

# Interim Financial Statements of the Government of New Zealand

For the ten months ended  
30 April 2024



Prepared by the Treasury  
5 June 2024

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# Commentary

## COMMENTARY

These financial statements reflect the financial position (service potential and financial capacity) as at 30 April 2024, and the financial results of operations and cash flows for the period ended on that date.

The April results are reported against forecasts based on the *Budget Economic and Fiscal Update 2024* (BEFU 2024), published on 30 May 2024 and the results against the same period for the previous year.

### Comparison against forecast

**Table 1** – Key indicators for the ten months ended 30 April 2024 compared to BEFU 2024

|  | Year to date        |                                    |                       |           | Full Year                          |
|--|---------------------|------------------------------------|-----------------------|-----------|------------------------------------|
|  | April               | April                              | Variance <sup>2</sup> | Variance  | June                               |
|  | 2024                | 2024                               | BEFU 2024             | BEFU 2024 | 2024                               |
|  | Actual <sup>1</sup> | BEFU 2024<br>Forecast <sup>1</sup> | BEFU 2024             | BEFU 2024 | BEFU 2024<br>Forecast <sup>3</sup> |
|  | \$m                 | \$m                                | \$m                   | %         | \$m                                |
| Core Crown tax revenue                           | 100,320             | 98,667                             | 1,653                 | 1.7       | 118,995                            |
| Core Crown revenue                               | 110,958             | 109,537                            | 1,421                 | 1.3       | 132,375                            |
| Core Crown expenses                              | 112,880             | 113,387                            | 507                   | 0.4       | 138,325                            |
| Core Crown residual cash                         | (19,082)            | (20,483)                           | 1,401                 | 6.8       | (21,864)                           |
| Net core Crown debt <sup>4</sup>                 | 174,990             | 176,963                            | 1,973                 | 1.1       | 178,094                            |
| <i>as a percentage of GDP</i>                    | 43.2%               | 43.7%                              |                       |           | 43.1%                              |
| Gross debt                                       | 174,739             | 174,370                            | (369)                 | (0.2)     | 174,583                            |
| <i>as a percentage of GDP</i>                    | 43.1%               | 43.0%                              |                       |           | 42.3%                              |
| Operating balance before gains and losses        | (6,509)             | (8,220)                            | 1,711                 | 20.8      | (11,074)                           |
| Operating balance (excluding minority interests) | 660                 | (1,232)                            | 1,892                 | 153.6     | (2,988)                            |
| Net worth attributable to the Crown              | 184,505             | 182,697                            | 1,808                 | 1.0       | 180,862                            |
| <i>as a percentage of GDP</i>                    | 45.5%               | 45.1%                              |                       |           | 43.8%                              |

1 Using the most recently published GDP (for the year ended 31 Dec 2023) of \$405,145 million (Source: Stats NZ).

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

3 Using BEFU 2024 forecast GDP for the year ending 30 June 2024 of \$413,062 million (Source: The Treasury).

4 Net core Crown debt excludes the NZS Fund and core Crown advances. Net core Crown debt may fluctuate during the year largely reflecting the timing of tax receipts.

**Core Crown tax revenue**, at \$100.3 billion, was \$1.7 billion (1.7%) above forecast and is expected to persist through to year end. However, the majority of the variance is one-off in nature, therefore is unlikely to impact into future years. The main variances related to:

- Corporate tax revenue was \$1.1 billion above forecast owing to multiple factors. The largest contributor being higher than forecast tax revenue coming from the strong investment performance of Portfolio Investment Entities (PIEs). In addition, claims for R&D tax credits were less than expected and penalties and interest revenue were more than expected, which have both contributed to higher tax revenue.
- Other direct taxes revenue was \$0.6 billion above forecast. This increase was due to continued strength in resident withholding tax (RWT) on dividends in April. This is largely due to a lift in dividend payments by Trusts, ahead of the increase in their tax rates.
- In contrast, revenue from other individuals' taxes was \$0.2 billion below forecast owing to a decrease in provisional tax. The decrease compared to forecast reflected an updated provisional tax uplift estimation factor.

**Core Crown revenue** was \$1.4 billion higher than forecast, primarily due to the stronger core Crown tax revenue discussed above. Slightly offsetting this was revenue from the Emissions Trading Scheme (ETS) which was lower than expected due to the fewer units being surrendered as well as the spot price of New Zealand units (NZUs) decreasing from the forecasted price.

**Core Crown expenses** were \$112.9 billion, lower than forecast by \$0.5 billion (0.4%). Excluding the top-down adjustment and finance costs, core Crown expenditure was \$1.2 billion lower than forecast. Notable variances included:

- **Core Government Services (\$0.4 billion lower):** The lower spending on core government services was driven by various factors. The largest portion of this variance related to lower than forecast overdue tax debt balance. Consequently, the corresponding impairment expense was lower than expected.
- **Law and order (\$0.2 billion lower):** this variance was mainly driven by delays in settling pay negotiations for police officers which had not yet been settled at 30 April 2024.
- **Education (\$0.2 billion lower):** this variance was driven by various factors with the largest portion relating to the reversal of a write down expense due to the cancellation of a loan which was forecast to occur in June.
- **Housing and community development (\$0.1 billion lower):** this variance was spread across various departments, with the largest component relating to lower than forecast expenses in relation to services for individuals to participate in a community.

The operating balance before gains and losses (**OBEGAL**) deficit of \$6.5 billion, was \$1.7 billion smaller than forecast. This was largely as a result of the variances in core Crown revenue and expenses discussed above.

The **operating balance** was a surplus of \$0.7 billion, which was \$1.9 billion favourable to forecast. The majority of this variance relates to OBEGAL result discussed. Overall, net gains on financial and non-financial instruments were \$0.2 billion higher than forecast due to:

- Net gains on financial instruments of \$7.6 billion, were \$0.6 billion weaker than the forecast gain of \$8.3 billion. This was primarily due to current market movements that have impacted the assets values held by NZ Superannuation Fund and Accident Compensation Corporation (ACC).
- Net losses on non-financial instruments of \$0.4 billion, were \$0.8 billion stronger than the expected loss of \$1.2 billion. The smaller losses were due to a decrease in the ACC outstanding claims liability, which reflects changes in discount rates used for estimating future costs. In addition, losses on the ETS liability were \$0.4 billion less than forecast due to a decrease in the NZU price.

The **core Crown residual cash** deficit of \$19.1 billion was smaller than the forecast deficit by \$1.4 billion. This was a result of net core Crown operating cash outflows being \$0.9 billion lower than forecast (favourable) and net core Crown capital cash outflows being \$0.5 billion lower than forecast. The favourable variance in net operating cash outflows was mainly owing to the stronger tax receipts discussed above.

**Net core Crown debt** at \$175.0 billion (43.2% of GDP) was below forecast by \$2.0 billion. This largely reflected the core Crown residual cash as discussed above. The remaining variance was made up of other factors including the timing of net interest payments.

**Gross debt** at \$174.7 billion (43.1% of GDP), was broadly in line with forecast.

**Net worth attributable to the Crown** was \$184.5 billion which was \$1.8 billion higher than forecast, largely driven by the variance in the operating balance result.

## Comparison against the prior year actuals

**Table 2 – 30 April 2024 results compared to 30 April 2023 actuals**

|  | Year to date                                |   |   | Full Year                |  |
|--|---|---|---|--------------------------|--|
|  | April<br>2024<br>Actual <sup>1</sup><br>\$m | April<br>2023<br>Prior Year<br>Actual <sup>2</sup><br>\$m | Variance <sup>3</sup><br>to 2023<br>\$m | Variance<br>to 2023<br>% | June<br>2023<br>Prior Year<br>Actual <sup>4</sup><br>\$m |
| Core Crown tax revenue                           | 100,320                                     | 92,274  | 8,046                                   | 8.7                      | 112,358  |
| Core Crown revenue                               | 110,958                                     | 101,375   | 9,583                                   | 9.5                      | 123,398  |
| Core Crown expenses                              | 112,880                                     | 103,537   | (9,343)                                 | (9.0)                    | 127,574  |
| Core Crown residual cash                         | (19,082)                                    | (27,736)  | 8,654                                   | 31.2                     | (25,648)   |
| Net core Crown debt <sup>5</sup>                 | 174,990                                     | 157,023   | (17,967)                                | (11.4)                   | 155,273  |
| <i>as a percentage of GDP</i>                    | 43.2%                                       | 41.2%   |   |                          | 39.3%  |
| Gross debt                                       | 174,739                                     | 137,102   | (37,637)                                | (27.5)                   | 135,789  |
| <i>as a percentage of GDP</i>                    | 43.1%                                       | 36.0%   |   |                          | 34.3%  |
| Operating balance before gains and losses        | (6,509)                                     | (7,018)   | 509                                     | 7.3                      | (9,446)  |
| Operating balance (excluding minority interests) | 660   | 481   | 179                                     | 37.2                     | 5,321  |
| Net worth attributable to the Crown              | 184,505                                     | 168,251   | 16,254                                  | 9.7                      | 183,514  |
| <i>as a percentage of GDP</i>                    | 45.5%                                       | 44.2%   |   |                          | 46.4%  |

1 Using the most recently published GDP (for the year ended 31 Dec 2023) of \$405,145 million (Source: Stats NZ).

2 Using published GDP (revised) (for the year ended 31 Dec 2022) of \$381,035 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 \$395,582 million (Source: Stats NZ).

5 Net core Crown debt excludes the NZS Fund and core Crown advances. Net core Crown debt may fluctuate during the year largely reflecting the timing of tax receipts.

**Core Crown tax revenue** was \$8.0 billion (8.7%) up on the prior year. The largest movements came from:

- Source deduction revenue was up \$4.6 billion (11.8%) owing to a strong labour market, characterised by strong wage growth.
- Other direct tax revenue was up \$2.7 billion (107.7%) mainly owing to increases in deposit interest rates and dividend distributions.
- GST revenue was up \$1.0 billion (4.5%), owing to year-on-year growth in nominal consumption. However, the rate of increase in GST is lower than CPI inflation, indicating that consumers have cut back their real spending in response to mortgage interest rate and price increases.
- In contrast, other individuals tax revenue was down \$0.8 billion (11.3%) and corporate tax revenue was down \$0.2 billion (1.6%), mainly owing to a decline in the value of income tax assessments filed, consistent with a decline in taxable profits.

**Core Crown tax receipts** for the ten months were \$7.6 billion (8.7%) up on the prior year, broadly reflecting the same drivers as the variances in tax revenue.

In addition, core Crown interest revenue was higher than the same time last year (\$2.0 billion). This was mainly driven by the Reserve Bank of New Zealand and relates to higher deposit balances and an increase in the OCR which flow through to increases in interest revenue.

As a result of the increases in core Crown tax revenue and interest revenue noted above, **core Crown revenue** was \$9.6 billion (9.5%) above the same period last year.

**Core Crown expenses** at \$112.9 billion were \$9.3 billion (9.0%) higher than the same period last year, with the most notable changes including:

- Social security welfare costs rose by \$2.5 billion compared to last year, mainly driven by increased NZ Superannuation payments (\$1.8 billion) due to rising entitlement rates (6.9% higher from April 2023 to March 2024, 4.7% from April 2024) alongside the impact from the indexation of the other main benefit types and other benefits such as the jobseeker support and emergency benefit (\$0.5 billion). This was partially offset by the end of the cost-of-living payment (\$0.6 billion).



- Finance costs were up by \$2.2 billion on last year as a result of increases to interest rates and a higher level of debt.
- Education costs were up \$1.6 billion on last year. This was mainly the result of salary rate changes and lump sum payments made in relation to the primary and secondary collective agreements as well as increased depreciation costs associated with the revaluation of the school property portfolio at 30 June 2023.
- Core government services were up \$1.5 billion on last year. This was mostly due to the North Island Weather Events response, particularly cost sharing arrangements agreed with local authorities (\$0.6 billion), and the impairment and write-off of tax receivables (\$0.6 billion).

The **OBEGAL** deficit was smaller by \$0.5 billion compared to the same time last year, largely owing to the movements in core Crown revenue and core Crown expenses mentioned above.

The **operating balance** at a surplus of \$0.7 billion, was \$0.2 billion higher than the same time last year.

The **core Crown residual cash** deficit of \$19.1 billion decreased by \$8.7 billion compared to the deficit for the same period last year. This was mostly driven by capital cash flows which have decreased by \$7.9 billion mainly due to the Funding for Lending Programme (FLP). Repayments for the FLP of \$2.4 billion have been received so far this year, in contrast loan issued from the FLP totalled \$6.4 billion at the same time last year. In addition, the net purchase of investments has decreased by \$1.7 billion, mainly as a result of the acquisition of Kiwi Group Holdings Limited by Kiwi Group Capital Limited. The Crown provided funding of \$2.1 billion to purchase shares.

**Net core Crown debt** was \$18.0 billion higher than the same time last year, and as a share of the economy, net core Crown debt increased to 43.2% (41.2% of GDP at 30 April 2023). This reflects the accumulated residual cash deficits of \$17.0 billion since April 2023.

**Gross debt** was \$174.7 billion, \$37.6 billion higher than the same time last year. This increase was driven by the issue of government bonds and an increase in short-term borrowings used to largely fund the cash shortfall and liquidity requirements.

**Net worth attributable to the Crown** was \$184.5 billion (45.5% of GDP), \$16.3 billion higher than the same time last year. Of this, \$9.5 billion was attributable to increased valuations of property, plant and equipment, and \$6.2 billion represented the change in accumulated taxpayer funds.





