

# Interim Financial Statements of the Government of New Zealand

For the five months ended  
30 November 2023



Prepared by the Treasury  
25 January 2024

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### Officer for Enquiries

Treasury Communications Team (Phone: +64-4-917-6268) (Email: [media@treasury.govt.nz](mailto:media@treasury.govt.nz))  
The Treasury (1 The Terrace), PO Box 3724, Wellington  
NEW ZEALAND



# Commentary

## COMMENTARY

These financial statements reflect the financial position (service potential and financial capacity) as at 30 November 2023, and the financial results of operations and cash flows for the period ended on that date.

The November results are reported against forecasts based on the *Half Year Economic and Fiscal Update 2023 (HYEFU 2023)*, published on 20 December 2023 and the results against the same period for the previous year.

### Comparison against forecast

**Table 1** – Key indicators for the five months ended 30 November 2023 compared to *HYEFU 2023*

	Year to date				Full Year
	November	November	Variance <sup>2</sup>	Variance	June
	2023	2023			HYEFU 2023
	Actual <sup>1</sup>	Forecast <sup>1</sup>	HYEFU 2023	HYEFU 2023	Forecast <sup>3</sup>
\$m	\$m	\$m	%	\$m	
Core Crown tax revenue	49,149	48,605	544	1.1	122,025
Core Crown revenue	54,933	54,191	742	1.4	135,740
Core Crown expenses	56,779	57,118	339	0.6	140,286
Core Crown residual cash	(13,785)	(13,463)	(322)	(2.4)	(25,831)
Net debt <sup>4</sup>	83,853	85,624	1,771	2.1	97,414
<i>as a percentage of GDP</i>	20.9%	21.4%			23.2%
Gross debt	155,510	153,042	(2,468)	(1.6)	166,640
<i>as a percentage of GDP</i>	38.8%	38.2%			39.7%
Operating balance before gains and losses	(2,797)	(3,944)	1,147	29.1	(9,319)
Operating balance (excluding minority interests)	(4,621)	(4,768)	147	3.1	(6,873)
Net worth attributable to the Crown	179,413	179,280	133	0.1	177,160
<i>as a percentage of GDP</i>	44.8%	44.7%			42.2%

1 Using the most recently published GDP (for the year ended 30 September 2023) of \$400,818 million (Source: Stats NZ).

2 Favourable variances against forecast have a positive sign and unfavourable variances against forecast have a negative sign.

3 Using HYEFU 2023 forecast GDP for the year ending 30 June 2024 of \$419,982 million (Source: The Treasury).

4 The net debt indicator includes core Crown advances, Crown entity borrowings (excluding Kiwi Group Capital) and the financial assets and borrowings of the New Zealand Super Fund (NZS Fund).

**Core Crown tax revenue** at \$49.1 billion was \$0.5 billion (1.1%) above forecast. The main variances related to:

- Net other individuals tax revenue was \$0.2 billion above forecast, mainly owing to a higher estimate for provisional tax payers compared to forecast, based on updated Statistics New Zealand data.
- Source deduction revenue was \$0.1 billion above forecast, reflecting stronger than expected wage growth. The September quarter labour market statistics showed lower employment levels but that average hourly earnings increased.
- Customs and excise duties were \$0.1 billion above forecast mainly owing to higher than forecast tobacco, alcohol, and fuel duty excises.

**Core Crown revenue** at \$54.9 billion was \$0.7 billion (1.4%) above forecast. In addition to the stronger core Crown tax revenue, interest revenue was higher than forecast by \$0.1 billion. This largely reflects higher-than-expected interest-bearing deposit balances held by the Reserve Bank of New Zealand (RBNZ).

**Core Crown expenses** at \$56.8 billion were \$0.3 billion (0.6%) below forecast. Excluding the top-down adjustment and finance costs, core Crown expenditure was \$0.6 billion lower than forecast. The most notable variances were as follows:

- Core Government Services (\$0.2 billion lower): This consisted of small variances across several government departments. The largest variance related to spending delays on the SouthPAN project being undertaken by Land Information New Zealand. This variance is timing in nature and expected to unwind in the coming months.
- Housing and community development (\$0.1 billion lower): This consisted of small variances across several government departments.
- Social security and welfare (\$0.1 billion lower): This was primarily driven by lower impairment expenses recognised by the Ministry of Social Development on their benefit receivable debt. However, it is anticipated that this is purely timing in nature and will reverse by the end of the financial year.

The operating balance before gains and losses (**OBEGAL**) deficit of \$2.8 billion was \$1.1 billion smaller than the forecast deficit. The variance was largely owing to the core Crown results discussed above.

The **operating balance** was a deficit of \$4.6 billion, broadly consistent with the forecast deficit. While the OBEGAL deficit was smaller than expected (discussed above) this was offset by unfavourable valuation movements. Overall, net gains and losses on financial and non-financial instruments were \$1.1 billion weaker than forecast due to:

- Net losses on non-financial instruments of \$2.6 billion which were \$3.3 billion weaker than the forecast gain of \$0.6 billion. This was driven by an increase in the ACC outstanding claims liability of \$2.4 billion, predominantly reflecting a decrease in the effective discount rate used to present value the liability. In addition, increases in the price of tradeable units (NZUs) have resulted in an increase to the New Zealand Emission Trading Scheme liability resulting in losses being \$0.8 billion more than forecast.
- Net gains on financial instruments of \$0.8 billion, which were \$2.2 billion stronger than the forecast loss of \$1.4 billion. This partially offsets the net losses described above and was mainly attributable to the New Zealand Superannuation Fund (NZS Fund), reflecting movements in global financial markets since the time the forecast was set.

The **core Crown residual cash** deficit of \$13.8 billion, was \$0.3 billion (2.4%) higher than the forecast deficit. The cash deficit resulted from net operating cash outflows which were higher than forecast by \$0.4 billion, slightly offset by net capital cash outflows which were \$0.1 billion lower than forecast.

**Net debt** at \$83.9 billion (20.9% of GDP), was \$1.8 billion (2.1%) lower than forecast. The main contributors to this variance were:

- Net gains on financial assets (\$2.5 billion) as a result of market volatility impacting the value of the government's investment portfolio, particularly the NZS Fund.
- The weaker core Crown residual cash (excluding contributions to the NZS Fund and core Crown advances, \$0.4 billion) result and higher Crown entity borrowings (\$0.3 billion) predominantly due to the timing of Waka Kotahi drawing down a loan to fund priorities under the National Land Transport Programme have partially offset the above mentioned stronger investment returns.

**Gross debt** at \$155.5 billion (38.8% of GDP), was \$2.5 billion (1.6%) higher than forecast. This was largely due to additional borrowing by The Treasury – New Zealand Debt Management (NZDM) including Euro Commercial Paper (\$3.7 billion) in order to manage short term liquidity requirements. This is partially offset by RBNZ derivative values being more favourable than forecast. Both these factors have a broadly corresponding impact on financial assets and therefore have a neutral impact on net debt.

**Net worth attributable to the Crown** at \$179.4 billion (44.8% of GDP), was \$0.1 billion (0.1%) higher than forecast. This was largely driven by the variance in the operating balance result.

## Comparison against the prior year actuals

**Table 2** – 30 November 2023 results compared to 30 November 2022 actuals

	Year to date				Full Year
	November 2023	November 2022	Variance <sup>3</sup> to 2022	Variance to 2022	June 2023
	Actual <sup>1</sup> \$m	Prior Year Actual <sup>2</sup> \$m	\$m	%	Prior Year Actual <sup>4</sup> \$m
Core Crown tax revenue	49,149	45,428	3,721	8.2	112,358
Core Crown revenue	54,933	49,954	4,979	10.0	123,398
Core Crown expenses	56,779	51,727	(5,052)	(9.8)	127,574
Core Crown residual cash	(13,785)	(19,591)	5,806	29.6	(25,648)
Net debt <sup>5</sup>	83,853	71,797	(12,056)	(16.8)	71,367
<i>as a percentage of GDP</i>	20.9%	19.2%			18.0%
Gross debt	155,510	135,015	(20,495)	(15.2)	135,789
<i>as a percentage of GDP</i>	38.8%	36.1%			34.3%
Operating balance before gains and losses	(2,797)	(2,438)	(359)	(14.7)	(9,446)
Operating balance (excluding minority interests)	(4,621)	176	(4,797)	-	5,321
Net worth attributable to the Crown	179,413	167,570	11,843	7.1	183,514
<i>as a percentage of GDP</i>	44.8%	44.8%			46.4%

1 Using the most recently published GDP (for the year ended 30 September 2023) of \$400,818 million (Source: Stats NZ).

2 Using published GDP (revised) (for the year ended 30 September 2022) of \$373,689 million (Source: Stats NZ).

3 Favourable variances against forecast have a positive sign and unfavourable variances against forecast have a negative sign.

4 Using published GDP (revised) (for the year ended 30 June 2023) of \$395,428 million (Source: Stats NZ).

5 The net debt indicator includes core Crown advances, Crown entity borrowings (excluding Kiwi Group Capital) and the financial assets and borrowings of the New Zealand Super Fund (NZS Fund).

**Core Crown tax revenue** was \$3.7 billion (8.2%) higher than the same period last year. The largest movements came from:

- Source deduction revenue was up \$2.4 billion owing to a strong labour market, characterised by strong wage growth.
- Other direct income tax revenue was up \$0.8 billion mainly owing to increases in deposit interest rates.
- GST revenue was up \$0.3 billion owing to year-on-year growth in nominal consumption that was in part driven by the high rate of consumer price inflation.

Core Crown tax receipts increased by \$2.5 billion (5.7%), compared to the prior year, primarily due to source deduction receipts, which were up \$2.4 billion.

In addition, core Crown interest revenue was higher than the same time last year (\$1.1 billion). This was mainly driven by the RBNZ and relates to both an increase in the official cash rate which was 4.25% in November 2022 and is now 5.5% and higher deposit balances.

As a result of the increases in core Crown tax revenue and interest revenue noted above **core Crown revenue** was \$5.0 billion (10.0%) above the same period last year.

**Core Crown expenses** at \$56.8 billion were \$5.1 billion (9.8%) higher than the same period last year with the most notable changes including:

- Finance costs: Increased by \$1.4 billion compared to last year, driven by increases in interest rates and a higher level of debt.
- Social security welfare costs: Increased by \$1.0 billion compared to last year, mainly due to increased NZ Superannuation payments, reflecting higher entitlement rates (6.9%) from April 2023.
- Education costs: Increased by \$0.7 billion compared to last year, mainly the result of a lump sum payment made in relation to the primary and secondary collective agreements.

- Core government services: Increased by \$0.7 billion compared to last year, primarily due to the response to the North Island Weather Events, particularly cost sharing arrangements agreed with local authorities.

The **OBEGAL** deficit increased by \$0.4 billion compared to the same time last year, owing to the core Crown results and weaker results from Crown entities.

The **operating balance** at a deficit of \$4.6 billion compared to a surplus of \$0.2 billion at the same time last year, was mainly due to:

- The weaker OBEGAL result noted above.
- Net gains on financial instruments were lower by \$2.2 billion (\$0.8 billion this year compared to \$3.0 billion last year) largely driven by the performance of the financial instrument portfolio of the NZS Fund.
- Net losses on non-financial instruments were higher by \$2.1 billion (\$2.6 billion this year compared to \$0.5 billion last year). While gains on the valuation of the ACC outstanding claims liability were \$1.9 billion higher compared to last year, this was more than offset by losses on the Emissions Trading Scheme liability which were \$3.8 billion greater than last year owing to the higher NZUs price.

