast	Forecast	Forecast
	\$m	\$m	\$m	\$m	\$m
Statement of Financial Performance for the year ended 30 June 2019					
Revenue					
Taxation revenue	80,472	-	-	(839)	79,633
Other sovereign revenue	1,222	4,597	-	(1,535)	4,284
Revenue from core Crown funding	-	26,015	103	(26,118)	-
Sales of goods and services	1,556	2,127	15,593	(594)	18,682
Interest revenue and dividends	3,551	1,624	1,746	(1,441)	5,480
Other revenue	560	2,794	996	(471)	3,879
Total revenue (excluding gains)	87,361	37,157	18,438	(30,998)	111,958
Expenses					
Social assistance and official development assistance	27,232	-	-	-	27,232
Personnel expenses	6,612	12,328	3,103	(18)	22,025
Other operating expenses	40,250	20,090	12,087	(29,508)	42,919
Interest expenses	4,254	251	1,818	(787)	5,536
Insurance expenses	-	4,982	8	1	4,991
Forecast for future new spending and top-down adjustment	5,096	-	-	-	5,096
Total expenses (excluding losses)	83,444	37,651	17,016	(30,312)	107,799
Minority interest share of operating balance before gains/(losses)	-	12	(585)	38	(535)
Operating balance before gains/(losses)	3,917	(482)	837	(648)	3,624
Total gains/(losses)	2,603	286	(2)	(248)	2,639
Net surplus/(deficit) from associates and joint ventures	76	248	10	-	334
Operating balance	6,596	52	845	(896)	6,597
Expenses by functional classification					
Social security and welfare	26,855	6,016	(25)	(601)	32,245
Health	15,743	13,107	-	(13,913)	14,937
Education	13,249	10,192	1	(9,409)	14,033
Transport and communications	2,361	2,625	7,885	(2,660)	10,211
Other	15,886	5,460	7,337	(2,942)	25,741
Finance costs	4,254	251	1,818	(787)	5,536
Forecast for future new spending and top-down adjustment	5,096	-	-	-	5,096
Total Crown expenses (excluding losses)	83,444	37,651	17,016	(30,312)	107,799
Statement of Financial Position as at 30 June 2019					
Assets					
Cash and cash equivalents	11,203	1,795	2,677	(446)	15,229
Receivables	14,154	4,248	2,128	(1,527)	19,003
Other financial assets	65,966	39,680	26,200	(20,173)	111,673
Property, plant and equipment	34,561	65,787	30,066	-	130,414
Equity accounted investments	40,824	10,469	304	(39,543)	12,054
Intangible assets and goodwill	1,571	577	1,175	-	3,323
Inventory and other assets	1,542	632	1,084	(27)	3,231
Forecast for new capital spending and top-down adjustment	1,356	-	-	-	1,356
Total assets	171,177	123,188	63,634	(61,716)	296,283
Liabilities					
Borrowings	90,991	7,719	36,231	(19,321)	115,620
Other liabilities	31,698	48,874	7,643	(6,554)	81,661
Total liabilities	122,689	56,593	43,874	(25,875)	197,281
Total assets less total liabilities	48,488	66,595	19,760	(35,841)	99,002
Net worth					
Taxpayers' funds	31,435	35,803	4,124	(39,050)	32,312
Reserves	17,053	30,674	10,014	3,575	61,316
Net worth attributable to minority interest	-	118	5,622	(366)	5,374
Total net worth	48,488	66,595	19,760	(35,841)	99,002