# Unaudited Interim Financial Statements

# STATEMENT OF FINANCIAL PERFORMANCE

For the ten months ended 30 April 2024

| Year to 30 June 2023 | 10 months to 30 Apr 2023 |  | Note | Current Year Actual vs Forecast |                |              |              | Annual Forecast \$m |
|----------------------|--------------------------|--|------|---------------------------------|----------------|--------------|--------------|---------------------|
|                      |                          |  |      | Actual \$m                      | Forecast \$m   | Variance \$m | %            |                     |
|                      |                          | <b>Revenue</b>   |      |                                 |                |              |              |                     |
| 111,712              | 91,757                   | Taxation revenue   | 2    | 99,728                          | 98,133         | 1,595        | 1.6          | 118,334             |
| 8,407                | 7,414                    | Other sovereign revenue                                  | 2    | 7,775                           | 8,053          | (278)        | (3.5)        | 10,293              |
| <b>120,119</b>       | <b>99,171</b>            | <b>Total sovereign revenue</b>                           |      | <b>107,503</b>                  | <b>106,186</b> | <b>1,317</b> | <b>1.2</b>   | <b>128,627</b>      |
| 21,954               | 18,075                   | Sales of goods and services                              |      | 20,295                          | 20,270         | 25           | 0.1          | 24,347              |
| 6,355                | 4,427                    | Interest revenue and dividends                           | 3    | 7,068                           | 6,820          | 248          | 3.6          | 8,155               |
| 4,583                | 3,382                    | Other revenue  |      | 3,166                           | 3,352          | (186)        | (5.5)        | 3,921               |
| <b>32,892</b>        | <b>25,884</b>            | <b>Total revenue earned through operations</b>           |      | <b>30,529</b>                   | <b>30,442</b>  | <b>87</b>    | <b>0.3</b>   | <b>36,423</b>       |
| <b>153,011</b>       | <b>125,055</b>           | <b>Total revenue (excluding gains)</b>                   |      | <b>138,032</b>                  | <b>136,628</b> | <b>1,404</b> | <b>1.0</b>   | <b>165,050</b>      |
|                      |                          | <b>Expenses</b>  |      |                                 |                |              |              |                     |
| 38,803               | 31,499                   | Transfer payments and subsidies                          | 4    | 34,129                          | 34,152         | 23           | 0.1          | 41,926              |
| 36,052               | 28,632                   | Personnel expenses                                       |      | 31,986                          | 31,740         | (246)        | (0.8)        | 37,991              |
| 6,601                | 5,396                    | Depreciation   |      | 6,163                           | 6,160          | (3)          | -            | 7,468               |
| 64,134               | 52,308                   | Other operating expenses                                 |      | 54,938                          | 56,164         | 1,226        | 2.2          | 70,922              |
| 7,448                | 5,853                    | Interest expenses  | 5    | 8,581                           | 8,463          | (118)        | (1.4)        | 10,206              |
| 8,784                | 7,843                    | Insurance expenses                                       | 6    | 8,436                           | 8,439          | 3            | -            | 9,838               |
| -                    | -                        | Top-down expense adjustment                              | 7    | -                               | (675)          | (675)        | (100.0)      | (2,700)             |
| <b>161,822</b>       | <b>131,531</b>           | <b>Total expenses (excluding losses)</b>                 |      | <b>144,233</b>                  | <b>144,443</b> | <b>210</b>   | <b>0.1</b>   | <b>175,651</b>      |
|                      |                          | <b>Gains/(losses)</b>                                    |      |                                 |                |              |              |                     |
| 7,711                | 5,542                    | Net gains/(losses) on financial instruments              |      | 7,634                           | 8,268          | (634)        | (7.7)        | 9,352               |
| 6,947                | 1,926                    | Net gains/(losses) on non-financial instruments          | 8    | (397)                           | (1,226)        | 829          | 67.6         | (1,286)             |
| <b>14,658</b>        | <b>7,468</b>             | <b>Total gains/(losses)</b>                              |      | <b>7,237</b>                    | <b>7,042</b>   | <b>195</b>   | <b>2.8</b>   | <b>8,066</b>        |
|                      |                          | <b>Other interests</b>                                   |      |                                 |                |              |              |                     |
| 29                   | 28                       | Net surplus/(deficit) from associates and joint ventures |      | 79                              | 25             | 54           | 216.0        | 97                  |
| (555)                | (539)                    | Less minority interests' share of operating balance      |      | (455)                           | (484)          | 29           | 6.0          | (550)               |
| <b>5,321</b>         | <b>481</b>               | <b>Operating balance (excluding minority interests)</b>  |      | <b>660</b>                      | <b>(1,232)</b> | <b>1,892</b> | <b>153.6</b> | <b>(2,988)</b>      |
| 555                  | 539                      | Minority interests' share of operating balance           |      | 455                             | 484            | (29)         | (6.0)        | 550                 |
| <b>5,876</b>         | <b>1,020</b>             | <b>Operating balance (including minority interests)</b>  |      | <b>1,115</b>                    | <b>(748)</b>   | <b>1,863</b> | <b>249.1</b> | <b>(2,438)</b>      |

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

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the ten months ended 30 April 2024

| Year to 30 June 2023 | 10 months to 30 Apr 2023 |  | Current Year Actual vs Forecast |              |              |               | Annual Forecast \$m |
|----------------------|--------------------------|--|---------------------------------|--------------|--------------|---------------|---------------------|
|                      |                          |  | Actual \$m                      | Forecast \$m | Variance \$m | %             |                     |
| 5,876                | 1,020                    | Operating balance (including minority interest)                      | 1,115                           | (748)        | 1,863        | 249.1         | (2,438)             |
|                      |                          | <b>Other comprehensive revenue and expense</b>                       |                                 |              |              |               |                     |
| 10,870               | 1,108                    | Revaluation of physical assets                                       | 165                             | (72)         | 237          | 329.2         | (72)                |
| 354                  | 126                      | Revaluation of defined benefit retirement plan schemes               | 379                             | 463          | (84)         | (18.1)        | 378                 |
| 173                  | -                        | Revaluation of veterans' disability entitlements                     | -                               | -            | -            | -             | -                   |
| 417                  | 70                       | Transfers into/(out of) cash flow hedge reserve                      | (359)                           | (110)        | (249)        | (226.4)       | (94)                |
| (22)                 | 24                       | Transfers into/(out of) reserves                                     | 52                              | 94           | (42)         | (44.7)        | 113                 |
| (230)                | (63)                     | (Gains)/losses transferred to the statement of financial performance | 16                              | 19           | (3)          | (15.8)        | 19                  |
| (3)                  | (2)                      | Foreign currency translation differences on foreign operations       | 1                               | -            | 1            | -             | -                   |
| 76                   | (85)                     | Other movements  | 108                             | 82           | 26           | 31.7          | 61                  |
| <b>11,635</b>        | <b>1,178</b>             | <b>Total other comprehensive revenue and expense</b>                 | <b>362</b>                      | <b>476</b>   | <b>(114)</b> | <b>(23.9)</b> | <b>405</b>          |
| <b>17,511</b>        | <b>2,198</b>             | <b>Total comprehensive revenue and expense</b>                       | <b>1,477</b>                    | <b>(272)</b> | <b>1,749</b> | <b>-</b>      | <b>(2,033)</b>      |
|                      |                          | <b>Attributable to:</b>  |                                 |              |              |               |                     |
| 1,033                | 983                      | - minority interests   | 486                             | 545          | (59)         | (10.8)        | 619                 |
| 16,478               | 1,215                    | - the Crown  | 991                             | (817)        | 1,808        | 221.3         | (2,652)             |
| <b>17,511</b>        | <b>2,198</b>             | <b>Total comprehensive revenue and expense</b>                       | <b>1,477</b>                    | <b>(272)</b> | <b>1,749</b> | <b>-</b>      | <b>(2,033)</b>      |

# STATEMENT OF CHANGES IN NET WORTH

For the ten months ended 30 April 2024

| Year to 30 June 2023 | 10 months to 30 Apr 2023 |  | 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                | 1,020                    | Operating balance (including minority interest)                      | 1,115                           | (748)          | 1,863        | 249.1      | (2,438)             |
| 10,870               | 1,108                    | Revaluations of physical assets                                      | 165                             | (72)           | 237          | 329.2      | (72)                |
| 354                  | 126                      | Revaluations of defined benefit retirement plan schemes              | 379                             | 463            | (84)         | (18.1)     | 378                 |
| 173                  | -                        | Revaluations of veterans' disability entitlements                    | -                               | -              | -            | -          | -                   |
| 417                  | 70                       | Transfers into/(out of) cash flow hedge reserve                      | (359)                           | (110)          | (249)        | (226.4)    | (94)                |
| (22)                 | 24                       | Transfers into/(out of) other reserves                               | 52                              | 94             | (42)         | (44.7)     | 113                 |
| (230)                | (63)                     | (Gains)/losses transferred to the statement of financial performance | 16                              | 19             | (3)          | (15.8)     | 19                  |
| (3)                  | (2)                      | Foreign currency translation differences on foreign operations       | 1                               | -              | 1            | -          | -                   |
| 76                   | (85)                     | Other movements  | 108                             | 82             | 26           | 31.7       | 61                  |
| <b>17,511</b>        | <b>2,198</b>             | <b>Total comprehensive revenue and expense</b>                       | <b>1,477</b>                    | <b>(272)</b>   | <b>1,749</b> | <b>-</b>   | <b>(2,033)</b>      |
| 66                   | 52                       | Increase in minority interest from equity issues                     | 78                              | 94             | (16)         | (17.0)     | 390                 |
| (424)                | (424)                    | Transactions with minority interests                                 | (577)                           | (597)          | 20           | 3.4        | (596)               |
| <b>191,472</b>       | <b>176,145</b>           | <b>Closing net worth</b>   | <b>192,450</b>                  | <b>190,697</b> | <b>1,753</b> | <b>0.9</b> | <b>189,233</b>      |

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

# STATEMENT OF CASH FLOWS

For the ten months ended 30 April 2024

| Year to 30 June 2023 | 10 months to 30 Apr 2023 |   | 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              | 86,759                   | Taxation receipts   |                                 | 94,331          | 92,476          | 1,855          | 2.0                 | 113,175         |
| 7,631                | 6,330                    | Other sovereign receipts                                      |                                 | 6,376           | 6,368           | 8              | 0.1                 | 7,792           |
| 22,284               | 18,020                   | Sales of goods and services                                   |                                 | 19,966          | 20,007          | (41)           | (0.2)               | 23,966          |
| 3,611                | 2,602                    | Interest receipts   |                                 | 4,004           | 3,989           | 15             | 0.4                 | 4,779           |
| 4,922                | 4,751                    | Other operating receipts                                      |                                 | 4,608           | 4,324           | 284            | 6.6                 | 5,598           |
| <b>149,235</b>       | <b>118,462</b>           | <b>Total cash provided from operations</b>                    |                                 | <b>129,285</b>  | <b>127,164</b>  | <b>2,121</b>   | <b>1.7</b>          | <b>155,310</b>  |
|                      |                          | <b>Cash was disbursed to</b>                                  |                                 |                 |                 |                |                     |                 |
| 39,170               | 32,273                   | Transfer payments and subsidies                               |                                 | 34,945          | 34,874          | (71)           | (0.2)               | 41,834          |
| 99,414               | 83,318                   | Personnel and operating payments                              |                                 | 92,446          | 93,486          | 1,040          | 1.1                 | 112,671         |
| 6,126                | 4,672                    | Interest payments   |                                 | 6,732           | 6,511           | (221)          | (3.4)               | 8,254           |
| -                    | -                        | Top-down expense adjustment                                   | 7                               | -               | (675)           | (675)          | (100.0)             | (2,700)         |
| <b>144,710</b>       | <b>120,263</b>           | <b>Total cash disbursed to operations</b>                     |                                 | <b>134,123</b>  | <b>134,196</b>  | <b>73</b>      | <b>0.1</b>          | <b>160,059</b>  |
| <b>4,525</b>         | <b>(1,801)</b>           | <b>Net cash flows from operations</b>                         |                                 | <b>(4,838)</b>  | <b>(7,032)</b>  | <b>2,194</b>   | <b>31.2</b>         | <b>(4,749)</b>  |
|                      |                          | <b>Cash flows from investing activities</b>                   |                                 |                 |                 |                |                     |                 |
|                      |                          | <b>Cash was provided from/(disbursed to)</b>                  |                                 |                 |                 |                |                     |                 |
| (14,271)             | (11,832)                 | Net (purchase)/sale of physical assets                        |                                 | (14,258)        | (15,358)        | 1,100          | 7.2                 | (19,405)        |
| (4,906)              | (1,785)                  | Net (purchase)/sale of shares and other securities            |                                 | (9,592)         | (14,025)        | 4,433          | 31.6                | (12,097)        |
| (868)                | (845)                    | Net (purchase)/sale of intangible assets                      |                                 | (562)           | (664)           | 102            | 15.4                | (865)           |
| (8,215)              | (8,111)                  | Net (issue)/repayment of advances                             |                                 | 594             | 782             | (188)          | (24.0)              | 569             |
| (202)                | (278)                    | Net acquisition of investments in associates                  |                                 | (403)           | (347)           | (56)           | (16.1)              | (391)           |
| -                    | -                        | Top-down capital adjustment                                   | 7                               | -               | 250             | (250)          | (100.0)             | 1,000           |
| <b>(28,462)</b>      | <b>(22,851)</b>          | <b>Net cash flows from investing activities</b>               |                                 | <b>(24,221)</b> | <b>(29,362)</b> | <b>5,141</b>   | <b>17.5</b>         | <b>(31,189)</b> |
| <b>(23,937)</b>      | <b>(24,652)</b>          | <b>Net cash flows from operating and investing activities</b> |                                 | <b>(29,059)</b> | <b>(36,394)</b> | <b>7,335</b>   | <b>20.2</b>         | <b>(35,938)</b> |
|                      |                          | <b>Cash Flows from financing activities</b>                   |                                 |                 |                 |                |                     |                 |
|                      |                          | <b>Cash was provided from/(disbursed to)</b>                  |                                 |                 |                 |                |                     |                 |
| (59)                 | 116                      | Issues of circulating currency                                |                                 | 42              | 124             | (82)           | (66.1)              | 129             |
| 15,744               | 12,512                   | Net issue/(repayment) of Government bonds                     |                                 | 27,728          | 28,568          | (840)          | (2.9)               | 26,396          |
| (113)                | (977)                    | Net issue/(repayment) of foreign currency borrowing           |                                 | 394             | (1,698)         | 2,092          | 123.2               | (2,312)         |
| 9,298                | 18,816                   | Net issue/(repayment) of other New Zealand dollar borrowing   |                                 | 1,950           | 12,870          | (10,920)       | (84.8)              | 14,171          |
| (372)                | (388)                    | Dividends paid to minority interests                          |                                 | (498)           | (510)           | 12             | 2.4                 | (216)           |
| <b>24,498</b>        | <b>30,079</b>            | <b>Net cash flows from financing activities</b>               |                                 | <b>29,616</b>   | <b>39,354</b>   | <b>(9,738)</b> | <b>(24.7)</b>       | <b>38,168</b>   |
| <b>561</b>           | <b>5,427</b>             | <b>Net movement in cash</b>                                   |                                 | <b>557</b>      | <b>2,960</b>    | <b>(2,403)</b> | <b>(81.2)</b>       | <b>2,230</b>    |
| 17,835               | 17,835                   | <b>Opening cash balance</b>                                   |                                 | 18,791          | 18,791          | -              | -                   | 18,791          |
| 395                  | (284)                    | Foreign-exchange gains/(losses) on opening cash               |                                 | 352             | 121             | 231            | 190.9               | 19              |
| <b>18,791</b>        | <b>22,978</b>            | <b>Closing cash balance</b>                                   |                                 | <b>19,700</b>   | <b>21,872</b>   | <b>(2,172)</b> | <b>(9.9)</b>        | <b>21,040</b>   |