The **core Crown residual cash** deficit of \$13.8 billion decreased by \$5.8 billion compared to the same period last year. This reduction was mostly driven by capital cash flows which have decreased \$6.6 billion, mainly due to lower issuance of Funding for Lending Programme (FLP) advances (\$6.4 billion).

**Net debt** at \$83.9 billion was \$12.1 billion higher compared to the same time last year. As a percentage of the economy, net debt increased to 20.9% of GDP from 19.2% of GDP a year earlier. Since November 2022, residual cash deficits have totalled \$19.8 billion. Excluding NZS Fund contributions and core Crown advances, these deficits have contributed \$13.1 billion to the increase in net debt. Additionally, Crown entity borrowings contributed a further \$5.2 billion to the net debt increase, partially offset by gains on financial instruments of \$6.3 billion.

**Net worth attributable to the Crown** was \$179.4 billion (44.8% of GDP), \$11.8 billion higher than the same time last year (44.8% of GDP). Of this, \$10.1 billion was attributed to higher valuations of property, plant, and equipment, and \$1.2 billion represented the accumulated change in taxpayer funds.







# Unaudited Interim Financial Statements

# STATEMENT OF FINANCIAL PERFORMANCE

For the five months ended 30 November 2023

Year to 30 June 2023	5 months to 30 Nov 2022		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
		<b>Revenue</b>						
111,712	45,178	Taxation revenue	2	48,899	48,345	554	1.1	121,419
8,407	4,110	Other sovereign revenue	2	4,250	4,133	117	2.8	10,757
<b>120,119</b>	<b>49,288</b>	<b>Total sovereign revenue</b>		<b>53,149</b>	<b>52,478</b>	<b>671</b>	<b>1.3</b>	<b>132,176</b>
21,954	8,655	Sales of goods and services		9,909	10,083	(174)	(1.7)	23,985
6,355	2,088	Interest revenue and dividends	3	3,520	3,231	289	8.9	7,385
4,583	1,653	Other revenue		1,507	1,537	(30)	(2.0)	3,784
<b>32,892</b>	<b>12,396</b>	<b>Total revenue earned through operations</b>		<b>14,936</b>	<b>14,851</b>	<b>85</b>	<b>0.6</b>	<b>35,154</b>
<b>153,011</b>	<b>61,684</b>	<b>Total revenue (excluding gains)</b>		<b>68,085</b>	<b>67,329</b>	<b>756</b>	<b>1.1</b>	<b>167,330</b>
		<b>Expenses</b>						
38,803	16,103	Transfer payments and subsidies	4	17,048	17,090	42	0.2	42,201
36,052	14,216	Personnel expenses		15,935	16,522	587	3.6	38,031
6,601	2,675	Depreciation		3,049	3,016	(33)	(1.1)	7,358
64,134	25,881	Other operating expenses		27,608	27,475	(133)	(0.5)	71,479
7,448	2,481	Interest expenses	5	3,916	3,888	(28)	(0.7)	9,963
8,784	2,543	Insurance expenses	6	3,148	3,284	136	4.1	9,553
-	-	Forecast new operating spending	7	-	-	-	-	1,920
-	-	Top-down expense adjustment	7	-	(218)	(218)	(100.0)	(4,350)
<b>161,822</b>	<b>63,899</b>	<b>Total expenses (excluding losses)</b>		<b>70,704</b>	<b>71,057</b>	<b>353</b>	<b>0.5</b>	<b>176,155</b>
		<b>Gains/(losses)</b>						
7,711	3,045	Net gains/(losses) on financial instruments		848	(1,431)	2,279	159.3	1,822
6,947	(463)	Net gains/(losses) on non-financial instruments	8	(2,627)	623	(3,250)	-	709
<b>14,658</b>	<b>2,582</b>	<b>Total gains/(losses)</b>		<b>(1,779)</b>	<b>(808)</b>	<b>(971)</b>	<b>(120.2)</b>	<b>2,531</b>
		<b>Other interests</b>						
29	32	Net surplus/(deficit) from associates and joint ventures		(6)	12	(18)	(150.0)	(27)
(555)	(223)	Less minority interests' share of operating balance		(217)	(244)	27	11.1	(552)
<b>5,321</b>	<b>176</b>	<b>Operating balance (excluding minority interests)</b>		<b>(4,621)</b>	<b>(4,768)</b>	<b>147</b>	<b>3.1</b>	<b>(6,873)</b>
555	223	Minority interests' share of operating balance		217	244	(27)	(11.1)	552
<b>5,876</b>	<b>399</b>	<b>Operating balance (including minority interests)</b>		<b>(4,404)</b>	<b>(4,524)</b>	<b>120</b>	<b>2.7</b>	<b>(6,321)</b>

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

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the five months ended 30 November 2023

Year to 30 June 2023	5 months to 30 Nov 2022		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
5,876	399	Operating balance (including minority interest)	(4,404)	(4,524)	120	2.7	(6,321)
		<b>Other comprehensive revenue and expense</b>					
10,870	(29)	Revaluation of physical assets	(69)	(240)	171	71.3	(240)
		Revaluations of defined benefit retirement plan schemes	759	759	-	-	754
354	507						
173	-	Revaluation of veterans' disability entitlements	-	-	-	-	-
417	175	Transfers into/(out of) cash flow hedge reserve	(220)	(2)	(218)	-	(23)
(22)	(35)	Transfers into/(out of) reserves	8	45	(37)	(82.2)	105
		(Gains)/losses transferred to the statement of financial performance	6	-	6	-	-
(230)	(25)	Foreign currency translation differences on					
		foreign operations	-	-	-	-	-
(3)	(2)	Other movements	-	-	-	-	-
76	(239)		28	(3)	31	-	(36)
<b>11,635</b>	<b>352</b>	<b>Total other comprehensive revenue and expense</b>	<b>512</b>	<b>559</b>	<b>(47)</b>	<b>(8.4)</b>	<b>560</b>
<b>17,511</b>	<b>751</b>	<b>Total comprehensive revenue and expense</b>	<b>(3,892)</b>	<b>(3,965)</b>	<b>73</b>	<b>1.8</b>	<b>(5,761)</b>
		<b>Attributable to:</b>					
1,033	217	- minority interests	209	269	(60)	(22.3)	593
16,478	534	- the Crown	(4,101)	(4,234)	133	3.1	(6,354)
<b>17,511</b>	<b>751</b>	<b>Total comprehensive revenue and expense</b>	<b>(3,892)</b>	<b>(3,965)</b>	<b>73</b>	<b>1.8</b>	<b>(5,761)</b>

# STATEMENT OF CHANGES IN NET WORTH

For the five months ended 30 November 2023

Year to 30 June 2023	5 months to 30 Nov 2022		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
174,319	174,319	Opening net worth	191,472	191,472	-	-	191,472
5,876	399	Operating balance (including minority interest)	(4,404)	(4,524)	120	2.7	(6,321)
10,870	(29)	Revaluations of physical assets	(69)	(240)	171	71.3	(240)
		Revaluations of defined benefit retirement plan schemes	759	759	-	-	754
354	507						
173	-	Revaluations of veterans' disability entitlements	-	-	-	-	-
417	175	Transfers into/(out of) cash flow hedge reserve	(220)	(2)	(218)	-	(23)
(22)	(35)	Transfers into/(out of) other reserves	8	45	(37)	(82.2)	105
		(Gains)/losses transferred to the statement of financial performance	6	-	6	-	-
(230)	(25)	Foreign currency translation differences on					
		foreign operations	-	-	-	-	-
(3)	(2)	Other movements	-	-	-	-	-
76	(239)		28	(3)	31	-	(36)
<b>17,511</b>	<b>751</b>	<b>Total comprehensive revenue and expense</b>	<b>(3,892)</b>	<b>(3,965)</b>	<b>73</b>	<b>1.8</b>	<b>(5,761)</b>
66	43	Increase in minority interest from equity issues	45	46	(1)	(2.2)	373
(424)	(280)	Transactions with minority interests	(364)	(377)	13	3.4	(603)
<b>191,472</b>	<b>174,833</b>	<b>Closing net worth</b>	<b>187,261</b>	<b>187,176</b>	<b>85</b>	<b>-</b>	<b>185,481</b>

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

# STATEMENT OF CASH FLOWS

For the five months ended 30 November 2023

Year to 30 June 2023	5 months to 30 Nov 2022		Current Year Actual vs Forecast				Annual Forecast \$m	
			Note	Actual \$m	Forecast \$m	Variance \$m		%
		<b>Cash flows from operations</b>						
		<b>Cash was provided from</b>						
110,787	43,276	Taxation receipts		45,883	45,674	209	0.5	115,240
7,631	3,454	Other sovereign receipts		3,381	3,384	(3)	(0.1)	7,667
22,284	9,229	Sales of goods and services		9,860	10,014	(154)	(1.5)	23,364
3,611	1,069	Interest receipts		1,896	1,828	68	3.7	4,332
4,922	2,528	Other operating receipts		2,212	2,200	12	0.5	5,353
<b>149,235</b>	<b>59,556</b>	<b>Total cash provided from operations</b>		<b>63,232</b>	<b>63,100</b>	<b>132</b>	<b>0.2</b>	<b>155,956</b>
		<b>Cash was disbursed to</b>						
39,170	16,923	Transfer payments and subsidies		18,060	18,000	(60)	(0.3)	42,163
99,414	43,030	Personnel and operating payments		47,648	48,107	459	1.0	115,399
6,126	2,131	Interest payments		3,611	3,323	(288)	(8.7)	8,005
-	-	Forecast new operating spending	7	-	-	-	-	1,920
-	-	Top-down expense adjustment	7	-	(218)	(218)	(100.0)	(4,350)
<b>144,710</b>	<b>62,084</b>	<b>Total cash disbursed to operations</b>		<b>69,319</b>	<b>69,212</b>	<b>(107)</b>	<b>(0.2)</b>	<b>163,137</b>
<b>4,525</b>	<b>(2,528)</b>	<b>Net cash flows from operations</b>		<b>(6,087)</b>	<b>(6,112)</b>	<b>25</b>	<b>0.4</b>	<b>(7,181)</b>
		<b>Cash flows from investing activities</b>						
		<b>Cash was provided from/(disbursed to)</b>						
(14,271)	(5,349)	Net (purchase)/sale of physical assets		(7,196)	(7,835)	639	8.2	(21,668)
(4,906)	(2,852)	Net (purchase)/sale of shares and other securities		(7,710)	(1,865)	(5,845)	(313.4)	4,487
(868)	(401)	Net (purchase)/sale of intangible assets		(302)	(346)	44	12.7	(849)
(8,215)	(7,960)	Net (issue)/repayment of advances		(724)	(762)	38	5.0	1,175
(202)	56	Net acquisition of investments in associates		(241)	(224)	(17)	(7.6)	(479)
-	-	Forecast new capital spending	7	-	-	-	-	(995)
-	-	Top-down capital adjustment	7	-	170	(170)	(100.0)	1,700
<b>(28,462)</b>	<b>(16,506)</b>	<b>Net cash flows from investing activities</b>		<b>(16,173)</b>	<b>(10,862)</b>	<b>(5,311)</b>	<b>(48.9)</b>	<b>(16,629)</b>
<b>(23,937)</b>	<b>(19,034)</b>	<b>Net cash flows from operating and investing activities</b>		<b>(22,260)</b>	<b>(16,974)</b>	<b>(5,286)</b>	<b>(31.1)</b>	<b>(23,810)</b>
		<b>Cash Flows from financing activities</b>						
		<b>Cash was provided from/(disbursed to)</b>						
(59)	38	Issues of circulating currency		94	25	69	276.0	65
15,744	11,024	Net issue/(repayment) of Government bonds		13,152	13,693	(541)	(4.0)	26,006
(113)	(376)	Net issue/(repayment) of foreign currency borrowing		879	(1,399)	2,278	162.8	(2,567)
9,298	13,099	Net issue/(repayment) of other New Zealand dollar borrowing		10,705	7,666	3,039	39.6	3,659
(372)	(234)	Dividends paid to minority interests		(333)	(319)	(14)	(4.4)	(220)
<b>24,498</b>	<b>23,551</b>	<b>Net cash flows from financing activities</b>		<b>24,497</b>	<b>19,666</b>	<b>4,831</b>	<b>24.6</b>	<b>26,943</b>
<b>561</b>	<b>4,517</b>	<b>Net movement in cash</b>		<b>2,237</b>	<b>2,692</b>	<b>(455)</b>	<b>(16.9)</b>	<b>3,133</b>
17,835	17,835	<b>Opening cash balance</b>		18,791	18,791	-	-	18,791
395	(742)	Foreign-exchange gains/(losses) on opening cash		53	203	(150)	(73.9)	184
<b>18,791</b>	<b>21,610</b>	<b>Closing cash balance</b>		<b>21,081</b>	<b>21,686</b>	<b>(605)</b>	<b>(2.8)</b>	<b>22,108</b>

