

Interim Financial Statements of the Government of New Zealand

For the three months ended
30 September 2024



Prepared by the Treasury
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Commentary

COMMENTARY

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

The September 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 three months ended 30 September 2024 compared to BEFU 2024

	Year to date				Full Year
	September	September	Variance ²	Variance	June
	2024	2024	BEFU 2024	BEFU 2024	2025
	Actual ¹	Forecast ¹			BEFU 2024
	\$m	\$m	\$m	%	Forecast ³
					\$m
Core Crown tax revenue	28,676	28,767	(91)	(0.3)	122,851
Core Crown revenue	32,312	32,297	15	-	136,004
Core Crown expenses	34,871	34,765	(106)	(0.3)	143,895
Core Crown residual cash	(801)	1,990	(2,791)	(140.3)	(8,933)
Net core Crown debt ⁴	177,614	176,958	(656)	(0.4)	187,250
<i>as a percentage of GDP</i>	43.0%	42.8%			43.5%
Gross debt	186,691	186,545	(146)	(0.1)	196,708
<i>as a percentage of GDP</i>	45.2%	45.1%			45.7%
Operating balance before gains and losses	(4,218)	(3,549)	(669)	(18.9)	(13,372)
Operating balance (excluding minority interests)	(2,169)	(2,089)	(80)	(3.8)	(7,147)
Net worth attributable to the Crown	179,634	178,731	903	0.5	173,596
<i>as a percentage of GDP</i>	43.5%	43.2%			40.3%

1 Using the most recently published GDP (for the year ended 30 June 2024) of \$413,301 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 2025 of \$430,568 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 \$28.7 billion, was close to forecast with a few significant offsetting variances noted below.

- GST was \$0.5 billion (7.0%) below forecast consistent with the trend in seasonally adjusted value of retail electronic card transactions for the September 2024 quarter which was down for most of the retail industries.
- Other individuals tax was \$0.2 billion (9.4%) above forecast mainly owing to stronger than forecast provisional and terminal taxes.
- Other direct taxes were \$0.2 billion (20.9%) above forecast, mainly owing to higher than forecast resident withholding tax (RWT) on interest.

Core Crown expenses were \$34.9 billion. While close to forecast, there were offsetting variances, with the most notable being:

- Core government services expenses were \$0.4 billion lower than forecast, largely due to the impairment of sovereign receivables, which were lower than forecast by \$0.2 billion due to phasing of the forecast. In addition, International Development Cooperation spending was lower than forecast by \$0.1 billion due to a slower than anticipated implementation of activities.
- Education expenses were \$0.2 billion higher than forecast largely due to the phasing of primary and secondary education expenses.

The **OBEGAL** deficit of \$4.2 billion was \$0.7 billion more than forecast. Overall, the core Crown results only contributed around \$0.1 billion to the variance with most of the remaining variance attributable to weaker results of Crown entities, in particular Health New Zealand (HNZ).

The **operating balance deficit** of \$2.2 billion was close to the deficit forecast. The variance in OBEGAL mentioned above was largely offset by the net favourable variance in valuations noted below:

- Net gains on financial instruments at \$4.7 billion were \$3.2 billion greater than forecast. These were largely because of the better than forecast performance of the New Zealand Superannuation Fund (NZS Fund) being largely driven by the performance of financial markets and the movement in New Zealand dollar since the BEFU 24 forecast was prepared.
- Net losses on non-financial instruments totalled \$2.7 billion. These comprised of losses on the Emissions Trading Scheme (ETS) of \$1.5 billion which resulted from an increase in the carbon price used to value the NZ ETS liability, from \$50.50 per New Zealand Unit (NZU) at 30 June 2024 to \$62.15 per NZU at 30 September 2024. In addition, net actuarial losses on the Accident Compensation Corporation liability of \$1.2 billion were reported, largely reflecting an increase in discount rates. For forecasting purposes, valuation changes on non-financial instruments are not forecast beyond the base month of the forecast period.

The **core Crown residual cash deficit** of \$0.8 billion compared to a forecast surplus of \$2.0 billion. This resulted in an unfavourable difference of \$2.8 billion largely owing to:

- Net core Crown operating cash outflows were higher than forecast by \$3.5 billion largely due to tax receipts which were lower than forecast by \$3.1 billion (9.4%). The majority of the variance in tax receipts related to the impact of the Matariki holiday, with a greater amount of receipts being received in the 2023/24 year, rather than in the 2024/25 year as assumed in the forecasts. In addition, weaker than forecast provisional tax have led to corporate and other individuals tax receipts being lower than forecast. There were also higher than forecast personnel costs payments across departments.
- Net core Crown capital cash outflows were lower than forecast by \$0.7 billion. This was largely due to the timing of drawdowns and repayments of loan facilities to fund the National Land Transport Programme. This variance was partly offset by a higher than forecast Crown equity injection into Crown entities largely to NZ Transport Agency.

Net core Crown debt at \$177.6 billion (43.0% of GDP), was higher than forecast by \$0.7 billion. Although the starting position as a result of the 30 June 2024 year end was better by \$2.6 billion, this has been more than offset by the weaker residual cash result discussed above.

Gross debt at \$186.7 billion (45.2% of GDP) was broadly in line with the forecast.

Net worth attributable to the Crown was \$179.6 billion (43.5% of GDP), \$0.9 billion higher than forecast. In addition to the operating balance variance discussed above, the better starting position from the 30 June 2024 year also contributed to this variance.