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

# STATEMENT OF CASH FLOWS (CONTINUED)

For the ten months ended 30 April 2024

| Year to 30 June 2023 | 10 months to 30 Apr 2023 |  | 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> |                                 |                 |              |              |                     |
| 4,525                | (1,801)                  | <b>Net cash flows from operations</b>  | <b>(4,838)</b>                  | <b>(7,032)</b>  | <b>2,194</b> | <b>31.2</b>  | <b>(4,749)</b>      |
|                      |                          | <b>Gains/(losses) and other interests</b>  |                                 |                 |              |              |                     |
| 7,711                | 5,542                    | Net gains/(losses) on financial instruments  | 7,634                           | 8,268           | (634)        | (7.7)        | 9,352               |
| 6,947                | 1,926                    | Net gains/(losses) on non-financial instruments  | (397)                           | (1,226)         | 829          | 67.6         | (1,286)             |
| 29                   | 28                       | Net surplus from associates and joint ventures   | 79                              | 25              | 54           | 216.0        | 97                  |
| <b>14,687</b>        | <b>7,496</b>             | <b>Total gains/(losses) and other interests</b>  | <b>7,316</b>                    | <b>7,067</b>    | <b>249</b>   | <b>3.5</b>   | <b>8,163</b>        |
|                      |                          | <b>Other non-cash items in operating balance</b>   |                                 |                 |              |              |                     |
| (6,601)              | (5,396)                  | Depreciation   | (6,163)                         | (6,160)         | (3)          | -            | (7,468)             |
| (734)                | (1,147)                  | Amortisation and net impairment of non-financial assets                                    | (1,000)                         | (750)           | (250)        | (33.3)       | (915)               |
| (738)                | (657)                    | Cost of concessionary lending  | (578)                           | (571)           | (7)          | (1.2)        | (633)               |
| (97)                 | (82)                     | Impairment of financial assets (excl receivables)  | (93)                            | (86)            | (7)          | (8.1)        | (99)                |
| (3,525)              | (4,064)                  | Decrease/(increase) in insurance liabilities   | (3,713)                         | (3,707)         | (6)          | (0.2)        | (3,295)             |
| 61                   | (156)                    | Change in accumulating pension expenses  | (61)                            | (50)            | (11)         | (22.0)       | (52)                |
| 395                  | 450                      | Emissions trading scheme revenue and expense   | 746                             | 911             | (165)        | (18.1)       | 1,588               |
| <b>(11,239)</b>      | <b>(11,052)</b>          | <b>Total other non-cash items</b>  | <b>(10,862)</b>                 | <b>(10,413)</b> | <b>(449)</b> | <b>(4.3)</b> | <b>(10,874)</b>     |
|                      |                          | <b>Movements in working capital</b>  |                                 |                 |              |              |                     |
| 1,155                | 7,170                    | Increase/(decrease) in receivables   | 6,125                           | 6,089           | 36           | 0.6          | 3,394               |
| 183                  | (455)                    | Increase/(decrease) in accrued interest  | 203                             | (219)           | 422          | 192.7        | (62)                |
| (27)                 | 261                      | Increase/(decrease) in inventories   | 263                             | 116             | 147          | 126.7        | 71                  |
| 113                  | 358                      | Increase/(decrease) in prepayments   | 723                             | 573             | 150          | 26.2         | 371                 |
| (244)                | (218)                    | Decrease/(increase) in deferred revenue  | 268                             | 249             | 19           | 7.6          | 210                 |
| (3,277)              | (739)                    | Decrease/(increase) in payables/provisions   | 1,917                           | 2,822           | (905)        | (32.1)       | 1,038               |
| <b>(2,097)</b>       | <b>6,377</b>             | <b>Total movements in working capital</b>  | <b>9,499</b>                    | <b>9,630</b>    | <b>(131)</b> | <b>(1.4)</b> | <b>5,022</b>        |
| <b>5,876</b>         | <b>1,020</b>             | <b>Operating balance (including minority interests)</b>                                    | <b>1,115</b>                    | <b>(748)</b>    | <b>1,863</b> | <b>249.1</b> | <b>(2,438)</b>      |

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

# STATEMENT OF FINANCIAL POSITION

As at 30 April 2024

| As at<br>30 June<br>2023<br>Actual<br>\$m | As at<br>30 Apr<br>2023<br>Actual<br>\$m |   | Current Year Actual vs Forecast |                |                 |                 | Annual<br>Forecast<br>\$m |                |
|---|--|---|---------------------------------|----------------|-----------------|-----------------|---------------------------|----------------|
|   |  |   | Note                            | Actual<br>\$m  | Forecast<br>\$m | Variance<br>\$m |                           | %              |
|   |  | <b>Assets</b>   |                                 |                |                 |                 |                           |                |
| 18,791                                    | 22,978                                   | Cash and cash equivalents                               | 9                               | 19,700         | 21,872          | (2,172)         | (9.9)                     | 21,040         |
| 33,548                                    | 39,231                                   | Receivables   | 9                               | 40,300         | 39,536          | 764             | 1.9                       | 36,577         |
|   |  | Marketable securities, deposits and derivatives in gain | 9                               | 74,460         | 80,862          | (6,402)         | (7.9)                     | 76,986         |
| 66,490                                    | 64,668                                   | Share investments                                       | 9                               | 51,226         | 50,647          | 579             | 1.1                       | 51,150         |
| 48,046                                    | 45,506                                   | Advances  | 9                               | 66,893         | 66,734          | 159             | 0.2                       | 68,034         |
| 66,489                                    | 64,704                                   | Investments in controlled enterprises                   | 9                               | 7,947          | 8,079           | (132)           | (1.6)                     | 8,430          |
| 7,317                                     | 6,975                                    | Inventory   |                                 | 3,304          | 3,157           | 147             | 4.7                       | 3,112          |
| 3,041                                     | 3,329                                    | Other assets  |                                 | 5,412          | 5,014           | 398             | 7.9                       | 4,763          |
| 4,612                                     | 4,554                                    | Property, plant and equipment                           | 10                              | 274,985        | 276,224         | (1,239)         | (0.4)                     | 279,108        |
| 267,390                                   | 256,265                                  | Equity accounted investments <sup>1</sup>               |                                 | 17,470         | 17,376          | 94              | 0.5                       | 17,473         |
| 17,034                                    | 16,682                                   | Intangible assets and goodwill                          |                                 | 4,061          | 3,672           | 389             | 10.6                      | 3,819          |
| 3,908                                     | 3,913                                    | Top-down capital adjustment                             | 7                               | -              | (250)           | 250             | 100.0                     | (1,000)        |
| -   | -  |   |                                 |                |                 |                 |                           |                |
| <b>536,666</b>                            | <b>528,805</b>                           | <b>Total assets</b>                                     |                                 | <b>565,758</b> | <b>572,923</b>  | <b>(7,165)</b>  | <b>(1.3)</b>              | <b>569,492</b> |
|   |  | <b>Liabilities</b>                                      |                                 |                |                 |                 |                           |                |
| 9,002                                     | 9,176                                    | Issued currency   |                                 | 9,044          | 9,125           | 81              | 0.9                       | 9,131          |
| 18,726                                    | 16,823                                   | Payables  | 11                              | 18,218         | 19,033          | 815             | 4.3                       | 19,114         |
| 3,610                                     | 3,586                                    | Deferred revenue  |                                 | 3,342          | 3,356           | 14              | 0.4                       | 3,400          |
| 226,755                                   | 231,383                                  | Borrowings  | 12                              | 253,656        | 261,686         | 8,030           | 3.1                       | 260,000        |
| 6,125                                     | 8,370                                    | New Zealand Emissions Trading Scheme                    | 13                              | 7,430          | 7,730           | 300             | 3.9                       | 7,322          |
| 57,511                                    | 60,911                                   | Insurance liabilities                                   | 14                              | 59,660         | 60,033          | 373             | 0.6                       | 59,660         |
| 8,039                                     | 8,324                                    | Retirement plan liabilities                             |                                 | 7,450          | 7,361           | (89)            | (1.2)                     | 7,412          |
| 15,426                                    | 14,087                                   | Provisions  | 15                              | 14,508         | 13,902          | (606)           | (4.4)                     | 14,220         |
| <b>345,194</b>                            | <b>352,660</b>                           | <b>Total liabilities</b>                                |                                 | <b>373,308</b> | <b>382,226</b>  | <b>8,918</b>    | <b>2.3</b>                | <b>380,259</b> |
| <b>191,472</b>                            | <b>176,145</b>                           | <b>Total assets less total liabilities</b>              |                                 | <b>192,450</b> | <b>190,697</b>  | <b>1,753</b>    | <b>0.9</b>                | <b>189,233</b> |
|   |  | <b>Net worth</b>  |                                 |                |                 |                 |                           |                |
| 8,380                                     | 3,190                                    | Taxpayers' funds  | 16                              | 9,354          | 7,251           | 2,103           | 29.0                      | 5,495          |
|   |  | Property, plant and equipment revaluation reserve       | 16                              | 174,485        | 174,432         | 53              | -                         | 174,432        |
| 174,575                                   | 164,986                                  | Defined benefit retirement plan revaluation reserve     | 16                              | 788            | 871             | (83)            | (9.5)                     | 787            |
| 409                                       | 181                                      | Veterans' disability entitlements reserve               | 16                              | (392)          | (392)           | -               | -                         | (392)          |
| (392)                                     | (566)                                    | Other reserves  | 16                              | 270            | 535             | (265)           | (49.5)                    | 540            |
| 542                                       | 460                                      |   |                                 |                |                 |                 |                           |                |
| <b>183,514</b>                            | <b>168,251</b>                           | <b>Total net worth attributable to the Crown</b>        |                                 | <b>184,505</b> | <b>182,697</b>  | <b>1,808</b>    | <b>1.0</b>                | <b>180,862</b> |
| 7,958                                     | 7,894                                    | Net worth attributable to minority interest             | 16                              | 7,945          | 8,000           | (55)            | (0.7)                     | 8,371          |
| <b>191,472</b>                            | <b>176,145</b>                           | <b>Total net worth</b>                                  |                                 | <b>192,450</b> | <b>190,697</b>  | <b>1,753</b>    | <b>0.9</b>                | <b>189,233</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 ten months ended 30 April 2024

|   | 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  | 100,320                         | 98,667         | -              | -              | -                       | -             | (592)                      | (534)            | 99,728         | 98,133         |
| Other sovereign revenue                                 | 3,108                           | 3,355          | 6,656          | 6,676          | -                       | -             | (1,989)                    | (1,978)          | 7,775          | 8,053          |
| Revenue from core Crown funding                         | -                               | -              | 40,135         | 39,958         | 679                     | 616           | (40,814)                   | (40,574)         | -              | -              |
| Sales of goods and services                             | 1,487                           | 1,521          | 2,505          | 2,452          | 16,955                  | 16,920        | (652)                      | (623)            | 20,295         | 20,270         |
| Interest and dividend revenue                           | 5,124                           | 5,012          | 3,380          | 3,281          | 191                     | 159           | (1,627)                    | (1,632)          | 7,068          | 6,820          |
| Other revenue   | 919                             | 982            | 3,107          | 3,471          | 670                     | 695           | (1,530)                    | (1,796)          | 3,166          | 3,352          |
| <b>Total Revenue (excluding gains)</b>                  | <b>110,958</b>                  | <b>109,537</b> | <b>55,783</b>  | <b>55,838</b>  | <b>18,495</b>           | <b>18,390</b> | <b>(47,204)</b>            | <b>(47,137)</b>  | <b>138,032</b> | <b>136,628</b> |
| <b>Expenses</b>   |                                 |                |                |                |                         |               |                            |                  |                |                |
| Transfer payments and subsidies                         | 35,180                          | 35,204         | -              | -              | -                       | -             | (1,051)                    | (1,052)          | 34,129         | 34,152         |
| Personnel expenses                                      | 9,292                           | 9,445          | 19,824         | 19,518         | 2,916                   | 2,826         | (46)                       | (49)             | 31,986         | 31,740         |
| Other operating expenses                                | 60,978                          | 62,018         | 29,618         | 29,897         | 14,674                  | 14,522        | (44,169)                   | (44,113)         | 61,101         | 62,324         |
| Interest expenses                                       | 7,426                           | 7,393          | 1,563          | 1,485          | 463                     | 448           | (871)                      | (863)            | 8,581          | 8,463          |
| Insurance expenses                                      | 4                               | 2              | 8,423          | 8,426          | 9                       | 10            | -                          | -                | 8,436          | 8,439          |
| Top-down adjustment                                     | -                               | (675)          | -              | -              | -                       | -             | -                          | -                | -              | (675)          |
| <b>Total Expenses (excluding losses)</b>                | <b>112,880</b>                  | <b>113,387</b> | <b>59,428</b>  | <b>59,326</b>  | <b>18,062</b>           | <b>17,806</b> | <b>(46,137)</b>            | <b>(46,077)</b>  | <b>144,233</b> | <b>144,443</b> |
| Gains/(losses) and other items                          | 3,630                           | 3,908          | 2,839          | 2,541          | (226)                   | (366)         | 618                        | 499              | 6,861          | 6,583          |
| <b>Operating Balance (excluding minority interests)</b> | <b>1,708</b>                    | <b>58</b>      | <b>(806)</b>   | <b>(947)</b>   | <b>207</b>              | <b>218</b>    | <b>(449)</b>               | <b>(561)</b>     | <b>660</b>     | <b>(1,232)</b> |
| <b>Assets</b>   |                                 |                |                |                |                         |               |                            |                  |                |                |
| Financial assets  | 155,119                         | 163,577        | 96,046         | 96,912         | 4,348                   | 3,868         | (35,287)                   | (36,163)         | 220,226        | 228,194        |
| Receivables   | 32,024                          | 30,908         | 8,186          | 8,171          | 2,878                   | 2,836         | (2,788)                    | (2,379)          | 40,300         | 39,536         |
| Property, plant and equipment                           | 64,392                          | 64,683         | 156,406        | 156,771        | 54,186                  | 54,767        | 1                          | 3                | 274,985        | 276,224        |
| Investments in associates, CEs and SOEs                 | 68,303                          | 68,471         | 14,729         | 14,673         | 461                     | 455           | (66,023)                   | (66,223)         | 17,470         | 17,376         |
| Other assets  | 6,847                           | 6,556          | 3,786          | 3,169          | 3,142                   | 3,082         | (998)                      | (964)            | 12,777         | 11,843         |
| Top-down capital adjustments                            | -                               | (250)          | -              | -              | -                       | -             | -                          | -                | -              | (250)          |
| <b>Total Assets</b>                                     | <b>326,685</b>                  | <b>333,945</b> | <b>279,153</b> | <b>279,696</b> | <b>65,015</b>           | <b>65,008</b> | <b>(105,095)</b>           | <b>(105,726)</b> | <b>565,758</b> | <b>572,923</b> |
| <b>Liabilities</b>                                      |                                 |                |                |                |                         |               |                            |                  |                |                |
| Borrowings  | 220,476                         | 228,867        | 55,385         | 56,012         | 11,745                  | 11,424        | (33,950)                   | (34,617)         | 253,656        | 261,686        |
| Other liabilities                                       | 44,969                          | 45,408         | 74,165         | 74,236         | 11,358                  | 11,455        | (10,840)                   | (10,559)         | 119,652        | 120,540        |
| <b>Total Liabilities</b>                                | <b>265,445</b>                  | <b>274,275</b> | <b>129,550</b> | <b>130,248</b> | <b>23,103</b>           | <b>22,879</b> | <b>(44,790)</b>            | <b>(45,176)</b>  | <b>373,308</b> | <b>382,226</b> |
| <b>Net Worth</b>  | <b>61,240</b>                   | <b>59,670</b>  | <b>149,603</b> | <b>149,448</b> | <b>41,912</b>           | <b>42,129</b> | <b>(60,305)</b>            | <b>(60,550)</b>  | <b>192,450</b> | <b>190,697</b> |
| <b>Cost of Acquisition of Physical Assets (Cash)</b>    | <b>3,752</b>                    | <b>3,893</b>   | <b>7,754</b>   | <b>8,350</b>   | <b>2,853</b>            | <b>3,298</b>  | <b>-</b>                   | <b>-</b>         | <b>14,358</b>  | <b>15,541</b>  |