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

# STATEMENT OF CASH FLOWS (CONTINUED)

For the five months ended 30 November 2023

Year to 30 June 2023 Actual \$m	5 months to 30 Nov 2022 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		<b>Reconciliation between the net cash flows from operations and the operating balance</b>					
<b>4,525</b>	<b>(2,528)</b>	<b>Net cash flows from operations</b>	<b>(6,087)</b>	<b>(6,112)</b>	<b>25</b>	<b>0.4</b>	<b>(7,181)</b>
		<b>Gains/(losses) and other interests</b>					
7,711	3,045	Net gains/(losses) on financial instruments	848	(1,431)	2,279	159.3	1,822
6,947	(463)	Net gains/(losses) on non-financial instruments	(2,627)	623	(3,250)	-	709
29	32	Net surplus from associates and joint ventures	(6)	12	(18)	(150.0)	(27)
<b>14,687</b>	<b>2,614</b>	<b>Total gains/(losses) and other interests</b>	<b>(1,785)</b>	<b>(796)</b>	<b>(989)</b>	<b>(124.2)</b>	<b>2,504</b>
		<b>Other non-cash items in operating balance</b>					
(6,601)	(2,675)	Depreciation	(3,049)	(3,016)	(33)	(1.1)	(7,358)
		Amortisation and net impairment of non-financial					
(734)	(764)	assets	(362)	(368)	6	1.6	(904)
(738)	(245)	Cost of concessionary lending	(216)	(215)	(1)	(0.5)	(726)
(97)	(73)	Impairment of financial assets (excl receivables)	(67)	(73)	6	8.2	(56)
(3,525)	1,192	Decrease/(increase) in insurance liabilities	1,080	991	89	9.0	(2,909)
61	273	Change in accumulating pension expenses	24	23	1	4.3	(52)
395	701	Emissions trading scheme revenue and expense	521	545	(24)	(4.4)	2,048
-	-	Other	-	-	-	-	-
<b>(11,239)</b>	<b>(1,591)</b>	<b>Total other non-cash items</b>	<b>(2,069)</b>	<b>(2,113)</b>	<b>44</b>	<b>2.1</b>	<b>(9,957)</b>
		<b>Movements in working capital</b>					
1,155	619	Increase/(decrease) in receivables	1,812	886	926	104.5	5,572
183	41	Increase/(decrease) in accrued interest	801	217	584	269.1	(438)
(27)	194	Increase/(decrease) in inventories	249	183	66	36.1	(17)
113	535	Increase/(decrease) in prepayments	817	652	165	25.3	324
(244)	(437)	Decrease/(increase) in deferred revenue	(65)	124	(189)	(152.4)	397
(3,277)	952	Decrease/(increase) in payables/provisions	1,923	2,435	(512)	(21.0)	2,475
<b>(2,097)</b>	<b>1,904</b>	<b>Total movements in working capital</b>	<b>5,537</b>	<b>4,497</b>	<b>1,040</b>	<b>23.1</b>	<b>8,313</b>
<b>5,876</b>	<b>399</b>	<b>Operating balance (including minority interests)</b>	<b>(4,404)</b>	<b>(4,524)</b>	<b>120</b>	<b>2.7</b>	<b>(6,321)</b>

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

# STATEMENT OF FINANCIAL POSITION

As at 30 November 2023

As at 30 June 2023 Actual \$m	As at 30 Nov 2022 Actual \$m		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
		<b>Assets</b>						
18,791	21,610	Cash and cash equivalents	9	21,081	21,686	(605)	(2.8)	22,108
33,548	35,492	Receivables	9	36,893	35,664	1,229	3.4	40,459
		Marketable securities, deposits and derivatives in gain						
66,490	68,182		9	71,867	66,830	5,037	7.5	60,703
48,046	44,070	Share investments	9	46,160	47,939	(1,779)	(3.7)	50,082
66,489	62,765	Advances	9	67,316	67,136	180	0.3	66,681
7,317	6,569	Investments in controlled enterprises	9	7,583	6,624	959	14.5	6,895
3,041	3,262	Inventory		3,290	3,224	66	2.0	3,024
4,612	4,944	Other assets		5,308	4,960	348	7.0	4,394
267,390	251,457	Property, plant and equipment	10	271,516	272,269	(753)	(0.3)	281,842
17,034	16,440	Equity accounted investments <sup>1</sup>		17,221	17,269	(48)	(0.3)	17,336
3,908	3,844	Intangible assets and goodwill		4,030	3,651	379	10.4	3,816
-	-	Forecast for new capital spending	7	-	-	-	-	995
-	-	Top-down capital adjustment	7	-	(170)	170	100.0	(1,700)
<b>536,666</b>	<b>518,635</b>	<b>Total assets</b>		<b>552,265</b>	<b>547,082</b>	<b>5,183</b>	<b>0.9</b>	<b>556,635</b>
		<b>Liabilities</b>						
9,002	9,099	Issued currency		9,096	9,027	(69)	(0.8)	9,066
18,726	18,679	Payables	11	19,374	18,522	(852)	(4.6)	21,092
3,610	3,805	Deferred revenue		3,675	3,483	(192)	(5.5)	3,213
226,755	224,362	Borrowings	12	246,257	245,322	(935)	(0.4)	253,847
6,125	12,255	New Zealand Emissions Trading Scheme	13	10,454	9,655	(799)	(8.3)	8,656
57,511	53,718	Insurance liabilities	14	54,138	51,771	(2,367)	(4.6)	55,486
8,039	8,168	Retirement plan liabilities		7,144	7,150	6	0.1	7,035
15,426	13,716	Provisions	15	14,866	14,976	110	0.7	12,759
<b>345,194</b>	<b>343,802</b>	<b>Total liabilities</b>		<b>365,004</b>	<b>359,906</b>	<b>(5,098)</b>	<b>(1.4)</b>	<b>371,154</b>
<b>191,472</b>	<b>174,833</b>	<b>Total assets less total liabilities</b>		<b>187,261</b>	<b>187,176</b>	<b>85</b>	<b>-</b>	<b>185,481</b>
		<b>Net worth</b>						
8,380	2,708	Taxpayers' funds	16	3,908	3,624	284	7.8	1,511
		Property, plant and equipment revaluation reserve						
174,575	164,274		16	174,385	174,320	65	-	174,335
		Defined benefit retirement plan revaluation reserve						
409	561		16	1,167	1,167	-	-	1,163
(392)	(566)	Veterans' disability entitlements reserve	16	(392)	(392)	-	-	(392)
542	593	Other reserves	16	345	561	(216)	(38.5)	543
<b>183,514</b>	<b>167,570</b>	<b>Total net worth attributable to the Crown</b>		<b>179,413</b>	<b>179,280</b>	<b>133</b>	<b>0.1</b>	<b>177,160</b>
7,958	7,263	Net worth attributable to minority interest	16	7,848	7,896	(48)	(0.6)	8,321
<b>191,472</b>	<b>174,833</b>	<b>Total net worth</b>		<b>187,261</b>	<b>187,176</b>	<b>85</b>	<b>-</b>	<b>185,481</b>