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

## STATEMENT OF COMMITMENTS

As at 30 April 2024

|                                      | As at<br>30 Apr<br>2024<br>\$m | As at<br>30 Jun<br>2023<br>\$m | As at<br>30 Apr<br>2023<br>\$m |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Capital Commitments</b>           |                                |                                |                                |
| State highways                       | 2,481                          | 2,437                          | 1,929                          |
| Specialist military equipment        | 505                            | 1,129                          | 1,522                          |
| Land and buildings                   | 8,489                          | 9,343                          | 8,595                          |
| Other property, plant and equipment  | 5,490                          | 5,429                          | 5,335                          |
| Other capital commitments            | 1,174                          | 1,222                          | 701                            |
| Universities and Wānanga             | 635                            | 635                            | 763                            |
| <b>Total capital commitments</b>     | <b>18,774</b>                  | <b>20,195</b>                  | <b>18,845</b>                  |
| <b>Operating Commitments</b>         |                                |                                |                                |
| Non-cancellable accommodation leases | 5,560                          | 6,010                          | 5,599                          |
| Other non-cancellable leases         | 4,378                          | 4,308                          | 3,217                          |
| Universities and Wānanga             | 1,293                          | 1,288                          | 1,279                          |
| <b>Total operating commitments</b>   | <b>11,231</b>                  | <b>11,606</b>                  | <b>10,095</b>                  |
| <b>Total commitments</b>             | <b>30,005</b>                  | <b>31,801</b>                  | <b>28,940</b>                  |
| <b>Total Commitments by Segment</b>  |                                |                                |                                |
| Core Crown                           | 10,835                         | 11,970                         | 10,812                         |
| Crown entities                       | 11,878                         | 12,651                         | 11,147                         |
| State-owned Enterprises              | 7,685                          | 7,576                          | 7,300                          |
| Inter-segment eliminations           | (394)                          | (396)                          | (319)                          |
| <b>Total commitments</b>             | <b>30,005</b>                  | <b>31,801</b>                  | <b>28,940</b>                  |

## STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

As at 30 April 2024

|   | As at<br>30 Apr<br>2024<br>\$m | As at<br>30 Jun<br>2023<br>\$m | As at<br>30 Apr<br>2023<br>\$m |
|---|--------------------------------|--------------------------------|--------------------------------|
| <b>Quantifiable Contingent Liabilities</b>                  |                                |                                |                                |
| Uncalled capital  | 9,685                          | 9,468                          | 9,305                          |
| Guarantees and indemnities                                  | 290                            | 281                            | 320                            |
| Legal proceedings and disputes                              | 482                            | 690                            | 732                            |
| Other contingent liabilities                                | 1,147                          | 1,006                          | 848                            |
| <b>Total quantifiable contingent liabilities</b>            | <b>11,604</b>                  | <b>11,445</b>                  | <b>11,205</b>                  |
| <b>Total Quantifiable Contingent Liabilities by Segment</b> |                                |                                |                                |
| Core Crown  | 12,068                         | 11,662                         | 10,423                         |
| Crown entities  | 337                            | 529                            | 637                            |
| State-owned Enterprises                                     | 149                            | 239                            | 180                            |
| Inter-segment eliminations                                  | (950)                          | (985)                          | (35)                           |
| <b>Total quantifiable contingent liabilities</b>            | <b>11,604</b>                  | <b>11,445</b>                  | <b>11,205</b>                  |
| <b>Quantifiable Contingent Assets</b>                       |                                |                                |                                |
| Core Crown  | 35                             | 62                             | 49                             |
| Crown entities  | 34                             | 34                             | 28                             |
| State-owned Enterprises                                     | 80                             | 41                             | 41                             |
| Inter-segment eliminations                                  | -                              | -                              | -                              |
| <b>Total quantifiable contingent assets</b>                 | <b>149</b>                     | <b>137</b>                     | <b>118</b>                     |

For further detail a list of unquantifiable contingent liabilities and their descriptions is included on the Treasury's website as part of the BEFU 2024, pages 94 to 105.

*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 was set out on pages 111 to 114 of the *BEFU 2024* published on 30 May 2024.

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 *BEFU 2024* published on 30 May 2024.

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<br>to 30 June<br>2023<br>Actual<br>\$m | 10 months<br>to 30 Apr<br>2023<br>Actual<br>\$m |  | Current Year Actual vs Forecast |                 |                 |              | Annual<br>Forecast<br>\$m |
|---|---|--|---------------------------------|-----------------|-----------------|--------------|---------------------------|
|   |   |  | Actual<br>\$m                   | Forecast<br>\$m | Variance<br>\$m | %            |                           |
| <b>NOTE 2: Sovereign Revenue</b>            |   |  |                                 |                 |                 |              |                           |
| <b>Taxation revenue</b>                     |   |  |                                 |                 |                 |              |                           |
| <b>Individuals</b>                          |   |  |                                 |                 |                 |              |                           |
| 47,386                                      | 38,908  | Source deductions                                | 43,489                          | 43,459          | 30              | 0.1          | 52,248                    |
| 9,904                                       | 8,074   | Other persons                                    | 7,670                           | 7,788           | (118)           | (1.5)        | 9,620                     |
| (2,182)                                     | (1,429)   | Refunds  | (1,910)                         | (1,836)         | (74)            | (4.0)        | (2,502)                   |
| 769   | 650   | Fringe benefit tax                               | 710                             | 703             | 7               | 1.0          | 812                       |
| <b>55,877</b>                               | <b>46,203</b>                                   | <b>Total individuals</b>                         | <b>49,959</b>                   | <b>50,114</b>   | <b>(155)</b>    | <b>(0.3)</b> | <b>60,178</b>             |
| <b>Corporate tax</b>                        |   |  |                                 |                 |                 |              |                           |
| 18,327                                      | 14,647  | Gross companies tax                              | 14,153                          | 13,150          | 1,003           | 7.6          | 16,126                    |
| (970)                                       | (674)   | Refunds  | (571)                           | (590)           | 19              | 3.2          | (742)                     |
| 621   | 436   | Non-resident withholding tax                     | 521                             | 504             | 17              | 3.4          | 696                       |
| <b>17,978</b>                               | <b>14,409</b>                                   | <b>Total corporate tax</b>                       | <b>14,103</b>                   | <b>13,064</b>   | <b>1,039</b>    | <b>8.0</b>   | <b>16,080</b>             |
| <b>Other direct income tax</b>              |   |  |                                 |                 |                 |              |                           |
| 2,092                                       | 1,600   | Resident withholding tax on interest income      | 2,847                           | 2,902           | (55)            | (1.9)        | 3,473                     |
| 1,127                                       | 903   | Resident withholding tax on dividend income      | 2,351                           | 1,696           | 655             | 38.6         | 1,789                     |
| <b>3,219</b>                                | <b>2,503</b>                                    | <b>Total other direct income tax</b>             | <b>5,198</b>                    | <b>4,598</b>    | <b>600</b>      | <b>13.0</b>  | <b>5,262</b>              |
| <b>77,074</b>                               | <b>63,115</b>                                   | <b>Total direct income tax</b>                   | <b>69,260</b>                   | <b>67,776</b>   | <b>1,484</b>    | <b>2.2</b>   | <b>81,520</b>             |
| <b>Goods and services tax</b>               |   |  |                                 |                 |                 |              |                           |
| 47,185                                      | 39,056  | Gross goods and services tax                     | 39,264                          | 39,082          | 182             | 0.5          | 47,404                    |
| (19,055)                                    | (15,842)  | Refunds  | (15,002)                        | (14,807)        | (195)           | (1.3)        | (17,890)                  |
| <b>28,130</b>                               | <b>23,214</b>                                   | <b>Total goods and services tax</b>              | <b>24,262</b>                   | <b>24,275</b>   | <b>(13)</b>     | <b>(0.1)</b> | <b>29,514</b>             |
| <b>Other indirect taxation</b>              |   |  |                                 |                 |                 |              |                           |
| 1,326                                       | 1,108   | Petroleum fuels excise and duty <sup>1</sup>     | 1,627                           | 1,563           | 64              | 4.1          | 1,873                     |
| 1,666                                       | 1,463   | Tobacco excise and duty <sup>1</sup>             | 1,336                           | 1,308           | 28              | 2.1          | 1,519                     |
| 1,414                                       | 1,137   | Road and track user charges                      | 1,510                           | 1,482           | 28              | 1.9          | 1,793                     |
| 1,290                                       | 1,078   | Alcohol excise and duty <sup>1</sup>             | 1,055                           | 1,074           | (19)            | (1.8)        | 1,319                     |
| 187   | 157   | Other customs duty                               | 158                             | 147             | 11              | 7.5          | 153                       |
| 625   | 485   | Miscellaneous indirect tax                       | 520                             | 508             | 12              | 2.4          | 643                       |
| <b>6,508</b>                                | <b>5,428</b>                                    | <b>Total other indirect taxation</b>             | <b>6,206</b>                    | <b>6,082</b>    | <b>124</b>      | <b>2.0</b>   | <b>7,300</b>              |
| <b>34,638</b>                               | <b>28,642</b>                                   | <b>Total indirect taxation</b>                   | <b>30,468</b>                   | <b>30,357</b>   | <b>111</b>      | <b>0.4</b>   | <b>36,814</b>             |
| <b>111,712</b>                              | <b>91,757</b>                                   | <b>Total taxation revenue</b>                    | <b>99,728</b>                   | <b>98,133</b>   | <b>1,595</b>    | <b>1.6</b>   | <b>118,334</b>            |
| <b>Other sovereign revenue</b>              |   |  |                                 |                 |                 |              |                           |
| 3,855                                       | 3,181   | ACC levies                                       | 3,440                           | 3,457           | (17)            | (0.5)        | 4,178                     |
| 1,582                                       | 1,854   | Emissions trading revenue                        | 1,667                           | 1,849           | (182)           | (9.8)        | 2,841                     |
| 673   | 533   | Fire Service levies                              | 565                             | 566             | (1)             | (0.2)        | 711                       |
| 612   | 489   | EQC levies                                       | 706                             | 704             | 2               | 0.3          | 849                       |
| 170   | 130   | Clean vehicle discount                           | 109                             | 158             | (49)            | (31.0)       | 258                       |
| 371   | 291   | Child support and working for families penalties | 208                             | 210             | (2)             | (1.0)        | 243                       |
| 120   | 85  | Court fines                                      | 102                             | 93              | 9               | 9.7          | 115                       |
| 1,024                                       | 851   | Other miscellaneous items                        | 978                             | 1,016           | (38)            | (3.7)        | 1,098                     |
| <b>8,407</b>                                | <b>7,414</b>                                    | <b>Total other sovereign revenue</b>             | <b>7,775</b>                    | <b>8,053</b>    | <b>(278)</b>    | <b>(3.5)</b> | <b>10,293</b>             |
| <b>120,119</b>                              | <b>99,171</b>                                   | <b>Total sovereign revenue</b>                   | <b>107,503</b>                  | <b>106,186</b>  | <b>1,317</b>    | <b>1.2</b>   | <b>128,627</b>            |

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

# NOTES TO THE FINANCIAL STATEMENTS

| Year<br>to 30 Jun<br>2023<br>Actual<br>\$m    | 10 months<br>to 30 Apr<br>2023<br>Actual<br>\$m | Current Year Actual vs Forecast |                 |                 |             | Annual<br>Forecast<br>\$m |
|---|---|---------------------------------|-----------------|-----------------|-------------|---------------------------|
|   |   | Actual<br>\$m                   | Forecast<br>\$m | Variance<br>\$m | %           |                           |
| <b>NOTE 2: Sovereign Receipts (continued)</b> |   |                                 |                 |                 |             |                           |
| <b>Taxation Receipts (cash)</b>               |   |                                 |                 |                 |             |                           |
| <b>Individuals</b>                            |   |                                 |                 |                 |             |                           |
| 46,929  | 38,608  | 42,689                          | 42,891          | (202)           | (0.5)       | 51,975                    |
| 10,685  | 7,964   | 7,733                           | 7,502           | 231             | 3.1         | 9,766                     |
| (2,703)                                       | (1,556)   | (1,867)                         | (1,853)         | (14)            | (0.8)       | (3,022)                   |
| 747   | 551   | 609                             | 610             | (1)             | (0.2)       | 812                       |
| <b>55,658</b>                                 | <b>45,567</b>                                   | <b>49,164</b>                   | <b>49,150</b>   | <b>14</b>       | <b>-</b>    | <b>59,531</b>             |
| <b>Corporate Tax</b>                          |   |                                 |                 |                 |             |                           |
| 19,733  | 14,547  | 14,494                          | 13,653          | 841             | 6.2         | 17,842                    |
| (1,728)                                       | (1,272)   | (1,492)                         | (1,509)         | 17              | 1.1         | (1,886)                   |
| 601   | 474   | 580                             | 562             | 18              | 3.2         | 696                       |
| <b>18,606</b>                                 | <b>13,749</b>                                   | <b>13,582</b>                   | <b>12,706</b>   | <b>876</b>      | <b>6.9</b>  | <b>16,652</b>             |
| <b>Other Direct Income Tax</b>                |   |                                 |                 |                 |             |                           |
| 1,917   | 1,512   | 2,857                           | 2,924           | (67)            | (2.3)       | 3,473                     |
| 1,165   | 1,021   | 2,385                           | 1,658           | 727             | 43.8        | 1,769                     |
| <b>3,082</b>                                  | <b>2,533</b>                                    | <b>5,242</b>                    | <b>4,582</b>    | <b>660</b>      | <b>14.4</b> | <b>5,242</b>              |
| <b>77,346</b>                                 | <b>61,849</b>                                   | <b>67,988</b>                   | <b>66,438</b>   | <b>1,550</b>    | <b>2.3</b>  | <b>81,425</b>             |
| <b>Goods and Services Tax</b>                 |   |                                 |                 |                 |             |                           |
| 45,251  | 34,373  | 34,807                          | 34,449          | 358             | 1.0         | 42,232                    |
| (18,334)                                      | (14,977)  | (14,561)                        | (14,419)        | (142)           | (1.0)       | (17,730)                  |
| <b>26,917</b>                                 | <b>19,396</b>                                   | <b>20,246</b>                   | <b>20,030</b>   | <b>216</b>      | <b>1.1</b>  | <b>24,502</b>             |
| <b>Other Indirect Taxation</b>                |   |                                 |                 |                 |             |                           |
| 1,418   | 1,130   | 1,509                           | 1,482           | 27              | 1.8         | 1,793                     |
| 779   | 633   | 651                             | 663             | (12)            | (1.8)       | 818                       |
| 3,760   | 3,241   | 3,376                           | 3,325           | 51              | 1.5         | 3,995                     |
| 566   | 510   | 561                             | 538             | 23              | 4.3         | 642                       |
| <b>6,523</b>                                  | <b>5,514</b>                                    | <b>6,097</b>                    | <b>6,008</b>    | <b>89</b>       | <b>1.5</b>  | <b>7,248</b>              |
| <b>33,440</b>                                 | <b>24,910</b>                                   | <b>26,343</b>                   | <b>26,038</b>   | <b>305</b>      | <b>1.2</b>  | <b>31,750</b>             |
| <b>110,786</b>                                | <b>86,759</b>                                   | <b>94,331</b>                   | <b>92,476</b>   | <b>1,855</b>    | <b>2.0</b>  | <b>113,175</b>            |
| <b>Other Sovereign Receipts (cash)</b>        |   |                                 |                 |                 |             |                           |
| 3,763   | 3,169   | 3,449                           | 3,432           | 17              | 0.5         | 4,065                     |
| 832   | 816   | 215                             | 234             | (19)            | (8.1)       | 439                       |
| 669   | 544   | 571                             | 567             | 4               | 0.7         | 698                       |
| 697   | 553   | 725                             | 726             | (1)             | (0.1)       | 874                       |
| 170   | 130   | 109                             | 158             | (49)            | (31.0)      | 258                       |
| 381   | 285   | 160                             | 221             | (61)            | (27.6)      | 247                       |
| 114   | 94  | 115                             | 115             | -               | -           | 115                       |
| 1,004   | 738   | 1,032                           | 916             | 116             | 12.7        | 1,096                     |
| <b>7,630</b>                                  | <b>6,329</b>                                    | <b>6,376</b>                    | <b>6,369</b>    | <b>7</b>        | <b>0.1</b>  | <b>7,792</b>              |
| <b>118,416</b>                                | <b>93,088</b>                                   | <b>100,707</b>                  | <b>98,845</b>   | <b>1,862</b>    | <b>1.9</b>  | <b>120,967</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                           | 10 months to 30 Apr 2023 |  | Current Year Actual vs Forecast |               |              |              | Annual Forecast \$m |
|--|--------------------------|--|---------------------------------|---------------|--------------|--------------|---------------------|
|  |                          |  | Actual \$m                      | Forecast \$m  | Variance \$m | %            |                     |
| <b>NOTE 3: Interest Revenue and Dividends</b>  |                          |  |                                 |               |              |              |                     |
| 5,012  | 3,469                    | Interest revenue                                 | 5,880                           | 5,654         | 226          | 4.0          | 6,697               |
| 1,343  | 958                      | Dividends  | 1,188                           | 1,166         | 22           | 1.9          | 1,458               |
| <b>6,355</b>                                   | <b>4,427</b>             | <b>Total interest revenue and dividends</b>      | <b>7,068</b>                    | <b>6,820</b>  | <b>248</b>   | <b>3.6</b>   | <b>8,155</b>        |
| <b>NOTE 4: Transfer Payments and Subsidies</b> |                          |  |                                 |               |              |              |                     |
| 19,517   | 16,026                   | New Zealand superannuation                       | 17,794                          | 17,792        | (2)          | -            | 21,567              |
| 3,473  | 2,853                    | Jobseeker support and emergency benefit          | 3,330                           | 3,334         | 4            | 0.1          | 4,048               |
| 2,349  | 1,959                    | Accommodation assistance                         | 2,017                           | 2,022         | 5            | 0.2          | 2,427               |
| 2,311  | 1,899                    | Supported living payment                         | 2,086                           | 2,088         | 2            | 0.1          | 2,528               |
| 2,151  | 1,676                    | Family tax credit                                | 1,809                           | 1,813         | 4            | 0.2          | 2,281               |
| 1,917  | 1,577                    | Sole parent support                              | 1,728                           | 1,727         | (1)          | (0.1)        | 2,094               |
| 600  | 593                      | Cost of living payment                           | -                               | -             | -            | -            | -                   |
| 519  | 311                      | Winter energy payment                            | 319                             | 319           | -            | -            | 535                 |
| 997  | 861                      | KiwiSaver subsidies                              | 882                             | 882           | -            | -            | 1,061               |
| 525  | 411                      | Student allowances                               | 406                             | 406           | -            | -            | 529                 |
| 673  | 557                      | Hardship assistance                              | 554                             | 556           | 2            | 0.4          | 671                 |
| 971  | 568                      | Official development assistance                  | 788                             | 808           | 20           | 2.5          | 1,214               |
| 476  | 342                      | Other working for families tax credits           | 320                             | 325           | 5            | 1.5          | 461                 |
| 430  | 355                      | Disability allowances                            | 384                             | 386           | 2            | 0.5          | 467                 |
| 350  | 289                      | Orphan's/unsupported child's benefit             | 318                             | 319           | 1            | 0.3          | 383                 |
| 321  | 246                      | Best start                                       | 255                             | 259           | 4            | 1.5          | 340                 |
| 122  | 77                       | Income related rent subsidy                      | 148                             | 147           | (1)          | (0.7)        | 121                 |
| 1,101  | 899                      | Other social assistance benefits                 | 991                             | 968           | (23)         | (2.4)        | 1,199               |
| <b>38,803</b>                                  | <b>31,499</b>            | <b>Total transfer payments and subsidies</b>     | <b>34,129</b>                   | <b>34,152</b> | <b>23</b>    | <b>0.1</b>   | <b>41,926</b>       |
| <b>NOTE 5: Finance Costs</b>                   |                          |  |                                 |               |              |              |                     |
| 7,022  | 5,500                    | Interest on financial liabilities                | 8,071                           | 7,953         | (118)        | (1.5)        | 9,578               |
| 426  | 353                      | Interest unwind on provisions and other interest | 510                             | 510           | -            | -            | 628                 |
| <b>7,448</b>                                   | <b>5,853</b>             | <b>Total finance costs</b>                       | <b>8,581</b>                    | <b>8,463</b>  | <b>(118)</b> | <b>(1.4)</b> | <b>10,206</b>       |
| <b>NOTE 6: Insurance Expenses</b>              |                          |  |                                 |               |              |              |                     |
| 7,619  | 6,839                    | ACC  | 7,987                           | 7,916         | (71)         | (0.9)        | 9,227               |
| 1,134  | 1,002                    | EQC  | 413                             | 433           | 20           | 4.6          | 502                 |
| 31   | 2                        | Other (incl. inter-segment eliminations)         | 36                              | 90            | 54           | 60.0         | 109                 |
| <b>8,784</b>                                   | <b>7,843</b>             | <b>Total insurance expenses</b>                  | <b>8,436</b>                    | <b>8,439</b>  | <b>3</b>     | <b>-</b>     | <b>9,838</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.



# NOTES TO THE FINANCIAL STATEMENTS

| As at<br>30 June<br>2023<br>\$m | As at<br>30 Apr<br>2023<br>\$m |  | Current Year Actual vs Forecast |                 |                 |              | Annual<br>Forecast<br>\$m |
|---------------------------------|--------------------------------|--|---------------------------------|-----------------|-----------------|--------------|---------------------------|
|                                 |                                |  | Actual<br>\$m                   | Forecast<br>\$m | Variance<br>\$m | %            |                           |
|                                 |                                | <b>NOTE 8: Net Gains and Losses on Non-financial instruments</b> |                                 |                 |                 |              |                           |
| 1,315                           | (1,545)                        | Actuarial gains/(losses) on ACC liability                        | 1,564                           | 1,186           | 378             | 31.9         | 1,146                     |
| 5,620                           | 3,304                          | Gains/(losses) on the Emissions Trading Scheme                   | (1,836)                         | (2,282)         | 446             | 19.5         | (2,346)                   |
| 12                              | 167                            | Other  | (125)                           | (130)           | 5               | 3.8          | (86)                      |
| <b>6,947</b>                    | <b>1,926</b>                   | <b>Net gains/(losses) on non-financial instruments</b>           | <b>(397)</b>                    | <b>(1,226)</b>  | <b>829</b>      | <b>67.6</b>  | <b>(1,286)</b>            |
|                                 |                                | <b>NOTE 9: Financial Assets and Sovereign Receivables</b>        |                                 |                 |                 |              |                           |
| 18,791                          | 22,978                         | Cash and cash equivalents  | 19,700                          | 21,872          | (2,172)         | (9.9)        | 21,040                    |
| 20,299                          | 25,790                         | Tax receivables  | 25,382                          | 25,133          | 249             | 1.0          | 23,503                    |
| 13,249                          | 13,441                         | Other receivables  | 14,918                          | 14,403          | 515             | 3.6          | 13,074                    |
| 29,785                          | 29,476                         | Kiwi Group loans and advances                                    | 31,866                          | 31,330          | 536             | 1.7          | 31,974                    |
| 9,373                           | 8,990                          | Student loans  | 9,301                           | 9,295           | 6               | 0.1          | 9,695                     |
| 18,088                          | 18,150                         | Funding for Lending advances                                     | 16,326                          | 16,381          | (55)            | (0.3)        | 16,516                    |
| 9,243                           | 8,088                          | Other advances   | 9,400                           | 9,728           | (328)           | (3.4)        | 9,849                     |
| 48,046                          | 45,506                         | Share investments  | 51,226                          | 50,647          | 579             | 1.1          | 51,150                    |
| 7,317                           | 6,975                          | Investments in controlled enterprises                            | 7,947                           | 8,079           | (132)           | (1.6)        | 8,430                     |
| 44,736                          | 42,570                         | Other marketable securities                                      | 55,859                          | 60,753          | (4,894)         | (8.1)        | 56,642                    |
| 9,231                           | 8,926                          | Long-term deposits   | 7,416                           | 8,044           | (628)           | (7.8)        | 8,333                     |
| 6,935                           | 7,636                          | Derivatives in gain  | 5,574                           | 6,544           | (970)           | (14.8)       | 6,490                     |
| 5,588                           | 5,536                          | IMF financial assets   | 5,611                           | 5,521           | 90              | 1.6          | 5,521                     |
| <b>240,681</b>                  | <b>244,062</b>                 | <b>Total financial assets and sovereign receivables</b>          | <b>260,526</b>                  | <b>267,730</b>  | <b>(7,204)</b>  | <b>(2.7)</b> | <b>262,217</b>            |
|                                 |                                | <b>Financial assets by entity</b>                                |                                 |                 |                 |              |                           |
| 41,634                          | 35,706                         | The Treasury   | 58,573                          | 58,051          | 522             | 0.9          | 50,227                    |
| 67,088                          | 76,550                         | Reserve Bank of New Zealand                                      | 60,627                          | 67,702          | (7,075)         | (10.5)       | 65,725                    |
| 68,234                          | 65,237                         | NZ Superannuation Fund   | 76,033                          | 77,402          | (1,369)         | (1.8)        | 78,133                    |
| 43,509                          | 47,051                         | Other core Crown   | 48,301                          | 47,497          | 804             | 1.7          | 44,571                    |
| (59,196)                        | (58,460)                       | Intra-segment eliminations                                       | (56,390)                        | (56,167)        | (223)           | (0.4)        | (46,991)                  |
| <b>161,269</b>                  | <b>166,084</b>                 | <b>Total core Crown segment</b>                                  | <b>187,144</b>                  | <b>194,485</b>  | <b>(7,341)</b>  | <b>(3.8)</b> | <b>191,665</b>            |
| 51,773                          | 52,452                         | ACC  | 53,864                          | 55,491          | (1,627)         | (2.9)        | 53,896                    |
| 709                             | 704                            | EQC  | 680                             | 656             | 24              | 3.7          | 606                       |
| 29,785                          | 29,476                         | Kiwi Group loans and advances                                    | 31,866                          | 31,330          | 536             | 2            | 31,974                    |
| 22,365                          | 19,961                         | Other Crown entities   | 22,883                          | 22,514          | 369             | 1.6          | 22,198                    |
| (4,863)                         | (4,431)                        | Intra-segment eliminations                                       | (5,063)                         | (4,909)         | (154)           | (3.1)        | (4,913)                   |
| <b>99,769</b>                   | <b>98,162</b>                  | <b>Total Crown entities segment</b>                              | <b>104,230</b>                  | <b>105,082</b>  | <b>(852)</b>    | <b>(0.8)</b> | <b>103,761</b>            |
| <b>8,187</b>                    | <b>8,003</b>                   | <b>Total State-owned Enterprises segment</b>                     | <b>7,227</b>                    | <b>6,704</b>    | <b>523</b>      | <b>7.8</b>   | <b>6,504</b>              |
| (28,544)                        | (28,187)                       | Inter-segment eliminations                                       | (38,075)                        | (38,541)        | 466             | 1.2          | (39,713)                  |
| <b>240,681</b>                  | <b>244,062</b>                 | <b>Total financial assets and sovereign receivables</b>          | <b>260,526</b>                  | <b>267,730</b>  | <b>(7,204)</b>  | <b>(2.7)</b> | <b>262,217</b>            |