1. Equity accounted investments include Universities and Wānanga and City Rail Link Limited.

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

# STATEMENT OF SEGMENTS

For the five months ended 30 November 2023

	Current Year Actual vs Forecast									
	Core Crown		Crown entities		State-owned Enterprises		Inter-segment eliminations		Total Crown	
	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m
<b>Revenue</b>										
Taxation revenue	49,149	48,605	-	-	-	-	(250)	(260)	48,899	48,345
Other sovereign revenue	1,940	1,836	3,317	3,293	-	-	(1,007)	(996)	4,250	4,133
Revenue from core Crown funding	-	-	20,635	20,387	304	315	(20,939)	(20,702)	-	-
Sales of goods and services	751	762	1,248	1,284	8,195	8,337	(285)	(300)	9,909	10,083
Interest and dividend revenue	2,628	2,508	1,678	1,511	98	76	(884)	(864)	3,520	3,231
Other revenue	465	480	1,488	1,649	330	336	(776)	(928)	1,507	1,537
<b>Total Revenue (excluding gains)</b>	<b>54,933</b>	<b>54,191</b>	<b>28,366</b>	<b>28,124</b>	<b>8,927</b>	<b>9,064</b>	<b>(24,141)</b>	<b>(24,050)</b>	<b>68,085</b>	<b>67,329</b>
<b>Expenses</b>										
Transfer payments and subsidies	17,561	17,612	-	-	-	-	(513)	(522)	17,048	17,090
Personnel expenses	4,632	4,671	9,876	10,487	1,442	1,388	(15)	(24)	15,935	16,522
Other operating expenses	30,989	31,521	15,631	14,848	6,815	6,876	(22,778)	(22,754)	30,657	30,491
Interest expenses	3,596	3,530	694	516	234	230	(608)	(388)	3,916	3,888
Insurance expenses	1	2	3,142	3,277	5	5	-	-	3,148	3,284
Top-down adjustment	-	(218)	-	-	-	-	-	-	-	(218)
<b>Total Expenses (excluding losses)</b>	<b>56,779</b>	<b>57,118</b>	<b>29,343</b>	<b>29,128</b>	<b>8,496</b>	<b>8,499</b>	<b>(23,914)</b>	<b>(23,688)</b>	<b>70,704</b>	<b>71,057</b>
Gains/(losses) and other items	(4,153)	(5,340)	1,842	3,363	(158)	(203)	467	1,140	(2,002)	(1,040)
<b>Operating Balance (excluding minority interests)</b>	<b>(5,999)</b>	<b>(8,267)</b>	<b>865</b>	<b>2,359</b>	<b>273</b>	<b>362</b>	<b>240</b>	<b>778</b>	<b>(4,621)</b>	<b>(4,768)</b>
<b>Assets</b>										
Financial assets	179,693	172,993	98,458	97,478	7,238	7,314	(34,489)	(31,906)	250,900	245,879
Property, plant and equipment	63,668	63,863	153,990	154,013	53,859	54,393	-	-	271,516	272,269
Investments in associates, CEs and SOEs	66,857	66,879	14,649	14,680	437	454	(64,722)	(64,744)	17,221	17,269
Other assets	6,318	6,005	3,829	3,486	3,121	2,947	(640)	(603)	12,628	11,835
Top-down capital adjustments	-	(170)	-	-	-	-	-	-	-	(170)
<b>Total Assets</b>	<b>316,536</b>	<b>309,570</b>	<b>270,926</b>	<b>269,657</b>	<b>64,655</b>	<b>65,108</b>	<b>(99,851)</b>	<b>(97,253)</b>	<b>552,265</b>	<b>547,082</b>
<b>Liabilities</b>										
Borrowings	213,769	210,433	51,919	51,675	11,422	11,446	(30,853)	(28,232)	246,257	245,322
Other liabilities	48,878	47,503	68,903	66,557	11,396	11,516	(10,430)	(10,992)	118,747	114,584
<b>Total Liabilities</b>	<b>262,647</b>	<b>257,936</b>	<b>120,822</b>	<b>118,232</b>	<b>22,818</b>	<b>22,962</b>	<b>(41,283)</b>	<b>(39,224)</b>	<b>365,004</b>	<b>359,906</b>
<b>Net Worth</b>	<b>53,889</b>	<b>51,634</b>	<b>150,104</b>	<b>151,425</b>	<b>41,837</b>	<b>42,146</b>	<b>(58,568)</b>	<b>(58,029)</b>	<b>187,261</b>	<b>187,176</b>
<b>Cost of Acquisition of Physical Assets (Cash)</b>	<b>1,831</b>	<b>1,829</b>	<b>3,884</b>	<b>4,143</b>	<b>1,509</b>	<b>1,895</b>	<b>-</b>	<b>-</b>	<b>7,224</b>	<b>7,867</b>

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

## STATEMENT OF COMMITMENTS

As at 30 November 2023

	As at 30 Nov 2023 \$m	As at 30 Jun 2023 \$m	As at 30 Nov 2022 \$m
<b>Capital Commitments</b>			
State highways	2,437	2,437	2,380
Specialist military equipment	897	1,129	1,710
Land and buildings	9,449	9,343	6,388
Other property, plant and equipment	5,738	5,429	5,125
Other capital commitments	1,034	1,222	855
Universities and Wānanga	635	635	763
<b>Total capital commitments</b>	<b>20,190</b>	<b>20,195</b>	<b>17,221</b>
<b>Operating Commitments</b>			
Non-cancellable accommodation leases	5,818	6,010	5,260
Other non-cancellable leases	4,385	4,308	3,089
Universities and Wānanga	1,293	1,288	1,279
<b>Total operating commitments</b>	<b>11,496</b>	<b>11,606</b>	<b>9,628</b>
<b>Total commitments</b>	<b>31,686</b>	<b>31,801</b>	<b>26,849</b>
<b>Total Commitments by Segment</b>			
Core Crown	11,595	11,970	11,433
Crown entities	12,555	12,651	8,714
State-owned Enterprises	7,917	7,576	7,002
Inter-segment eliminations	(381)	(396)	(300)
<b>Total commitments</b>	<b>31,686</b>	<b>31,801</b>	<b>26,849</b>

## STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

As at 30 November 2023

	As at 30 Nov 2023 \$m	As at 30 Jun 2023 \$m	As at 30 Nov 2022 \$m
<b>Quantifiable Contingent Liabilities</b>			
Uncalled capital	9,311	9,468	9,083
Guarantees and indemnities	241	281	344
Legal proceedings and disputes	901	690	720
Other contingent liabilities	1,025	1,006	811
<b>Total quantifiable contingent liabilities</b>	<b>11,478</b>	<b>11,445</b>	<b>10,958</b>
<b>Total Quantifiable Contingent Liabilities by Segment</b>			
Core Crown	11,496	11,662	10,200
Crown entities	737	529	570
State-owned Enterprises	195	239	226
Inter-segment eliminations	(950)	(985)	(38)
<b>Total quantifiable contingent liabilities</b>	<b>11,478</b>	<b>11,445</b>	<b>10,958</b>
<b>Quantifiable Contingent Assets</b>			
Core Crown	44	62	29
Crown entities	34	34	25
State-owned Enterprises	41	41	-
Inter-segment eliminations	-	-	-
<b>Total quantifiable contingent assets</b>	<b>119</b>	<b>137</b>	<b>54</b>

For further detail a list of unquantifiable contingent liabilities and their descriptions is included on the Treasury's website as part of the Financial Statements of the Government 2023 pages 127 to 138.

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



# NOTES TO THE FINANCIAL STATEMENTS

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## NOTE 1: Accounting Policies

### Reporting Entity

These financial statements have been prepared in accordance with the Public Finance Act 1989 and with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as defined in the Financial Reporting Act 2013.

Entities included in the consolidated financial statements of the Government Reporting Entity Judgement is required to determine what entities are controlled and therefore consolidated in financial statements. The Government Reporting Entity is defined as the Sovereign in right of New Zealand and the legislative, executive, and judicial branches of the Government of New Zealand. The Government Reporting Entity is assessed as controlling another entity when it is exposed to, or has rights to, variable benefits from its involvement with that entity and can affect the nature or amount of those benefits through the exercise of its power over that entity.

### Basis of combination

These financial statements consolidate the following entities into the Government Reporting Entity:

#### Core Crown entities

- Ministers of the Crown
- Government departments
- Offices of Parliament
- New Zealand Superannuation Fund
- Reserve Bank of New Zealand

#### Other entities

- State-owned Enterprises
- Crown entities (excluding Universities and Wānanga)
- Air New Zealand Limited
- Elevate NZ Venture Fund
- Māori Health Authority
- Organisations listed in Schedule 4 and 4A (non-listed companies in which the Crown is majority or sole shareholder) of the Public Finance Act 1989
- Organisations listed in Schedule 5 (mixed ownership model companies) of the Public Finance Act 1989
- Legal entities listed in Schedule 6 (legal entities created by Treaty of Waitangi Settlement Acts) of the Public Finance Act 1989

Government departments are defined by the Public Finance Act 1989 and include departments (as defined in the Public Service Act 2020), departmental agencies, interdepartmental executive boards, interdepartmental ventures, the New Zealand Defence Force, the New Zealand Police, the Parliamentary Counsel Office, the Office of the Clerk of the House of Representatives and the Parliamentary Service.

The Crown has a full residual interest in all the above entities with the exception of Air New Zealand Limited, Tāmaki Redevelopment Company Limited and City Rail Link Limited (listed in Schedule 4A of the Public Finance Act 1989) and the mixed ownership model companies (listed in Schedule 5 of the Public Finance Act 1989).

Corresponding assets, liabilities, revenue, and expenses are added together line by line (with the exception of the New Zealand Superannuation Fund investments in controlled enterprises). Transactions and balances between these sub-entities are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of controlled entities to bring the accounting policies into line with those used by the Government reporting entity.

As a consequence of the agreements with Auckland Council, City Rail Link Limited (CRL) is reported as a joint venture in these financial statements and is, therefore, equity accounted. This treatment recognises the government share of CRL's net assets, including asset revaluation movements, surpluses and deficits.

For further detail a schedule of the entities that are included in the Government reporting entity is set out on pages 101 to 104 of the *HYEFU 2023* published on 20 December 2023.

The 30 June 2023 results are audited, all other figures are unaudited.

### **Basis of Preparation and General Accounting Policies**

These unaudited interim financial statements of the Government reporting entity comply with generally accepted accounting practice as defined in the Financial Reporting Act 2013 and have been prepared in accordance with Public Sector PBE Accounting Standards (PBE Standards) – Tier 1, as set out in PBE IAS 34: *Interim Financial Reporting*. The Government reporting entity is a public benefit entity. Public benefit entities (PBEs) are reporting entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.

The measurement base applied is historic cost modified by the revaluation of certain assets and liabilities, and prepared on an accrual basis, unless otherwise specified (for example, the Statement of Cash Flows).

These financial statements have been prepared on a going concern basis.

### **Specific Accounting Policies**

The specific accounting policies of the Crown are detailed on the Treasury's internet site:  
<https://www.treasury.govt.nz/information-and-services/state-sector-leadership/guidance/reporting-financial/accounting-policies>

### **Forecasts**

The annual forecasts in these financial statements are for the year to 30 June 2024, based on the *HYEFU 2023* published on 20 December 2023.

The accounting policies underlying the preparation of forecasts are the same as the specific accounting policies set out above.

### **Comparative Figures**

When presentation or classification of items in the financial statements are amended or accounting policies are changed voluntarily, comparative figures have been restated to ensure consistency with the current period unless it is impracticable to do so.

### **Variance Percentages**

Percentage variances between the actual and comparative balances exceeding 500% are not shown.

## Judgements and Estimates

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future, as with the settlement of ACC outstanding claim obligations and Government Superannuation retirement benefits, depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Further detail on the judgements and estimates used can be found on pages 61 to 65 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2023* published on 5 October 2023.