# NOTES TO THE FINANCIAL STATEMENTS

| As at<br>30 June<br>2023<br>\$m                  | As at<br>30 Apr<br>2023<br>\$m |  | Current Year Actual vs Forecast |                 |                 |              | Annual<br>Forecast<br>\$m |
|--|--------------------------------|--|---------------------------------|-----------------|-----------------|--------------|---------------------------|
|  |                                |  | Actual<br>\$m                   | Forecast<br>\$m | Variance<br>\$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   | 85,071                         | Land   | 80,568                          | 80,646          | (78)            | (0.1)        | 81,042                    |
| 68,194   | 63,460                         | Buildings  | 71,801                          | 72,371          | (570)           | (0.8)        | 74,495                    |
| 59,502   | 52,792                         | State highways   | 60,898                          | 60,887          | 11              | -            | 60,963                    |
| 20,052   | 19,874                         | Electricity generation assets                          | 19,878                          | 19,998          | (120)           | (0.6)        | 19,918                    |
| 4,459  | 4,427                          | Electricity distribution network (cost)                | 4,604                           | 4,636           | (32)            | (0.7)        | 4,427                     |
| 4,562  | 4,348                          | Aircraft (excl military)                               | 4,611                           | 4,905           | (294)           | (6.0)        | 5,035                     |
| 4,964  | 4,658                          | Specialist military equipment                          | 5,558                           | 5,729           | (171)           | (3.0)        | 5,880                     |
| 3,401  | 3,275                          | Specified cultural and heritage assets                 | 3,188                           | 3,193           | (5)             | (0.2)        | 3,164                     |
| 14,580   | 10,940                         | Rail network   | 14,958                          | 15,234          | (276)           | (1.8)        | 15,361                    |
| 7,968  | 7,420                          | Other plant and equipment (cost)                       | 8,921                           | 8,625           | 296             | 3.4          | 8,823                     |
| <b>267,390</b>                                   | <b>256,265</b>                 | <b>Total net carrying value</b>                        | <b>274,985</b>                  | <b>276,224</b>  | <b>(1,239)</b>  | <b>(0.4)</b> | <b>279,108</b>            |
| <b>Land breakdown by usage</b>                   |                                |  |                                 |                 |                 |              |                           |
| 28,921   | 32,964                         | Housing stock  | 29,655                          | 29,596          | 59              | 0.2          | 29,752                    |
| 23,134   | 23,474                         | State highway corridor land                            | 23,133                          | 23,134          | (1)             | -            | 23,136                    |
| 8,342  | 7,827                          | Conservation estate                                    | 8,337                           | 8,317           | 20              | 0.2          | 8,322                     |
| 6,279  | 7,563                          | Schools  | 6,292                           | 6,301           | (9)             | (0.1)        | 6,318                     |
| 4,261  | 4,327                          | Rail network corridor land                             | 4,300                           | 4,308           | (8)             | (0.2)        | 4,341                     |
| 1,578  | 1,585                          | Commercial (SOE) excluding rail                        | 1,669                           | 1,647           | 22              | 1.3          | 1,692                     |
| 7,193  | 7,331                          | Other  | 7,182                           | 7,343           | (161)           | (2.2)        | 7,481                     |
| <b>79,708</b>                                    | <b>85,071</b>                  | <b>Total land</b>                                      | <b>80,568</b>                   | <b>80,646</b>   | <b>(78)</b>     | <b>(0.1)</b> | <b>81,042</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   | 11,766                         | Additions  | 14,142                          | 15,439          | (1,297)         | (8.4)        | 19,403                    |
| (1,474)  | (376)                          | Disposals  | (560)                           | (187)           | (373)           | (199.5)      | (233)                     |
| 5,335  | 836                            | Net revaluations                                       | 44                              | 72              | (28)            | (38.9)       | 69                        |
| 964  | (12)                           | Other  | (60)                            | (43)            | (17)            | (39.5)       | 46                        |
| <b>287,777</b>                                   | <b>280,285</b>                 | <b>Total cost or valuation</b>                         | <b>301,343</b>                  | <b>303,058</b>  | <b>(1,715)</b>  | <b>(0.6)</b> | <b>307,062</b>            |
| <b>Accumulated Depreciation &amp; Impairment</b> |                                |  |                                 |                 |                 |              |                           |
| 18,889   | 18,889                         | Opening balance  | 20,387                          | 20,387          | -               | -            | 20,387                    |
| (1,007)  | (199)                          | Eliminated on disposal                                 | (382)                           | (35)            | (347)           | -            | (210)                     |
| (5,540)  | (403)                          | Eliminated on revaluation                              | (71)                            | (70)            | (1)             | (1)          | (73)                      |
| 220  | 312                            | Impairment losses charged to operating balance         | 264                             | 382             | (118)           | (31)         | 382                       |
| 6,601  | 5,396                          | Depreciation expense and impairment losses             | 6,163                           | 6,160           | 3               | -            | 7,468                     |
| 1,224  | 25                             | Other  | (3)                             | 10              | (13)            | (130.0)      | -                         |
| <b>20,387</b>                                    | <b>24,020</b>                  | <b>Total accumulated depreciation &amp; impairment</b> | <b>26,358</b>                   | <b>26,834</b>   | <b>(476)</b>    | <b>(1.8)</b> | <b>27,954</b>             |
| <b>267,390</b>                                   | <b>256,265</b>                 | <b>Total property, plant and equipment</b>             | <b>274,985</b>                  | <b>276,224</b>  | <b>(1,239)</b>  | <b>(0.4)</b> | <b>279,108</b>            |

1. Using a revaluation methodology unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

| As at<br>30 June<br>2023<br>\$m | As at<br>30 Apr<br>2023<br>\$m |                               | Current Year Actual vs Forecast |                 |                 |            | Annual<br>Forecast<br>\$m |
|---------------------------------|--------------------------------|-------------------------------|---------------------------------|-----------------|-----------------|------------|---------------------------|
|                                 |                                |                               | Actual<br>\$m                   | Forecast<br>\$m | Variance<br>\$m | %          |                           |
| <b>NOTE 11: Payables</b>        |                                |                               |                                 |                 |                 |            |                           |
| 12,520                          | 10,294                         | Accounts payable              | 11,289                          | 12,236          | 947             | 7.7        | 12,979                    |
| 6,206                           | 6,529                          | Taxes repayable               | 6,929                           | 6,797           | (132)           | (1.9)      | 6,135                     |
| <b>18,726</b>                   | <b>16,823</b>                  | <b>Total payables</b>         | <b>18,218</b>                   | <b>19,033</b>   | <b>815</b>      | <b>4.3</b> | <b>19,114</b>             |
| <b>NOTE 12: Borrowings</b>      |                                |                               |                                 |                 |                 |            |                           |
| 105,162                         | 101,501                        | Government bonds              | 129,249                         | 129,634         | 385             | 0.3        | 127,316                   |
| 24,972                          | 25,192                         | Kiwi Group customer deposits  | 26,873                          | 25,255          | (1,618)         | (6.4)      | 26,642                    |
| 49,915                          | 53,556                         | Settlement deposits           | 42,690                          | 45,962          | 3,272           | 7.1        | 44,000                    |
| 2,891                           | 3,023                          | Treasury bills                | 5,038                           | 5,159           | 121             | 2.3        | 5,631                     |
| 2,236                           | 1,791                          | European Commercial Paper     | 9,750                           | 10,014          | 264             | 2.6        | 12,385                    |
| 7,311                           | 6,914                          | Derivatives in loss           | 8,285                           | 6,361           | (1,924)         | (30.2)     | 6,240                     |
| 1,220                           | 1,318                          | Finance lease liabilities     | 1,083                           | 1,062           | (21)            | (2.0)      | 1,035                     |
| 157                             | 152                            | Government retail stock       | 157                             | 163             | 6               | 3.7        | 162                       |
| 32,891                          | 37,936                         | Other borrowings              | 30,531                          | 38,076          | 7,545           | 19.8       | 36,589                    |
| <b>226,755</b>                  | <b>231,383</b>                 | <b>Total borrowings</b>       | <b>253,656</b>                  | <b>261,686</b>  | <b>8,030</b>    | <b>3.1</b> | <b>260,000</b>            |
| 175,791                         | 180,332                        | Sovereign-guaranteed debt     | 199,956                         | 207,372         | 7,416           | 3.6        | 205,729                   |
| 50,964                          | 51,051                         | Non sovereign-guaranteed debt | 53,700                          | 54,314          | 614             | 1.1        | 54,271                    |
| <b>226,755</b>                  | <b>231,383</b>                 | <b>Total borrowings</b>       | <b>253,656</b>                  | <b>261,686</b>  | <b>8,030</b>    | <b>3.1</b> | <b>260,000</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  | 816          | Units sold                                     | 215          | 234          | 19         | 8.1        | 439          |
| 1,103  | 1,406        | Allocated units                                | 943          | 1,012        | 69         | 6.8        | 1,259        |
| (1,583)  | (1,854)      | Units surrendered                              | (1,667)      | (1,849)      | (182)      | (9.8)      | (2,841)      |
| (5,620)  | (3,304)      | (Gains)/ losses due to revaluation in NZ Units | 1,836        | 2,282        | 446        | 19.5       | 2,346        |
| 85   | (2)          | Other movements                                | (22)         | (74)         | (52)       | (70.3)     | (6)          |
| <b>6,125</b>   | <b>8,370</b> | <b>Closing liability</b>                       | <b>7,430</b> | <b>7,730</b> | <b>300</b> | <b>3.9</b> | <b>7,322</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                                | 59,161        | ACC liability                      | 58,181        | 58,544        | 363        | 0.6        | 58,240        |
| 1,617                                 | 1,564         | EQC property damage liability      | 1,294         | 1,307         | 13         | 1.0        | 1,245         |
| 230                                   | 186           | Other insurance liabilities        | 185           | 182           | (3)        | (1.6)      | 175           |
| <b>57,511</b>                         | <b>60,911</b> | <b>Total insurance liabilities</b> | <b>59,660</b> | <b>60,033</b> | <b>373</b> | <b>0.6</b> | <b>59,660</b> |

The most recent valuation of the ACC liability was as at 31 December 2023 and is updated monthly for changes to discount rates.

| <b>NOTE 15: Provisions</b> |               |   |               |               |              |              |               |
|----------------------------|---------------|---|---------------|---------------|--------------|--------------|---------------|
| 9,129                      | 7,712         | Provision for employee entitlements             | 8,379         | 7,673         | (706)        | (9.2)        | 7,832         |
| 2,651                      | 2,820         | Veterans disability entitlements                | 2,644         | 2,646         | 2            | 0.1          | 2,651         |
| 638                        | 632           | Provision for National Provident Fund guarantee | 613           | 616           | 3            | 0.5          | 613           |
| 3,008                      | 2,923         | Other provisions                                | 2,872         | 2,967         | 95           | 3.2          | 3,124         |
| <b>15,426</b>              | <b>14,087</b> | <b>Total provisions</b>                         | <b>14,508</b> | <b>13,902</b> | <b>(606)</b> | <b>(4.4)</b> | <b>14,220</b> |

## NOTES TO THE FINANCIAL STATEMENTS

| As at<br>30 June<br>2023<br>\$m      | As at<br>30 Apr<br>2023<br>\$m |  | Current Year Actual vs Forecast |                 |                 |               | Annual<br>Forecast<br>\$m |
|--------------------------------------|--------------------------------|--|---------------------------------|-----------------|-----------------|---------------|---------------------------|
|                                      |                                |  | Actual<br>\$m                   | Forecast<br>\$m | Variance<br>\$m | %             |                           |
| <b>NOTE 16: Changes in Net Worth</b> |                                |  |                                 |                 |                 |               |                           |
| 8,380                                | 3,190                          | Taxpayers' funds   | 9,354                           | 7,251           | 2,103           | 29.0          | 5,495                     |
| 174,575                              | 164,986                        | Property, plant and equipment revaluation reserve                | 174,485                         | 174,432         | 53              | -             | 174,432                   |
| 409                                  | 181                            | Defined benefit retirement plan revaluation reserve              | 788                             | 871             | (83)            | (9.5)         | 787                       |
| (392)                                | (566)                          | Veterans' disability entitlements reserve                        | (392)                           | (392)           | -               | -             | (392)                     |
| 7,958                                | 7,894                          | Net worth attributable to minority interests                     | 7,945                           | 8,000           | (55)            | (0.7)         | 8,371                     |
| 542                                  | 460                            | Other reserves   | 270                             | 535             | (265)           | (49.5)        | 540                       |
| <b>191,472</b>                       | <b>176,145</b>                 | <b>Total net worth</b>   | <b>192,450</b>                  | <b>190,697</b>  | <b>1,753</b>    | <b>0.9</b>    | <b>189,233</b>            |
| 2,681                                | 2,681                          | Opening taxpayers funds  | 8,380                           | 8,380           | -               | -             | 8,380                     |
| 5,321                                | 481                            | Operating balance excluding minority interests                   | 660                             | (1,232)         | 1,892           | 153.6         | (2,988)                   |
| 378                                  | 28                             | Transfers from/(to) other reserves                               | 314                             | 103             | 211             | 204.9         | 103                       |
| <b>8,380</b>                         | <b>3,190</b>                   | <b>Closing taxpayers funds</b>                                   | <b>9,354</b>                    | <b>7,251</b>    | <b>2,103</b>    | <b>29.0</b>   | <b>5,495</b>              |
| 164,385                              | 164,385                        | Opening property, plant and equipment revaluation reserve        | 174,575                         | 174,575         | -               | -             | 174,575                   |
| 10,870                               | 1,108                          | Net revaluations   | 165                             | (72)            | 237             | 329.2         | (72)                      |
| (372)                                | (393)                          | Revaluation reserve attributable to minority interest            | (49)                            | (49)            | -               | -             | (49)                      |
| (308)                                | (114)                          | Transfers from/(to) other reserves                               | (206)                           | (22)            | (184)           | -             | (22)                      |
| <b>174,575</b>                       | <b>164,986</b>                 | <b>Closing property, plant and equipment revaluation reserve</b> | <b>174,485</b>                  | <b>174,432</b>  | <b>53</b>       | <b>-</b>      | <b>174,432</b>            |
| 7,283                                | 7,283                          | Opening net worth attributable to minority interests             | 7,958                           | 7,958           | -               | -             | 7,958                     |
| 66                                   | 52                             | Increase/(decrease) in minority interest from changes in equity  | 78                              | 94              | (16)            | (17.0)        | 390                       |
| 555                                  | 539                            | Operating balance attributable to minority interests             | 455                             | 484             | (29)            | (6.0)         | 550                       |
| 54                                   | 20                             | Net movements  | (546)                           | (536)           | (10)            | (1.9)         | (527)                     |
| <b>7,958</b>                         | <b>7,894</b>                   | <b>Closing net worth attributable to minority interests</b>      | <b>7,945</b>                    | <b>8,000</b>    | <b>(55)</b>     | <b>(0.7)</b>  | <b>8,371</b>              |
| 480                                  | 481                            | Opening other reserves   | 542                             | 542             | -               | -             | 542                       |
| 62                                   | (21)                           | Net movements  | (272)                           | (7)             | (265)           | -             | (2)                       |
| <b>542</b>                           | <b>460</b>                     | <b>Closing other reserves</b>                                    | <b>270</b>                      | <b>535</b>      | <b>(265)</b>    | <b>(49.5)</b> | <b>540</b>                |