# NOTES TO THE FINANCIAL STATEMENTS

Year to 30 June 2023	5 months to 30 Nov 2022		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		<b>NOTE 2: Sovereign Revenue</b>					
		<b>Taxation revenue</b>					
		<b>Individuals</b>					
47,386	19,225	Source deductions	21,617	21,508	109	0.5	52,125
9,904	3,742	Other persons	4,071	3,840	231	6.0	10,447
(2,182)	(679)	Refunds	(882)	(860)	(22)	(2.6)	(2,278)
769	291	Fringe benefit tax	331	331	-	-	812
<b>55,877</b>	<b>22,579</b>	<b>Total individuals</b>	<b>25,137</b>	<b>24,819</b>	<b>318</b>	<b>1.3</b>	<b>61,106</b>
		<b>Corporate tax</b>					
18,327	6,754	Gross companies tax	6,643	6,535	108	1.7	18,935
(970)	(243)	Refunds	(292)	(279)	(13)	(4.7)	(650)
621	212	Non-resident withholding tax	257	259	(2)	(0.8)	681
<b>17,978</b>	<b>6,723</b>	<b>Total corporate tax</b>	<b>6,608</b>	<b>6,515</b>	<b>93</b>	<b>1.4</b>	<b>18,966</b>
		<b>Other direct income tax</b>					
2,092	566	Resident withholding tax on interest income	1,245	1,269	(24)	(1.9)	3,148
1,127	420	Resident withholding tax on dividend income	498	448	50	11.2	1,283
<b>3,219</b>	<b>986</b>	<b>Total other direct income tax</b>	<b>1,743</b>	<b>1,717</b>	<b>26</b>	<b>1.5</b>	<b>4,431</b>
<b>77,074</b>	<b>30,288</b>	<b>Total direct income tax</b>	<b>33,488</b>	<b>33,051</b>	<b>437</b>	<b>1.3</b>	<b>84,503</b>
		<b>Goods and services tax</b>					
47,185	20,049	Gross goods and services tax	19,896	19,898	(2)	-	47,730
(19,055)	(8,066)	Refunds	(7,579)	(7,610)	31	0.4	(18,269)
<b>28,130</b>	<b>11,983</b>	<b>Total goods and services tax</b>	<b>12,317</b>	<b>12,288</b>	<b>29</b>	<b>0.2</b>	<b>29,461</b>
		<b>Other indirect taxation</b>					
1,326	535	Petroleum fuels excise and duty <sup>1</sup>	737	698	39	5.6	1,866
1,666	936	Tobacco excise and duty <sup>1</sup>	740	671	69	10.3	1,501
1,414	543	Road and track user charges	719	733	(14)	(1.9)	1,922
1,290	575	Alcohol excise and duty <sup>1</sup>	564	570	(6)	(1.1)	1,390
187	84	Other customs duty	87	89	(2)	(2.2)	148
625	234	Miscellaneous indirect tax	247	245	2	0.8	628
<b>6,508</b>	<b>2,907</b>	<b>Total other indirect taxation</b>	<b>3,094</b>	<b>3,006</b>	<b>88</b>	<b>2.9</b>	<b>7,455</b>
<b>34,638</b>	<b>14,890</b>	<b>Total indirect taxation</b>	<b>15,411</b>	<b>15,294</b>	<b>117</b>	<b>0.8</b>	<b>36,916</b>
<b>111,712</b>	<b>45,178</b>	<b>Total taxation revenue</b>	<b>48,899</b>	<b>48,345</b>	<b>554</b>	<b>1.1</b>	<b>121,419</b>
		<b>Other sovereign revenue</b>					
3,855	1,546	ACC levies	1,701	1,679	22	1.3	4,106
1,582	1,441	Emissions trading revenue	1,164	1,149	15	1.3	3,520
673	281	Fire Service levies	298	298	-	-	706
612	225	EQC levies	343	340	3	0.9	819
170	68	Clean vehicle discount	99	99	-	-	253
371	98	Child support and working for families penalties	99	72	27	37.5	166
120	44	Court fines	47	48	(1)	(2.1)	115
1,024	407	Other miscellaneous items	499	448	51	11.4	1,072
<b>8,407</b>	<b>4,110</b>	<b>Total other sovereign revenue</b>	<b>4,250</b>	<b>4,133</b>	<b>117</b>	<b>2.8</b>	<b>10,757</b>
<b>120,119</b>	<b>49,288</b>	<b>Total sovereign revenue</b>	<b>53,149</b>	<b>52,478</b>	<b>671</b>	<b>1.3</b>	<b>132,176</b>

1. Includes excise on domestic production and excise-equivalent duties on imports.

# NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2023 Actual \$m	5 months to 30 Nov 2022 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 2: Sovereign Receipts (continued)</b>							
<b>Taxation Receipts (cash)</b>							
<b>Individuals</b>							
46,929	18,851	Source deductions	21,238	21,114	124	0.6	51,843
10,685	3,097	Other persons	3,062	3,107	(45)	(1.4)	10,476
(2,703)	(870)	Refunds	(1,025)	(981)	(44)	(4.5)	(2,732)
747	337	Fringe benefit tax	377	382	(5)	(1.3)	812
<b>55,658</b>	<b>21,415</b>	<b>Total individuals</b>	<b>23,652</b>	<b>23,622</b>	<b>30</b>	<b>0.1</b>	<b>60,399</b>
<b>Corporate Tax</b>							
19,733	7,639	Gross companies tax	6,661	6,974	(313)	(4.5)	19,153
(1,728)	(645)	Refunds	(764)	(734)	(30)	(4.1)	(1,582)
601	261	Non-resident withholding tax	323	321	2	0.6	681
<b>18,606</b>	<b>7,255</b>	<b>Total corporate tax</b>	<b>6,220</b>	<b>6,561</b>	<b>(341)</b>	<b>(5.2)</b>	<b>18,252</b>
<b>Other Direct Income Tax</b>							
1,917	544	Resident withholding tax on interest income	1,308	1,282	26	2.0	3,148
1,165	495	Resident withholding tax on dividend income	564	507	57	11.2	1,283
<b>3,082</b>	<b>1,039</b>	<b>Total other direct income tax</b>	<b>1,872</b>	<b>1,789</b>	<b>83</b>	<b>4.6</b>	<b>4,431</b>
<b>77,346</b>	<b>29,709</b>	<b>Total income tax</b>	<b>31,744</b>	<b>31,972</b>	<b>(228)</b>	<b>(0.7)</b>	<b>83,082</b>
<b>Goods and Services Tax</b>							
45,251	18,314	Gross goods and services tax	18,556	18,369	187	1.0	42,783
(18,334)	(7,573)	Refunds	(7,456)	(7,570)	114	1.5	(18,009)
<b>26,917</b>	<b>10,741</b>	<b>Total goods and services tax</b>	<b>11,100</b>	<b>10,799</b>	<b>301</b>	<b>2.8</b>	<b>24,774</b>
<b>Other Indirect Taxation</b>							
1,418	543	Road and track user charges	731	733	(2)	(0.3)	1,922
779	288	Excise duties	306	322	(16)	(5.0)	825
3,760	1,734	Customs duty	1,691	1,569	122	7.8	3,986
566	261	Miscellaneous indirect taxation	311	279	32	11.5	651
<b>6,523</b>	<b>2,826</b>	<b>Total other indirect taxation</b>	<b>3,039</b>	<b>2,903</b>	<b>136</b>	<b>4.7</b>	<b>7,384</b>
<b>33,440</b>	<b>13,567</b>	<b>Total indirect taxation</b>	<b>14,139</b>	<b>13,702</b>	<b>437</b>	<b>3.2</b>	<b>32,158</b>
<b>110,786</b>	<b>43,276</b>	<b>Total tax receipts collected</b>	<b>45,883</b>	<b>45,674</b>	<b>209</b>	<b>0.5</b>	<b>115,240</b>
<b>Other Sovereign Receipts (cash)</b>							
3,763	1,803	ACC levies	1,856	2,013	(157)	(7.8)	4,025
832	562	Emissions trading receipts	6	2	4	200.0	488
669	298	Fire Service levies	314	307	7	2.3	692
697	235	EQC levies	383	371	12	3.2	841
170	68	Clean vehicle discount	99	99	-	-	253
381	95	Child support and working for families penalties	96	88	8	9.1	185
114	49	Court fines	60	56	4	7.1	115
1,004	344	Other miscellaneous items	567	449	118	26.3	1,068
<b>7,630</b>	<b>3,454</b>	<b>Total other sovereign receipts</b>	<b>3,381</b>	<b>3,385</b>	<b>(4)</b>	<b>(0.1)</b>	<b>7,667</b>
<b>118,416</b>	<b>46,730</b>	<b>Total sovereign receipts</b>	<b>49,264</b>	<b>49,059</b>	<b>205</b>	<b>0.4</b>	<b>122,907</b>

Further information on the monthly tax outturns (revenue and receipts) can be found on the Treasury's website <https://treasury.govt.nz/information-and-services/financial-management-and-advice/revenue-expenditure/tax-outturn-data>

# NOTES TO THE FINANCIAL STATEMENTS

Year to 30 June 2023 Actual \$m	5 months to 30 Nov 2022 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 3: Interest Revenue and Dividends</b>							
5,012	1,479	Interest revenue	2,853	2,504	349	13.9	5,912
1,343	609	Dividends	667	727	(60)	(8.3)	1,473
<b>6,355</b>	<b>2,088</b>	<b>Total interest revenue and dividends</b>	<b>3,520</b>	<b>3,231</b>	<b>289</b>	<b>8.9</b>	<b>7,385</b>
<b>NOTE 4: Transfer Payments and Subsidies</b>							
19,517	7,956	New Zealand superannuation	8,826	8,823	(3)	-	21,610
3,473	1,410	Jobseeker support and emergency benefit	1,625	1,612	(13)	(0.8)	4,052
2,349	982	Accommodation assistance	1,010	1,014	4	0.4	2,492
2,311	943	Supported living payment	1,043	1,043	-	-	2,537
2,151	855	Family tax credit	908	920	12	1.3	2,278
1,917	784	Sole parent support	861	861	-	-	2,139
600	538	Cost of living payment	-	-	-	-	-
519	311	Winter energy payment	319	319	-	-	536
997	426	KiwiSaver subsidies	441	441	-	-	1,061
525	277	Student allowances	262	267	5	1.9	555
673	229	Hardship assistance	279	281	2	0.7	702
971	190	Official development assistance	283	287	4	1.4	1,214
476	180	Other working for families tax credits	166	171	5	2.9	487
430	177	Disability allowances	191	191	-	-	460
350	140	Orphan's/unsupported child's benefit	154	154	-	-	382
321	124	Best start	128	130	2	1.5	334
122	61	Income related rent subsidy	65	60	(5)	(8.3)	293
1,101	520	Other social assistance benefits	487	516	29	5.6	1,068
<b>38,803</b>	<b>16,103</b>	<b>Total transfer payments and subsidies</b>	<b>17,048</b>	<b>17,090</b>	<b>42</b>	<b>0.2</b>	<b>42,201</b>
<b>NOTE 5: Finance Costs</b>							
7,022	2,327	Interest on financial liabilities	3,671	3,644	(27)	(0.7)	9,374
426	154	Interest unwind on provisions and other interest	245	244	(1)	(0.4)	589
<b>7,448</b>	<b>2,481</b>	<b>Total finance costs</b>	<b>3,916</b>	<b>3,888</b>	<b>(28)</b>	<b>(0.7)</b>	<b>9,963</b>
<b>NOTE 6: Insurance Expenses</b>							
7,619	2,399	ACC	3,018	3,136	118	3.8	9,103
1,134	119	EQC	123	131	8	6.1	364
10	(6)	Southern Response	(3)	(3)	-	-	(6)
21	31	Other insurance expenses	10	20	10	50.0	92
<b>8,784</b>	<b>2,543</b>	<b>Total insurance expenses</b>	<b>3,148</b>	<b>3,284</b>	<b>136</b>	<b>4.1</b>	<b>9,553</b>

## NOTE 7: Forecast Adjustments

### Top-down adjustment

An adjustment to capital and operating expenditure forecasts to reflect the extent to which departments use appropriations (upper spending limits) rather than their best estimates when preparing their forecasts. As appropriations apply to the core Crown only, no adjustment is required to SOE or Crown entity forecasts.

### Forecast for new operating and new capital spending

Forecast new capital spending is an amount provided in the forecast to represent the balance sheet impact of capital initiatives expected to be introduced over the forecast period.

Forecast new operating spending and forecast new capital spending includes unallocated contingencies. Unallocated contingencies represent expenses or capital spending from Budget 2023 and previous Budgets that has yet to be allocated to appropriations for departments.

# NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2023 \$m	As at 30 Nov 2022 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		<b>NOTE 8: Net Gains and Losses on Non-financial instruments</b>					
1,315	391	Actuarial gains/(losses) on ACC liability	2,293	4,750	(2,457)	(51.7)	4,935
5,620	(1,083)	Gains/(losses) on the Emissions Trading Scheme	(4,844)	(4,073)	(771)	(18.9)	(4,091)
12	229	Other	(76)	(54)	(22)	(40.7)	(135)
<b>6,947</b>	<b>(463)</b>	<b>Net gains/(losses) on non-financial instruments</b>	<b>(2,627)</b>	<b>623</b>	<b>(3,250)</b>	<b>-</b>	<b>709</b>
		<b>NOTE 9: Financial Assets and Sovereign Receivables</b>					
18,791	21,610	Cash and cash equivalents	21,081	21,686	(605)	(2.8)	22,108
20,299	22,236	Tax receivables	23,231	22,462	769	3.4	25,497
13,249	13,256	Other receivables	13,662	13,202	460	3.5	14,962
29,785	28,760	Kiwi Group loans and advances	30,879	30,742	137	0.4	32,338
9,373	8,956	Student loans	9,197	9,185	12	0.1	9,141
18,088	17,818	Funding for Lending advances	18,497	18,559	(62)	(0.3)	16,529
9,243	7,231	Other advances	8,743	8,650	93	1.1	8,673
48,046	44,070	Share investments	46,160	47,939	(1,779)	(3.7)	50,082
7,317	6,569	Investments in controlled enterprises	7,583	6,624	959	14.5	6,895
44,736	45,055	Other marketable securities	51,209	45,957	5,252	11.4	41,004
9,231	8,379	Long-term deposits	8,373	8,949	(576)	(6.4)	8,237
6,935	9,442	Derivatives in gain	6,816	6,268	548	8.7	5,806
5,588	5,306	IMF financial assets	5,469	5,656	(187)	(3.3)	5,656
<b>240,681</b>	<b>238,688</b>	<b>Total financial assets and sovereign receivables</b>	<b>250,900</b>	<b>245,879</b>	<b>5,021</b>	<b>2.0</b>	<b>246,928</b>
		<b>Financial assets by entity</b>					
41,634	50,963	The Treasury	47,880	44,403	3,477	7.8	37,020
67,088	72,819	Reserve Bank of New Zealand	72,806	72,241	565	0.8	65,042
68,234	65,343	NZ Superannuation Fund	71,144	69,625	1,519	2.2	73,413
43,509	45,142	Other core Crown	46,303	45,916	387	0.8	46,887
(59,196)	(72,542)	Intra-segment eliminations	(58,439)	(59,194)	755	1.3	(47,829)
<b>161,269</b>	<b>161,725</b>	<b>Total core Crown segment</b>	<b>179,694</b>	<b>172,991</b>	<b>6,703</b>	<b>3.9</b>	<b>174,533</b>
51,773	50,141	ACC	49,829	48,973	856	1.7	51,556
709	535	EQC	661	655	6	0.9	517
29,785	28,760	Kiwi Group loans and advances	30,879	30,742	137	0	32,338
22,365	48,476	Other Crown entities	22,401	22,240	161	0.7	22,168
(4,863)	(4,412)	Intra-segment eliminations	(5,313)	(5,132)	(181)	(3.5)	(5,220)
<b>99,769</b>	<b>94,740</b>	<b>Total Crown entities segment</b>	<b>98,457</b>	<b>97,478</b>	<b>979</b>	<b>1.0</b>	<b>101,359</b>
<b>8,187</b>	<b>8,722</b>	<b>Total State-owned Enterprises segment</b>	<b>7,238</b>	<b>7,312</b>	<b>(74)</b>	<b>(1.0)</b>	<b>6,601</b>
(28,544)	(26,499)	Inter-segment eliminations	(34,489)	(31,902)	(2,587)	(8.1)	(35,565)
<b>240,681</b>	<b>238,688</b>	<b>Total financial assets and sovereign receivables</b>	<b>250,900</b>	<b>245,879</b>	<b>5,021</b>	<b>2.0</b>	<b>246,928</b>

# NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2023 \$m	As at 30 Nov 2022 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 10: Property, Plant and Equipment</b>							
<b>Net Carrying Value<sup>1</sup></b>							
<b>By class of asset:</b>							
79,708	84,952	Land	80,188	80,556	(368)	(0.5)	81,904
68,194	61,501	Buildings	70,196	70,011	185	0.3	74,680
59,502	52,274	State highways	60,112	60,120	(8)	-	61,716
20,052	18,655	Electricity generation assets	19,774	19,847	(73)	(0.4)	19,879
4,459	4,379	Electricity distribution network (cost)	4,515	4,550	(35)	(0.8)	4,427
4,562	4,226	Aircraft (excl military)	4,638	4,741	(103)	(2.2)	5,031
4,964	4,280	Specialist military equipment	5,298	5,388	(90)	(1.7)	5,954
3,401	3,151	Specified cultural and heritage assets	3,191	3,163	28	0.9	3,188
14,580	10,688	Rail network	14,834	15,111	(277)	(1.8)	15,685
7,968	7,351	Other plant and equipment (cost)	8,770	8,782	(12)	(0.1)	9,378
<b>267,390</b>	<b>251,457</b>	<b>Total net carrying value</b>	<b>271,516</b>	<b>272,269</b>	<b>(753)</b>	<b>(0.3)</b>	<b>281,842</b>
<b>Land breakdown by usage</b>							
28,921	32,854	Housing stock	29,332	29,359	(27)	(0.1)	30,643
23,134	23,475	State highway corridor land	23,137	23,134	3	-	23,120
8,342	7,826	Conservation estate	8,336	8,331	5	0.1	8,322
6,279	7,556	Schools	6,289	6,308	(19)	(0.3)	6,401
4,261	4,323	Rail network corridor land	4,280	4,291	(11)	(0.3)	4,341
1,578	1,591	Commercial (SOE) excluding rail	1,659	1,643	16	1.0	1,688
7,193	7,327	Other	7,155	7,490	(335)	(4.5)	7,389
<b>79,708</b>	<b>84,952</b>	<b>Total land</b>	<b>80,188</b>	<b>80,556</b>	<b>(368)</b>	<b>(0.5)</b>	<b>81,904</b>
<b>Schedule of Movements</b>							
<b>Cost or Valuation</b>							
268,071	268,071	Opening balance	287,777	287,777	-	-	287,777
14,881	5,166	Additions	7,498	7,979	(481)	(6.0)	21,977
(1,474)	(156)	Disposals	(363)	(76)	(287)	(377.6)	(216)
5,335	144	Net revaluations	(56)	(293)	237	80.9	(378)
964	(283)	Other	(105)	46	(151)	(328.3)	(37)
<b>287,777</b>	<b>272,942</b>	<b>Total cost or valuation</b>	<b>294,751</b>	<b>295,433</b>	<b>(682)</b>	<b>(0.2)</b>	<b>309,123</b>
<b>Accumulated Depreciation &amp; Impairment</b>							
18,889	18,889	Opening balance	20,387	20,387	-	-	20,387
(1,007)	(92)	Eliminated on disposal	(218)	(49)	(169)	(344.9)	(161)
(5,540)	2	Eliminated on revaluation	3	(135)	138	102	(138)
220	312	Impairment losses charged to operating balance	-	-	-	-	-
6,601	2,675	Depreciation expense and impairment losses	3,049	3,016	33	1.1	7,358
1,224	(301)	Other	14	(55)	69	125.5	(165)
<b>20,387</b>	<b>21,485</b>	<b>Total accumulated depreciation &amp; impairment</b>	<b>23,235</b>	<b>23,164</b>	<b>71</b>	<b>0.3</b>	<b>27,281</b>
<b>267,390</b>	<b>251,457</b>	<b>Total property, plant and equipment</b>	<b>271,516</b>	<b>272,269</b>	<b>(753)</b>	<b>(0.3)</b>	<b>281,842</b>

1. Using a revaluation methodology unless otherwise stated.



# NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2023 \$m	As at 30 Nov 2022 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 11: Payables</b>							
12,520	13,307	Accounts payable	13,650	12,943	(707)	(5.5)	14,667
6,206	5,372	Taxes repayable	5,724	5,579	(145)	(2.6)	6,425
<b>18,726</b>	<b>18,679</b>	<b>Total payables</b>	<b>19,374</b>	<b>18,522</b>	<b>(852)</b>	<b>(4.6)</b>	<b>21,092</b>
<b>NOTE 12: Borrowings</b>							
105,162	98,662	Government bonds	114,650	116,842	2,192	1.9	129,970
24,972	24,796	Kiwi Group customer deposits	25,885	25,593	(292)	(1.1)	25,301
49,915	50,884	Settlement deposits	54,183	53,276	(907)	(1.7)	46,151
2,891	2,890	Treasury bills	4,783	4,903	120	2.4	5,941
7,311	7,951	Derivatives in loss	6,301	8,251	1,950	23.6	7,879
1,220	1,295	Finance lease liabilities	1,126	1,191	65	5.5	1,117
157	145	Government retail stock	158	161	3	1.9	162
35,127	37,739	Other borrowings	39,171	35,105	(4,066)	(11.6)	37,326
<b>226,755</b>	<b>224,362</b>	<b>Total borrowings</b>	<b>246,257</b>	<b>245,322</b>	<b>(935)</b>	<b>(0.4)</b>	<b>253,847</b>
175,791	173,060	Sovereign-guaranteed debt	194,270	192,371	(1,899)	(1.0)	198,426
50,964	51,302	Non sovereign-guaranteed debt	51,987	52,951	964	1.8	55,421
<b>226,755</b>	<b>224,362</b>	<b>Total borrowings</b>	<b>246,257</b>	<b>245,322</b>	<b>(935)</b>	<b>(0.4)</b>	<b>253,847</b>

This note constitutes a Statement of Borrowings as required by the Public Finance Act 1989.

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.

<b>NOTE 13: New Zealand Emissions Trading Scheme</b>							
11,308	11,308	Opening liability	6,125	6,125	-	-	6,125
832	562	Units sold	6	2	(4)	(200.0)	488
1,103	819	Allocated units	611	594	(17)	(2.9)	1,495
(1,583)	(1,441)	Units surrendered	(1,164)	(1,149)	15	1.3	(3,520)
(5,620)	1,086	(Gains)/ losses due to revaluation in NZ Units	4,844	4,073	(771)	(18.9)	4,091
85	(79)	Other movements	32	10	(22)	(220.0)	(23)
<b>6,125</b>	<b>12,255</b>	<b>Closing liability</b>	<b>10,454</b>	<b>9,655</b>	<b>(799)</b>	<b>(8.3)</b>	<b>8,656</b>

The New Zealand Emissions Trading Scheme (NZ ETS) encourages emissions abatement by putting a price on emissions and rewarding carbon removal activities such as forestry. Tradeable units (NZUs) are allocated into the market through government auctions. NZUs are also allocated free-of-charge to foresters for forestry removals and to certain industrial activities that are both emission-intensive and trade-exposed (industrial allocation). NZ ETS participants must meet their emissions obligations by surrendering NZUs to the government. The NZ ETS liability represents the NZUs outstanding at the reporting date that can be used to settle these emission obligations in the future.