# FISCAL INDICATOR ANALYSIS

For the ten months ended 30 April 2024

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

| Year<br>to 30 June<br>2023<br>Actual<br>\$m | 10 months<br>to 30 Apr<br>2023<br>Actual<br>\$m |  | Current Year Actual vs Forecast |                 |                 |              | Annual<br>Forecast<br>\$m |
|---|---|--|---------------------------------|-----------------|-----------------|--------------|---------------------------|
|   |   |  | Actual<br>\$m                   | Forecast<br>\$m | Variance<br>\$m | %            |                           |
|   |   | <b>Operating Balance</b>   |                                 |                 |                 |              |                           |
| 153,011                                     | 125,055   | Total revenue  | 138,032                         | 136,628         | 1,404           | 1.0          | 165,050                   |
| 161,822                                     | 131,531   | Less total expenses  | 144,233                         | 144,443         | 210             | 0.1          | 175,651                   |
| 14,658                                      | 7,468   | Total gains/(losses)   | 7,237                           | 7,042           | 195             | 2.8          | 8,066                     |
| 29  | 28  | Net surplus from associates and joint ventures                     | 79                              | 25              | 54              | 216.0        | 97                        |
| (555)                                       | (539)   | Minority interests share of operating balance                      | (455)                           | (484)           | 29              | 6.0          | (550)                     |
| <b>5,321</b>                                | <b>481</b>                                      | <b>Operating balance</b>   | <b>660</b>                      | <b>(1,232)</b>  | <b>1,892</b>    | <b>153.6</b> | <b>(2,988)</b>            |
|   |   | <b>Reconciliation Between the Operating<br/>Balance and OBEGAL</b> |                                 |                 |                 |              |                           |
| <b>5,321</b>                                | <b>481</b>                                      | <b>Operating balance</b>   | <b>660</b>                      | <b>(1,232)</b>  | <b>1,892</b>    | <b>153.6</b> | <b>(2,988)</b>            |
|   |   | Less items excluded from OBEGAL:                                   |                                 |                 |                 |              |                           |
| 7,711                                       | 5,542   | Net gains/(losses) on financial instruments                        | 7,634                           | 8,268           | (634)           | (7.7)        | 9,352                     |
| 6,947                                       | 1,926   | Net gains/(losses) on non-financial instruments                    | (397)                           | (1,226)         | 829             | 67.6         | (1,286)                   |
| 29  | 28  | Net surplus from associates and joint ventures                     | 79                              | 25              | 54              | 216.0        | 97                        |
| 80  | 3   | Minority interests share of total gains/(losses)                   | (147)                           | (79)            | (68)            | (86.1)       | (77)                      |
| <b>(9,446)</b>                              | <b>(7,018)</b>                                  | <b>OBEGAL</b>  | <b>(6,509)</b>                  | <b>(8,220)</b>  | <b>1,711</b>    | <b>20.8</b>  | <b>(11,074)</b>           |

# FISCAL INDICATOR ANALYSIS

For the ten months ended 30 April 2024

## Expenses by Functional Classification

| Year<br>to 30 June<br>2023<br>Actual<br>\$m | 10 months<br>to 30 Apr<br>2023<br>Actual<br>\$m |  | Note | Current Year Actual vs Forecast |                 |                 | Annual<br>Forecast<br>\$m |                |
|---|---|--|------|---------------------------------|-----------------|-----------------|---------------------------|----------------|
|   |   |  |      | Actual<br>\$m                   | Forecast<br>\$m | Variance<br>\$m |                           | %              |
| <b>Total Crown expenses</b>                 |   |  |      |                                 |                 |                 |                           |                |
| 48,845                                      | 40,408  | Social security and welfare                  |      | 44,045                          | 44,058          | 13              | -                         | 53,402         |
| 29,824                                      | 24,291  | Health                                       |      | 23,835                          | 23,579          | (256)           | (1.1)                     | 28,557         |
| 19,609                                      | 16,123  | Education                                    |      | 17,780                          | 17,861          | 81              | 0.5                       | 21,371         |
| 6,663                                       | 4,433   | Core government services                     |      | 5,737                           | 6,149           | 412             | 6.7                       | 7,748          |
| 6,666                                       | 5,250   | Law and order                                |      | 5,658                           | 5,852           | 194             | 3.3                       | 7,192          |
| 14,428                                      | 11,880  | Transport and communications                 |      | 12,728                          | 12,847          | 119             | 0.9                       | 16,910         |
| 12,384                                      | 10,279  | Economic and industrial services             |      | 12,396                          | 12,345          | (51)            | (0.4)                     | 15,237         |
| 2,838                                       | 2,194   | Defence                                      |      | 2,417                           | 2,379           | (38)            | (1.6)                     | 3,138          |
| 3,417                                       | 2,860   | Heritage, culture and recreation             |      | 2,959                           | 2,982           | 23              | 0.8                       | 3,435          |
| 2,740                                       | 2,159   | Primary services                             |      | 2,132                           | 2,280           | 148             | 6.5                       | 2,986          |
| 4,396                                       | 3,258   | Housing and community development            |      | 3,812                           | 4,027           | 215             | 5.3                       | 5,152          |
| 2,353                                       | 2,389   | Environmental protection                     |      | 1,976                           | 2,121           | 145             | 6.8                       | 2,792          |
| 78  | 64  | GSF pension expenses                         |      | 77                              | 75              | (2)             | (2.7)                     | 90             |
| 133   | 90  | Other  |      | 100                             | 100             | -               | -                         | 135            |
| 7,448                                       | 5,853   | Finance costs                                |      | 8,581                           | 8,463           | (118)           | (1.4)                     | 10,206         |
| -   | -   | Top-down expense adjustment                  | 7    | -                               | (675)           | (675)           | (100.0)                   | (2,700)        |
| <b>161,822</b>                              | <b>131,531</b>                                  | <b>Total Crown expenses excluding losses</b> |      | <b>144,233</b>                  | <b>144,443</b>  | <b>210</b>      | <b>0.1</b>                | <b>175,651</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<br>to 30 June<br>2023<br>Actual<br>\$m | 10 months<br>to 30 Apr<br>2023<br>Actual<br>\$m |   | Note | Current Year Actual vs Forecast |                 |                 | Annual<br>Forecast<br>\$m |                |
|---|---|---|------|---------------------------------|-----------------|-----------------|---------------------------|----------------|
|   |   |   |      | Actual<br>\$m                   | Forecast<br>\$m | Variance<br>\$m |                           | %              |
| <b>Core Crown expenses</b>                  |   |   |      |                                 |                 |                 |                           |                |
| 41,514                                      | 33,821  | Social security and welfare                 |      | 36,335                          | 36,456          | 121             | 0.3                       | 44,602         |
| 28,489                                      | 24,546  | Health                                      |      | 24,937                          | 24,923          | (14)            | (0.1)                     | 30,176         |
| 18,403                                      | 14,658  | Education                                   |      | 16,287                          | 16,438          | 151             | 0.9                       | 20,159         |
| 6,806                                       | 4,469   | Core government services                    |      | 5,923                           | 6,347           | 424             | 6.7                       | 8,198          |
| 6,165                                       | 4,929   | Law and order                               |      | 5,287                           | 5,454           | 167             | 3.1                       | 6,687          |
| 5,472                                       | 4,141   | Transport and communications                |      | 4,607                           | 4,497           | (110)           | (2.4)                     | 5,971          |
| 3,690                                       | 3,175   | Economic and industrial services            |      | 3,179                           | 3,216           | 37              | 1.2                       | 4,294          |
| 2,886                                       | 2,224   | Defence                                     |      | 2,450                           | 2,417           | (33)            | (1.4)                     | 3,184          |
| 1,537                                       | 1,349   | Heritage, culture and recreation            |      | 1,366                           | 1,423           | 57              | 4.0                       | 1,602          |
| 1,156                                       | 869   | Primary services                            |      | 845                             | 978             | 133             | 13.6                      | 1,345          |
| 2,312                                       | 1,596   | Housing and community development           |      | 2,065                           | 2,214           | 149             | 6.7                       | 2,834          |
| 2,381                                       | 2,393   | Environmental protection                    |      | 2,012                           | 2,156           | 144             | 6.7                       | 2,839          |
| 61  | 48  | GSF pension expenses                        |      | 61                              | 50              | (11)            | (22.0)                    | 60             |
| 133   | 90  | Other                                       |      | 100                             | 100             | -               | -                         | 135            |
| 6,569                                       | 5,229   | Finance costs                               |      | 7,426                           | 7,393           | (33)            | (0.4)                     | 8,939          |
| -   | -   | Top-down expense adjustment                 | 7    | -                               | (675)           | (675)           | (100.0)                   | (2,700)        |
| <b>127,574</b>                              | <b>103,537</b>                                  | <b>Core Crown expenses excluding losses</b> |      | <b>112,880</b>                  | <b>113,387</b>  | <b>507</b>      | <b>0.4</b>                | <b>138,325</b> |

# FISCAL INDICATOR ANALYSIS

For the ten months ended 30 April 2024

## Core Crown Residual Cash

| Year to 30 June 2023 | 10 months to 30 Apr 2023 |   | Current Year Actual vs Forecast |                 |                |                | Annual Forecast \$m |
|----------------------|--------------------------|---|---------------------------------|-----------------|----------------|----------------|---------------------|
|                      |                          |   | Actual \$m                      | Forecast \$m    | Variance \$m   | %              |                     |
|                      |                          | <b>Core Crown Cash Flows from Operations</b>  |                                 |                 |                |                |                     |
| 111,292              | 87,027                   | Tax receipts  | 95,000                          | 93,354          | 1,646          | 1.8            | 113,952             |
| 2,492                | 2,111                    | Other sovereign receipts  | 1,616                           | 1,601           | 15             | 0.9            | 2,144               |
| 982                  | 617                      | Interest receipts   | 1,294                           | 1,335           | (41)           | (3.1)          | 1,625               |
| 3,954                | 3,301                    | Sale of goods & services and other receipts   | 2,949                           | 3,039           | (90)           | (3.0)          | 3,610               |
| (40,417)             | (33,283)                 | Transfer payments and subsidies   | (36,008)                        | (35,925)        | (83)           | (0.2)          | (43,172)            |
| (76,434)             | (64,558)                 | Personnel and operating costs   | (67,502)                        | (67,815)        | 313            | 0.5            | (82,474)            |
| (5,305)              | (4,028)                  | Interest payments   | (5,403)                         | (5,229)         | (174)          | (3.3)          | (6,834)             |
| -                    | -                        | Top-down expense adjustment   | -                               | 675             | (675)          | (100.0)        | 2,700               |
| <b>(3,436)</b>       | <b>(8,813)</b>           | <b>Net core Crown operating cash flows</b>  | <b>(8,054)</b>                  | <b>(8,965)</b>  | <b>911</b>     | <b>10.2</b>    | <b>(8,449)</b>      |
| (4,435)              | (3,326)                  | Net purchase of physical and intangible assets  | (3,986)                         | (4,267)         | 281            | 6.6            | (5,203)             |
| (9,159)              | (8,247)                  | Net increase in advances  | (2,199)                         | (2,467)         | 268            | 10.9           | (3,032)             |
| (6,060)              | (5,218)                  | Net purchase of investments   | (3,498)                         | (3,689)         | 191            | 5.2            | (4,566)             |
| (2,558)              | (2,132)                  | Contributions to New Zealand Superannuation Fund  | (1,345)                         | (1,345)         | -              | -              | (1,614)             |
| -                    | -                        | Top-down capital adjustment   | -                               | 250             | (250)          | (100.0)        | 1,000               |
| <b>(22,212)</b>      | <b>(18,923)</b>          | <b>Net core Crown capital cash flows</b>  | <b>(11,028)</b>                 | <b>(11,518)</b> | <b>490</b>     | <b>4.3</b>     | <b>(13,415)</b>     |
| <b>(25,648)</b>      | <b>(27,736)</b>          | <b>Core Crown residual cash surplus / (deficit)</b>                                       | <b>(19,082)</b>                 | <b>(20,483)</b> | <b>1,401</b>   | <b>6.8</b>     | <b>(21,864)</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               | 22,843                   | Issue of government bonds   | 28,992                          | 29,309          | (317)          | (1.1)          | 34,801              |
| (21,879)             | (21,178)                 | Repayment of government bonds   | (3,613)                         | (3,627)         | 14             | 0.4            | (18,213)            |
| (66)                 | (57)                     | Net issue/(repayment) of short-term borrowing <sup>1</sup>                                | 9,930                           | 10,722          | (792)          | (7.4)          | 13,622              |
| <b>4,131</b>         | <b>1,608</b>             | <b>Total market debt cash flows</b>   | <b>35,309</b>                   | <b>36,404</b>   | <b>(1,095)</b> | <b>(3.0)</b>   | <b>30,210</b>       |
|                      |                          | Non market:   |                                 |                 |                |                |                     |
| -                    | -                        | Issue of government bonds   | -                               | -               | -              | -              | -                   |
| (300)                | (300)                    | Repayment of government bonds   | -                               | -               | -              | -              | -                   |
| (300)                | (300)                    | Net issue/(repayment) of short-term borrowing <sup>1</sup>                                | (120)                           | (120)           | -              | -              | (300)               |
| <b>(300)</b>         | <b>(300)</b>             | <b>Total non-market debt cash flows</b>   | <b>(120)</b>                    | <b>(120)</b>    | <b>-</b>       | <b>-</b>       | <b>(300)</b>        |
| <b>3,831</b>         | <b>1,308</b>             | <b>Total debt programme cash flows</b>  | <b>35,189</b>                   | <b>36,284</b>   | <b>(1,095)</b> | <b>(3.0)</b>   | <b>29,910</b>       |
|                      |                          | <b>Other Borrowing Cash Flows</b>   |                                 |                 |                |                |                     |
| 19,918               | 28,645                   | Net (repayment)/issue of other New Zealand dollar borrowing                               | (531)                           | 3,612           | (4,143)        | (114.7)        | 18,597              |
| (1,034)              | (1,348)                  | Net (repayment)/issue of foreign currency borrowing                                       | (7,249)                         | (2,794)         | (4,455)        | (159.4)        | (12,834)            |
| <b>18,884</b>        | <b>27,297</b>            | <b>Total other borrowing cash flows</b>   | <b>(7,780)</b>                  | <b>818</b>      | <b>(8,598)</b> | <b>(274.1)</b> | <b>5,763</b>        |
|                      |                          | <b>Investing Cash Flows</b>   |                                 |                 |                |                |                     |
| 2,775                | 4,966                    | Other net sale/(purchase) of marketable securities and deposits                           | (8,682)                         | (14,556)        | 5,874          | 40.4           | (11,674)            |
| (60)                 | 116                      | Issues of circulating currency  | 42                              | 124             | (82)           | (66.1)         | 129                 |
| 218                  | (5,951)                  | Decrease/(increase) in cash   | 313                             | (2,187)         | 2,500          | 114.3          | (2,264)             |
| <b>2,933</b>         | <b>(869)</b>             | <b>Total investing cash flows</b>   | <b>(8,327)</b>                  | <b>(16,619)</b> | <b>8,292</b>   | <b>49.9</b>    | <b>(13,809)</b>     |
| <b>25,648</b>        | <b>27,736</b>            | <b>Core Crown residual cash deficit / (surplus) funding</b>                               | <b>19,082</b>                   | <b>20,483</b>   | <b>(1,401)</b> | <b>(6.8)</b>   | <b>21,864</b>       |

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

# FISCAL INDICATOR ANALYSIS

As at 30 April 2024

## Debt Indicators

| As at<br>30 June<br>2023<br>Actual<br>\$m | As at<br>30 Apr<br>2023<br>Actual<br>\$m |   | Current Year Actual vs Forecast |                 |                 |               | Annual<br>Forecast<br>\$m |
|---|--|---|---------------------------------|-----------------|-----------------|---------------|---------------------------|
|   |  |   | Actual<br>\$m                   | Forecast<br>\$m | Variance<br>\$m | %             |                           |
|   |  | <b>Net core Crown debt:</b>                               |                                 |                 |                 |               |                           |
| 191,029                                   | 196,165                                  | Core Crown borrowings <sup>1</sup>                        | 220,476                         | 228,867         | 8,391           | 3.7           | 227,118                   |
| 962                                       | 949                                      | Core Crown unsettled purchases of securities <sup>2</sup> | 1,362                           | 1,536           | 174             | 11.3          | 1,015                     |
| (3,093)                                   | (2,715)                                  | Less NZS Fund borrowings <sup>3</sup>                     | (3,392)                         | (4,200)         | (808)           | (19.2)        | (3,679)                   |
| <b>188,898</b>                            | <b>194,399</b>                           | <b>Borrowings included in net core Crown debt</b>         | <b>218,446</b>                  | <b>226,203</b>  | <b>7,757</b>    | <b>3.4</b>    | <b>224,454</b>            |
| (135,595)                                 | (134,727)                                | Core Crown financial assets <sup>4</sup>                  | (155,119)                       | (163,577)       | (8,458)         | (5.2)         | (162,995)                 |
| (2,565)                                   | (2,466)                                  | Core Crown unsettled sales of securities <sup>2</sup>     | (3,399)                         | (2,727)         | 672             | 24.6          | (2,463)                   |
| 67,994                                    | 65,002                                   | Less NZS Fund financial assets                            | 75,791                          | 77,156          | 1,365           | 1.8           | 77,889                    |
| 36,541                                    | 34,815                                   | Less core Crown advances                                  | 39,271                          | 39,908          | 637             | 1.6           | 41,209                    |
| <b>(33,625)</b>                           | <b>(37,376)</b>                          | <b>Financial assets included in net core Crown debt</b>   | <b>(43,456)</b>                 | <b>(49,240)</b> | <b>(5,784)</b>  | <b>(11.7)</b> | <b>(46,360)</b>           |
| <b>155,273</b>                            | <b>157,023</b>                           | <b>Net core Crown debt</b>                                | <b>174,990</b>                  | <b>176,963</b>  | <b>1,973</b>    | <b>1.1</b>    | <b>178,094</b>            |
|   |  | <b>Net debt:</b>  |                                 |                 |                 |               |                           |
| 155,273                                   | 157,023                                  | Net core Crown debt (as above)                            | 174,990                         | 176,963         | 1,973           | 1.1           | 178,094                   |
| 48,110                                    | 46,895                                   | Crown entity borrowings <sup>5</sup>                      | 55,385                          | 56,012          | 627             | 1.1           | 56,907                    |
| (30,574)                                  | (30,378)                                 | Less Kiwi Group borrowings <sup>6</sup>                   | (32,922)                        | (32,833)        | 89              | 0.3           | (33,286)                  |
| (36,541)                                  | (34,815)                                 | Add core Crown advances                                   | (39,271)                        | (39,908)        | (637)           | (1.6)         | (41,209)                  |
| <b>136,268</b>                            | <b>138,725</b>                           | <b>Net debt (excl. NZS Fund)</b>                          | <b>158,182</b>                  | <b>160,234</b>  | <b>2,052</b>    | <b>1.3</b>    | <b>160,506</b>            |
| 3,093                                     | 2,715                                    | NZS Fund borrowings <sup>3</sup>                          | 3,392                           | 4,200           | 808             | 19.2          | 3,679                     |
| (67,994)                                  | (65,002)                                 | NZS Fund financial assets                                 | (75,791)                        | (77,156)        | (1,365)         | (1.8)         | (77,889)                  |
| <b>71,367</b>                             | <b>76,438</b>                            | <b>Net debt</b>   | <b>85,783</b>                   | <b>87,278</b>   | <b>1,495</b>    | <b>1.7</b>    | <b>86,296</b>             |
|   |  | <b>Gross Debt:</b>  |                                 |                 |                 |               |                           |
| 191,029                                   | 196,165                                  | Core Crown borrowings                                     | 220,476                         | 228,867         | 8,391           | 3.7           | 227,118                   |
| 962                                       | 949                                      | Core Crown unsettled purchases of securities <sup>2</sup> | 1,362                           | 1,536           | 174             | 11.3          | 1,015                     |
| (3,093)                                   | (2,715)                                  | Less NZS Fund borrowings <sup>3</sup>                     | (3,392)                         | (4,200)         | (808)           | (19.2)        | (3,679)                   |
|   |  | Less Reserve Bank settlement cash <sup>7</sup> and        |                                 |                 |                 |               |                           |
| (53,109)                                  | (57,297)                                 | Reserve Bank bills  | (43,707)                        | (51,833)        | (8,126)         | (15.7)        | (49,871)                  |
| <b>135,789</b>                            | <b>137,102</b>                           | <b>Gross Debt</b>   | <b>174,739</b>                  | <b>174,370</b>  | <b>(369)</b>    | <b>(0.2)</b>  | <b>174,583</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.
- Unsettled sales and purchases of securities are classified in the Statement of Financial Position as receivables and accounts payable, respectively.
- The NZS Fund borrowings adjustment also reflects any government stock held by NZS Fund.
- Core Crown financial assets 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).
- 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.
- Includes Reserve Bank's New Zealand dollar transactional banking services for other Central Banks and the International Monetary Fund.



# FISCAL INDICATOR ANALYSIS

## New Zealand Superannuation Fund

| 30 June<br>2023<br>\$m        | 30 Apr<br>2023<br>\$m |                                  | Actual<br>\$m | Forecast<br>\$m | Variance<br>\$m | %            | Annual<br>Forecast<br>\$m |
|-------------------------------|-----------------------|----------------------------------|---------------|-----------------|-----------------|--------------|---------------------------|
| <b>NZ Superannuation Fund</b> |                       |                                  |               |                 |                 |              |                           |
| 1,320                         | 1,042                 | Revenue                          | 1,371         | 1,284           | 87              | 6.8          | 1,541                     |
| 127                           | 48                    | Less current tax expense         | (832)         | (1,253)         | (421)           | (33.6)       | (1,483)                   |
| 1,054                         | (935)                 | Less other expenses <sup>1</sup> | (88)          | (125)           | (37)            | (29.6)       | (180)                     |
| 5,766                         | 3,707                 | Add gains/(losses)               | 5,079         | 5,793           | (714)           | (12.3)       | 6,562                     |
| <b>5,905</b>                  | <b>3,862</b>          | <b>Operating balance</b>         | <b>5,530</b>  | <b>5,699</b>    | <b>(169)</b>    | <b>(3.0)</b> | <b>6,440</b>              |
| 56,210                        | 56,210                | Opening net worth                | 64,673        | 64,673          | -               | -            | 64,673                    |
| 2,558                         | 2,132                 | Contributions from the Crown     | 1,345         | 1,345           | -               | -            | 1,614                     |
| 5,905                         | 3,862                 | Operating balance                | 5,530         | 5,699           | (169)           | (3.0)        | 6,440                     |
| -                             | -                     | Other movements in reserves      | 1             | 1               | -               | -            | -                         |
| <b>64,673</b>                 | <b>62,204</b>         | <b>Closing net worth</b>         | <b>71,549</b> | <b>71,718</b>   | <b>(169)</b>    | <b>(0.2)</b> | <b>72,727</b>             |
| <b>Comprising:</b>            |                       |                                  |               |                 |                 |              |                           |
| 68,234                        | 65,237                | Financial assets                 | 76,033        | 77,402          | (1,369)         | (1.8)        | 78,133                    |
| (3,501)                       | (2,936)               | Financial liabilities            | (4,454)       | (5,641)         | 1,187           | 21.0         | (5,354)                   |
| (60)                          | (97)                  | Net other assets                 | (30)          | (43)            | 13              | 30.2         | (52)                      |
| <b>64,673</b>                 | <b>62,204</b>         | <b>Closing net worth</b>         | <b>71,549</b> | <b>71,718</b>   | <b>(169)</b>    | <b>(0.2)</b> | <b>72,727</b>             |

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

# FISCAL INDICATOR ANALYSIS

## Reconciliation Between the Financial Statements and the Key Fiscal Indicators

| Financial Results   | 30 Apr<br>2024<br>Actual<br>\$m | 30 Apr<br>2024<br>Forecast<br>\$m | Variance<br>\$m | Variance<br>% | Annual<br>Forecast<br>\$m |
|---|---------------------------------|-----------------------------------|-----------------|---------------|---------------------------|
| Core Crown taxation revenue...  | 100,320                         | 98,667                            | 1,653           | 1.7           | 118,995                   |
| ...combined with other core Crown revenue...  | 10,638                          | 10,870                            | (232)           | (2.1)         | 13,380                    |
| ...funds core Crown expenses...   | (112,880)                       | (113,387)                         | 507             | 0.4           | (138,325)                 |
| ...and with SOE and CE <sup>1</sup> results...  | (4,587)                         | (4,370)                           | (217)           | (5.0)         | (5,124)                   |
| ...this results in an operating balance before gains and losses ( <b>OBE GAL</b> )... | (6,509)                         | (8,220)                           | 1,711           | 20.8          | (11,074)                  |
| ...with gains/losses leading to an <b>operating surplus/(deficit)</b> ...             | 660                             | (1,232)                           | 1,892           | 153.6         | (2,988)                   |
| ...with income in SOEs, CEs <sup>1</sup> and the NZS Fund retained...                 | (5,530)                         | (5,699)                           | 169             | 3.0           | (4,139)                   |
| ...and some items do not impact cash.   | (3,184)                         | (2,034)                           | (1,150)         | (56.5)        | (1,322)                   |
| This leads to an operating residual cash surplus/(deficit)...                         | <b>(8,054)</b>                  | <b>(8,965)</b>                    | <b>911</b>      | <b>10.2</b>   | <b>(8,449)</b>            |
| ...used to make contributions to the NZS Fund...                                      | (1,345)                         | (1,345)                           | -               | -             | (1,614)                   |
| ...and to use for capital expenditure   | (3,986)                         | (4,267)                           | 281             | 6.6           | (5,203)                   |
| ...and to make advances   | (2,199)                         | (2,467)                           | 268             | 10.9          | (3,032)                   |
| ...and to purchase investments  | (3,498)                         | (3,689)                           | 191             | 5.2           | (4,566)                   |
| Adjusting for forecast adjustments (top-down/new spending)...                         | -                               | 250                               | (250)           | (100.0)       | 1,000                     |
| ...results in a <b>borrowing requirement (cash deficit)/surplus</b>                   | <b>(19,082)</b>                 | <b>(20,483)</b>                   | <b>1,401</b>    | <b>6.8</b>    | <b>(21,864)</b>           |
| Opening net core Crown debt...  | 155,273                         | 155,273                           | -               | -             | 155,273                   |
| ...when combined with the residual cash (surplus)/deficit...                          | 19,082                          | 20,483                            | 1,401           | 6.8           | 21,864                    |
| ...and other fair value movements in financial assets and financial liabilities...    | 635                             | 1,207                             | 572             | 47.4          | 957                       |
| ...results in a closing <b>net core Crown debt</b> ...                                | <b>174,990</b>                  | <b>176,963</b>                    | <b>1,973</b>    | <b>1.1</b>    | <b>178,094</b>            |
| ...which as a % of GDP is   | <b>43.2%</b>                    | <b>43.7%</b>                      |                 |               | <b>43.1%</b>              |

<sup>1</sup> State-owned enterprises (SOEs) and Crown entities (CEs).