Further information on the emissions trading scheme, can be found on the Ministry for the Environment's website: <https://environment.govt.nz>

<b>NOTE 14: Insurance Liabilities</b>							
55,664	52,741	ACC liability	52,570	50,213	(2,357)	(4.7)	54,260
1,617	807	EQC property damage liability	1,398	1,390	(8)	(0.6)	1,063
230	170	Other insurance liabilities	170	168	(2)	(1.2)	163
<b>57,511</b>	<b>53,718</b>	<b>Total insurance liabilities</b>	<b>54,138</b>	<b>51,771</b>	<b>(2,367)</b>	<b>(4.6)</b>	<b>55,486</b>

The most recent valuation of the ACC liability was as at 30 June 2023 and is updated monthly for changes to discount rates.

<b>NOTE 15: Provisions</b>							
9,129	7,278	Provision for employee entitlements	8,452	8,655	203	2.3	6,712
2,651	2,832	Veterans disability entitlements	2,636	2,634	(2)	(0.1)	2,651
638	553	Provision for National Provident Fund guarantee	621	622	1	0.2	613
3,008	3,053	Other provisions	3,157	3,065	(92)	(3.0)	2,783
<b>15,426</b>	<b>13,716</b>	<b>Total provisions</b>	<b>14,866</b>	<b>14,976</b>	<b>110</b>	<b>0.7</b>	<b>12,759</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2023 \$m	As at 30 Nov 2022 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 16: Changes in Net Worth</b>							
8,380	2,708	Taxpayers' funds	3,908	3,624	284	7.8	1,511
174,575	164,274	Property, plant and equipment revaluation reserve	174,385	174,320	65	-	174,335
409	561	Defined benefit retirement plan revaluation reserve	1,167	1,167	-	-	1,163
(392)	(566)	Veterans' disability entitlements reserve	(392)	(392)	-	-	(392)
7,958	7,263	Net worth attributable to minority interests	7,848	7,896	(48)	(0.6)	8,321
542	593	Other reserves	345	561	(216)	(38.5)	543
<b>191,472</b>	<b>174,833</b>	<b>Total net worth</b>	<b>187,261</b>	<b>187,176</b>	<b>85</b>	<b>-</b>	<b>185,481</b>
2,681	2,681	Opening taxpayers funds	8,380	8,380	-	-	8,380
5,321	176	Operating balance excluding minority interests	(4,621)	(4,768)	147	3.1	(6,873)
378	(149)	Transfers from/(to) other reserves	149	12	137	-	4
<b>8,380</b>	<b>2,708</b>	<b>Closing taxpayers funds</b>	<b>3,908</b>	<b>3,624</b>	<b>284</b>	<b>7.8</b>	<b>1,511</b>
164,385	164,385	Opening property, plant and equipment revaluation reserve	174,575	174,575	-	-	174,575
10,870	(29)	Net revaluations	(69)	(240)	171	71.3	(240)
(372)	6	Revaluation reserve attributable to minority interest	-	-	-	-	-
(308)	(88)	Transfers from/(to) other reserves	(121)	(15)	(106)	-	-
<b>174,575</b>	<b>164,274</b>	<b>Closing property, plant and equipment revaluation reserve</b>	<b>174,385</b>	<b>174,320</b>	<b>65</b>	<b>-</b>	<b>174,335</b>
7,283	7,283	Opening net worth attributable to minority interests	7,958	7,958	-	-	7,958
66	43	Increase/(decrease) in minority interest from changes in equity	45	46	(1)	(2.2)	373
555	223	Operating balance attributable to minority interests	217	244	(27)	(11.1)	552
54	(286)	Net movements	(372)	(352)	(20)	(5.7)	(562)
<b>7,958</b>	<b>7,263</b>	<b>Closing net worth attributable to minority interests</b>	<b>7,848</b>	<b>7,896</b>	<b>(48)</b>	<b>(0.6)</b>	<b>8,321</b>
480	481	Opening other reserves	542	542	-	-	542
62	112	Net movements	(197)	19	(216)	-	1
<b>542</b>	<b>593</b>	<b>Closing other reserves</b>	<b>345</b>	<b>561</b>	<b>(216)</b>	<b>(38.5)</b>	<b>543</b>

# FISCAL INDICATOR ANALYSIS

For the five months ended 30 November 2023

## Reconciliation between the Operating Balance and the Operating Balance before Gains and Losses (OBEGAL)

Year to 30 June 2023 Actual \$m	5 months to 30 Nov 2022 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		<b>Operating Balance</b>					
153,011	61,684	Total revenue	68,085	67,329	756	1.1	167,330
161,822	63,899	Less total expenses	70,704	71,057	353	0.5	176,155
14,658	2,582	Total gains/(losses)	(1,779)	(808)	(971)	(120.2)	2,531
29	32	Net surplus from associates and joint ventures	(6)	12	(18)	(150.0)	(27)
(555)	(223)	Minority interests share of operating balance	(217)	(244)	27	11.1	(552)
<b>5,321</b>	<b>176</b>	<b>Operating balance</b>	<b>(4,621)</b>	<b>(4,768)</b>	<b>147</b>	<b>3.1</b>	<b>(6,873)</b>
		<b>Reconciliation Between the Operating Balance and OBEGAL</b>					
<b>5,321</b>	<b>176</b>	<b>Operating balance</b>	<b>(4,621)</b>	<b>(4,768)</b>	<b>147</b>	<b>3.1</b>	<b>(6,873)</b>
		Less items excluded from OBEGAL:					
7,711	3,045	Net gains/(losses) on financial instruments	848	(1,431)	2,279	159.3	1,822
6,947	(463)	Net gains/(losses) on non-financial instruments	(2,627)	623	(3,250)	-	709
29	32	Net surplus from associates and joint ventures	(6)	12	(18)	(150.0)	(27)
80	-	Minority interests share of total gains/(losses)	(39)	(28)	(11)	(39.3)	(58)
<b>(9,446)</b>	<b>(2,438)</b>	<b>OBEGAL</b>	<b>(2,797)</b>	<b>(3,944)</b>	<b>1,147</b>	<b>29.1</b>	<b>(9,319)</b>

# FISCAL INDICATOR ANALYSIS

For the five months ended 30 November 2023

## Expenses by Functional Classification

Year to 30 June 2023 Actual \$m	5 months to 30 Nov 2022 Actual \$m		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
<b>Total Crown expenses</b>								
48,845	19,371	Social security and welfare		21,111	21,311	200	0.9	53,466
29,824	11,945	Health		12,041	11,848	(193)	(1.6)	28,661
19,609	8,284	Education		9,120	8,960	(160)	(1.8)	21,695
6,663	2,006	Core government services		2,779	2,946	167	5.7	8,104
6,666	2,612	Law and order		2,817	2,804	(13)	(0.5)	7,119
14,428	5,912	Transport and communications		6,014	5,952	(62)	(1.0)	15,925
12,384	4,433	Economic and industrial services		5,774	6,139	365	5.9	14,763
2,838	1,121	Defence		1,280	1,280	-	-	3,128
3,417	1,438	Heritage, culture and recreation		1,491	1,516	25	1.6	3,435
2,740	1,028	Primary services		1,048	1,149	101	8.8	3,026
4,396	1,829	Housing and community development		2,062	2,182	120	5.5	5,770
2,353	1,365	Environmental protection		1,154	1,202	48	4.0	3,185
78	47	GSF pension expenses		28	29	1	3.4	71
133	27	Other		69	69	-	-	274
7,448	2,481	Finance costs		3,916	3,888	(28)	(0.7)	9,963
-	-	Forecast new operating spending	7	-	-	-	-	1,920
-	-	Top-down expense adjustment	7	-	(218)	(218)	(100.0)	(4,350)
<b>161,822</b>	<b>63,899</b>	<b>Total Crown expenses excluding losses</b>		<b>70,704</b>	<b>71,057</b>	<b>353</b>	<b>0.5</b>	<b>176,155</b>

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

Year to 30 June 2023 Actual \$m	5 months to 30 Nov 2022 Actual \$m		Note	Current Year Actual vs Forecast				Annual Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
<b>Core Crown expenses</b>								
41,514	17,230	Social security and welfare		18,214	18,331	117	0.6	44,739
28,489	11,956	Health		12,334	12,346	12	0.1	30,103
18,403	7,625	Education		8,354	8,281	(73)	(0.9)	20,526
6,806	2,080	Core government services		2,800	3,010	210	7.0	8,163
6,165	2,436	Law and order		2,672	2,656	(16)	(0.6)	6,603
5,472	2,034	Transport and communications		2,441	2,428	(13)	(0.5)	6,222
3,690	1,570	Economic and industrial services		1,560	1,644	84	5.1	4,303
2,886	1,133	Defence		1,298	1,301	3	0.2	3,174
1,537	661	Heritage, culture and recreation		695	730	35	4.8	1,590
1,156	387	Primary services		397	497	100	20.1	1,374
2,312	972	Housing and community development		1,154	1,278	124	9.7	3,530
2,381	1,368	Environmental protection		1,171	1,212	41	3.4	3,223
61	40	GSF pension expenses		24	23	(1)	(4.3)	52
133	27	Other		69	69	-	-	274
6,569	2,208	Finance costs		3,596	3,530	(66)	(1.9)	8,840
-	-	Forecast new operating spending	7	-	-	-	-	1,920
-	-	Top-down expense adjustment	7	-	(218)	(218)	(100.0)	(4,350)
<b>127,574</b>	<b>51,727</b>	<b>Core Crown expenses excluding losses</b>		<b>56,779</b>	<b>57,118</b>	<b>339</b>	<b>0.6</b>	<b>140,286</b>

# FISCAL INDICATOR ANALYSIS

For the five months ended 30 November 2023

## Core Crown Residual Cash

Year to 30 June 2023 \$m	5 months to 30 Nov 2022 \$m	Current Year Actual vs Forecast				Annual Forecast \$m
		Actual \$m	Forecast \$m	Variance \$m	%	
<b>Core Crown Cash Flows from Operations</b>						
111,292	43,413	46,332	46,364	(32)	(0.1)	116,028
2,492	1,138	815	676	139	20.6	2,105
982	234	520	701	(181)	(25.8)	1,825
3,954	1,268	1,387	1,512	(125)	(8.3)	3,631
(40,417)	(17,479)	(18,551)	(18,521)	(30)	(0.2)	(43,447)
(76,434)	(33,342)	(34,995)	(35,050)	55	0.2	(85,063)
(5,305)	(1,897)	(2,958)	(2,937)	(21)	(0.7)	(6,939)
-	-	-	-	-	-	(1,920)
-	-	-	218	(218)	(100.0)	4,350
<b>(3,436)</b>	<b>(6,665)</b>	<b>(7,450)</b>	<b>(7,037)</b>	<b>(413)</b>	<b>(5.9)</b>	<b>(9,430)</b>
(4,435)	(1,756)	(1,966)	(2,012)	46	2.3	(4,949)
(9,159)	(6,352)	(1,729)	(1,827)	98	5.4	(2,897)
(6,060)	(3,752)	(1,967)	(2,084)	117	5.6	(7,646)
(2,558)	(1,066)	(673)	(673)	-	-	(1,614)
-	-	-	-	-	-	(995)
-	-	-	170	(170)	(100.0)	1,700
<b>(22,212)</b>	<b>(12,926)</b>	<b>(6,335)</b>	<b>(6,426)</b>	<b>91</b>	<b>1.4</b>	<b>(16,401)</b>
<b>(25,648)</b>	<b>(19,591)</b>	<b>(13,785)</b>	<b>(13,463)</b>	<b>(322)</b>	<b>(2.4)</b>	<b>(25,831)</b>
<i>The core Crown residual cash surplus / (deficit) is funded or invested as follows:</i>						
<b>Debt Programme Cash Flows</b>						
Market:						
26,076	13,200	13,249	13,683	(434)	(3.2)	34,652
(21,879)	(3,275)	(1,601)	(1,596)	(5)	(0.3)	(18,069)
(66)	(876)	7,132	3,093	4,039	130.6	4,143
<b>4,131</b>	<b>9,049</b>	<b>18,780</b>	<b>15,180</b>	<b>3,600</b>	<b>23.7</b>	<b>20,726</b>
Non market:						
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(300)	(100)	(100)	(100)	-	-	(300)
<b>(300)</b>	<b>(100)</b>	<b>(100)</b>	<b>(100)</b>	<b>-</b>	<b>-</b>	<b>(300)</b>
<b>3,831</b>	<b>8,949</b>	<b>18,680</b>	<b>15,080</b>	<b>3,600</b>	<b>23.9</b>	<b>20,426</b>
<b>Other Borrowing Cash Flows</b>						
19,918	13,780	8,933	6,191	2,742	44.3	8,291
(1,034)	(125)	(4,026)	(2,322)	(1,704)	(73.4)	(3,772)
<b>18,884</b>	<b>13,655</b>	<b>4,907</b>	<b>3,869</b>	<b>1,038</b>	<b>(29.1)</b>	<b>4,519</b>
<b>Investing Cash Flows</b>						
2,775	(1,151)	(7,783)	(2,408)	(5,375)	(223.2)	3,980
(60)	38	94	25	69	276.0	65
218	(1,900)	(2,113)	(3,103)	990	31.9	(3,159)
<b>2,933</b>	<b>(3,013)</b>	<b>(9,802)</b>	<b>(5,486)</b>	<b>(4,316)</b>	<b>(78.7)</b>	<b>886</b>
<b>25,648</b>	<b>19,591</b>	<b>13,785</b>	<b>13,463</b>	<b>322</b>	<b>2.4</b>	<b>25,831</b>

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

# FISCAL INDICATOR ANALYSIS

As at 30 November 2023

## Net Debt and Gross Debt

As at 30 June 2023 Actual \$m	As at 30 Nov 2022 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>Net Debt:</b>							
191,029	190,149	Core Crown borrowings <sup>1</sup>	213,769	210,433	(3,336)	(1.6)	216,904
48,110	44,951	Crown entity borrowings <sup>2</sup>	51,919	51,675	(244)	(0.5)	57,326
(28,884)	(28,211)	Less Kiwi Group borrowings <sup>3</sup>	(30,059)	(30,409)	(350)	(1.2)	(32,522)
(1,690)	(1,809)	Add back inter-entity eliminations <sup>3</sup>	(1,719)	(1,457)	262	18.0	(1,133)
(1,603)	(938)	Net unsettled purchases/(sales) of securities <sup>4</sup>	(1,156)	(1,116)	40	3.6	(1,157)
(135,595)	(132,345)	Less core Crown financial assets (per net debt definition) <sup>5</sup>	(148,901)	(143,502)	5,399	3.8	(142,004)
<b>71,367</b>	<b>71,797</b>	<b>Net debt (incl. NZS Fund)</b>	<b>83,853</b>	<b>85,624</b>	<b>1,771</b>	<b>2.1</b>	<b>97,414</b>
<b>Additional net debt analysis</b>							
71,367	71,797	Net debt (incl. NZS Fund)	83,853	85,624	1,771	2.1	97,414
(2,264)	(2,918)	Less NZS Fund borrowings	(1,571)	(2,478)	(907)	(36.6)	(2,476)
		Less NZS Fund net unsettled purchases/(sales) of securities	1,356	2,055	699	34.0	2,096
1,045	229		66,999	65,346	(1,653)	(2.5)	69,018
66,120	62,041	Less NZS Fund financial assets					
<b>136,268</b>	<b>131,149</b>	<b>Net debt (excl. NZS Fund)</b>	<b>150,637</b>	<b>150,547</b>	<b>(90)</b>	<b>(0.1)</b>	<b>166,052</b>
<b>Gross Debt:</b>							
191,029	190,149	Core Crown borrowings	213,769	210,433	(3,336)	(1.6)	216,904
962	3,442	Unsettled purchases of securities	3,396	2,955	(441)	(14.9)	3,024
		Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(4,126)	(4,472)	(346)	(7.7)	(4,539)
(3,093)	(5,795)	Less Reserve Bank settlement cash <sup>6</sup> and Reserve Bank bills	(57,529)	(55,874)	1,655	3.0	(48,749)
(53,109)	(52,781)						
<b>135,789</b>	<b>135,015</b>	<b>Gross Debt</b>	<b>155,510</b>	<b>153,042</b>	<b>(2,468)</b>	<b>(1.6)</b>	<b>166,640</b>

### Notes on borrowings

- Core Crown borrowings represent the total debt obligations of the consolidated core Crown segment. This includes any government stock held by ACC and EQC and includes settlement deposits with the Reserve Bank.
- Crown entity borrowings represents the total debt obligations of the consolidated Crown entities. This includes debt issued by Crown entities, such as Kāinga Ora.
- Kiwi Group borrowings includes Kiwi Group customer deposits as disclosed in Note 12: Borrowings and other 3rd party derivative balances.
- Unsettled sales and purchases of securities are classified in the Statement of Financial Position as receivables and accounts payable, respectively.
- Core Crown financial assets per the net debt definition includes any asset that is cash, deposits, share investments, advances, other marketable securities or a right to exchange a financial asset or liability on favourable terms (derivatives in gain).
- Includes Reserve Bank's New Zealand dollar transactional banking services for other Central Banks and the International Monetary Fund.

For the five months ended 30 November 2023

## Movement in Net Debt

As at 30 June 2023 Actual \$m	As at 30 Nov 2022 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
61,850	61,850	Opening net debt	71,367	71,367	-	-	71,367
25,648	19,591	Core Crown residual cash (surplus)/deficit	13,785	13,463	(322)	(2.4)	25,831
(9,159)	(6,352)	Less net increase in advances	(1,729)	(1,827)	(98)	(5.4)	(2,897)
(2,558)	(1,066)	Less contributions to the NZS Fund	(673)	(673)	-	-	(1,614)
3,191	586	Net increase/(decrease) in Crown entity borrowings	2,605	2,273	(332)	(14.6)	6,135
60	(38)	Issues of circulating currency	(94)	(25)	69	276.0	(65)
(7,665)	(2,774)	Other fair value movements in financial assets and financial liabilities (gains)/losses (including NZSF)	(1,408)	1,046	2,454	234.6	(1,343)
<b>71,367</b>	<b>71,797</b>	<b>Closing net debt</b>	<b>83,853</b>	<b>85,624</b>	<b>1,771</b>	<b>2.1</b>	<b>97,414</b>

# FISCAL INDICATOR ANALYSIS

## New Zealand Superannuation Fund

30 June 2023 \$m	30 Nov 2022 \$m		Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
<b>NZ Superannuation Fund</b>							
1,320	494	Revenue	674	687	(13)	(1.9)	1,557
127	17	Less current tax expense	(490)	(152)	338	222.4	(802)
1,054	(580)	Less other expenses <sup>1</sup>	(27)	(41)	(14)	(34.1)	(206)
5,766	2,333	Add gains/(losses)	783	(1,071)	1,854	173.1	966
<b>5,905</b>	<b>2,264</b>	<b>Operating balance</b>	<b>940</b>	<b>(577)</b>	<b>1,517</b>	<b>262.9</b>	<b>1,515</b>
56,210	56,210	Opening net worth	64,673	64,673	-	-	64,673
2,558	1,066	Contributions from the Crown	673	673	-	-	1,614
5,905	2,264	Operating balance	940	(577)	1,517	262.9	1,515
-	-	Other movements in reserves	(1)	-	(1)	-	-
<b>64,673</b>	<b>59,540</b>	<b>Closing net worth</b>	<b>66,285</b>	<b>64,769</b>	<b>1,516</b>	<b>2.3</b>	<b>67,802</b>
<b>Comprising:</b>							
68,234	65,343	Financial assets	71,144	69,625	1,519	2.2	73,413
(3,501)	(5,705)	Financial liabilities	(4,799)	(4,789)	(10)	(0.2)	(5,518)
(60)	(98)	Net other assets	(60)	(67)	7	10.4	(93)
<b>64,673</b>	<b>59,540</b>	<b>Closing net worth</b>	<b>66,285</b>	<b>64,769</b>	<b>1,516</b>	<b>2.3</b>	<b>67,802</b>

1. This includes deferred tax expenses which can vary from month to month.

# FISCAL INDICATOR ANALYSIS

## Reconciliation Between the Financial Statements, the Operating Balance before Gains and Losses and Core Crown Residual Cash

Financial Results	30 Nov 2023 Actual \$m	30 Nov 2023 Forecast \$m	Variance \$m	Variance %	Annual Forecast \$m
Core Crown taxation revenue...	49,149	48,605	544	1.1	122,025
...combined with other core Crown revenue...	5,784	5,586	198	3.5	13,715
...funds core Crown expenses...	(56,779)	(57,118)	339	0.6	(140,286)
...and with SOE and CE <sup>1</sup> results...	(951)	(1,017)	66	6.5	(4,773)
...this results in an operating balance before gains and losses ( <b>OBE GAL</b> )...	(2,797)	(3,944)	1,147	29.1	(9,319)
...with gains/losses leading to an <b>operating surplus/(deficit)</b> ...	(4,621)	(4,768)	147	3.1	(6,873)
...with income in SOEs, CEs <sup>1</sup> and the NZS Fund retained...	(940)	577	(1,517)	(262.9)	(2,257)
...and some items do not impact cash.	(1,889)	(2,846)	957	33.6	(300)
<b>This leads to an operating residual cash surplus/(deficit)...</b>	<b>(7,450)</b>	<b>(7,037)</b>	<b>(413)</b>	<b>(5.9)</b>	<b>(9,430)</b>
...used to make contributions to the NZS Fund...	(673)	(673)	-	-	(1,614)
...and to use for capital expenditure	(1,966)	(2,012)	46	2.3	(4,949)
...and to make advances	(1,729)	(1,827)	98	5.4	(2,897)
...and to purchase investments	(1,967)	(2,084)	117	5.6	(7,646)
Adjusting for forecast adjustments (top-down/new spending)...	-	170	(170)	(100.0)	705
...results in a <b>borrowing requirement (cash deficit)/surplus</b>	<b>(13,785)</b>	<b>(13,463)</b>	<b>(322)</b>	<b>(2.4)</b>	<b>(25,831)</b>

1. State-owned enterprises (SOEs) and Crown entities (CEs).