Comparison against the prior year actuals

Table 2 – 30 September 2024 results compared to 30 September 2023 actuals

	Year to date				Full Year
	September 2024	September 2023	Variance ³ to 2023	Variance to 2023	June 2024
	Actual ¹ \$m	Prior Year Actual ² \$m	\$m	%	Prior Year Actual ⁴ \$m
Core Crown tax revenue	28,676	28,508	168	0.6	120,566
Core Crown revenue	32,312	31,994	318	1.0	133,220
Core Crown expenses	34,871	33,364	(1,507)	(4.5)	138,998
Core Crown residual cash	(801)	(7,922)	7,121	89.9	(19,302)
Net core Crown debt ⁵	177,614	163,928	(13,686)	(8.3)	175,464
<i>as a percentage of GDP</i>	43.0%	41.5%			42.5%
Gross debt	186,691	149,745	(36,946)	(24.7)	175,966
<i>as a percentage of GDP</i>	45.2%	37.9%			42.6%
Operating balance before gains and losses	(4,218)	(2,502)	(1,716)	(68.6)	(12,854)
Operating balance (excluding minority interests)	(2,169)	(3,918)	1,749	44.6	(8,365)
Net worth attributable to the Crown	179,634	179,499	135	0.1	181,818
<i>as a percentage of GDP</i>	43.5%	45.5%			44.0%

1 Using the most recently published GDP (for the year ended 30 June 2024) of \$413,301 million (Source: Stats NZ).

2 Using published GDP (revised) (for the year ended 30 June 2023) of \$394,884 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 2024) of \$413,301 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 of \$28.7 billion was close to revenue for the same time last year, with the following significant offsetting variances below:

- Corporate tax revenue decreased by \$0.5 billion (12.8%), mainly owing to weaker business profits.
- Source deductions increased by \$0.3 billion (2.6%). Although there is still strong growth in the labour market, particularly wages, the 31 July 2024 tax threshold changes are starting to partially offset some of this strength.

Core Crown tax receipts were \$2.7 billion (10.0%) up on the prior year, broadly reflecting the same drivers as the variances in tax revenue mention above. In addition, the timing of the Matariki holiday has resulted in additional tax being received in the current year, with some receipts normally collected in June shifting into July.

Core Crown expenses at \$34.9 billion were \$1.5 billion (4.5%) higher than the same period last year, with the most notable changes including:

- Social security and welfare expenses increased by \$0.8 billion compared to last year, mainly driven by increased NZ Superannuation payments (\$0.4 billion) due to rising entitlement rates and an increase in number of recipients alongside the impact from the indexation of the other main benefit types such as the jobseeker support and emergency benefit.
- Health expenses were up by \$0.7 billion on last year with an increase in spending on hospital and specialist health services as well as primary, community, public and population health services.
- Core government services expenses decreased by \$0.6 billion on last year largely due to less spending in relation to the North Island weather events.
- Education expenses were up \$0.5 billion on last year. This was mostly due to the phasing of expenses for tertiary qualification delivery.

The **OBEGAL** deficit was larger by \$1.7 billion compared to the same time last year, largely due to the increase in core Crown expenses discussed above. In addition, HNZ reported a \$0.4 billion deficit compared to a nearly break-even result for the same time last year which also contributed to the variance.

The **operating balance** deficit of \$2.2 billion, was \$1.7 billion lower than for the same time last year largely as a result of the OBEGAL result discussed above and the following valuation movements:

- Net gains on financial instruments of \$4.7 billion compared to net losses last year of \$2.4 billion, largely because of the performance of the NZS Fund and ACC portfolios.
- Net losses on non-financial instruments were at \$2.7 billion compared to net gains last year of \$1.0 billion due to actuarial losses on the ACC liability. Discount rates decreased in the current year compared to an increase in rates last year. This increase in ACC losses was partly offset by lower losses on the ETS liability, which were \$2.0 billion lower than for the same time last year.

The **core Crown residual cash** deficit of \$0.8 billion reduced by \$7.1 billion compared to the same period last year. Capital cash flows were \$4.0 billion less mainly due to lower advances to Kāinga Ora and net repayments from the Funding for Lending Programme loans of \$2.7 billion, compared to a neutral impact last year. In addition, higher tax receipts partly offset by higher benefit payments and subsidies, both discussed above, also contributed to the lower cash deficit.

Net core Crown debt was \$13.7 billion higher than the same time last year, and as a share of the economy has also increased to 43.0% (41.5% of GDP at 30 September 2023). This reflects the accumulated residual cash deficits since September 2023.

Gross debt was \$186.7 billion, \$36.9 billion higher than the same time last year. This increase was driven by the increase in issuance of debt used to largely fund the cash shortfall and liquidity requirements. These were partly offset by lower derivative liabilities.

Net worth attributable to the Crown at \$179.6 billion (43.5% of GDP), was close to the same time last year. In addition to the operating balance discussed above, the movement in net worth attributable to the Crown included last year's increase in property, plant and equipment revaluation gains largely offset by the operating balance deficit.



Unaudited Interim Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE

For the three months ended 30 September 2024

Year to 30 June 2024	3 months to 30 Sep 2023		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
		Revenue						
119,900	28,318	Taxation revenue	2	28,504	28,581	(77)	(0.3)	122,154
9,426	2,399	Other sovereign revenue	2	2,494	2,638	(144)	(5.5)	10,667
129,326	30,717	Total sovereign revenue		30,998	31,219	(221)	(0.7)	132,821
25,135	6,354	Sales of goods and services		7,324	6,313	1,011	16.0	24,420
8,550	2,196	Interest revenue and dividends	3	2,429	1,863	566	30.4	7,202
4,336	1,074	Other revenue		930	931	(1)	(0.1)	3,600
38,021	9,624	Total revenue earned through operations		10,683	9,107	1,576	17.3	35,222
167,347	40,341	Total revenue (excluding gains)		41,681	40,326	1,355	3.4	168,043
		Expenses						
41,937	10,310	Transfer payments and subsidies	4	11,191	11,280	89	0.8	44,716
39,083	9,366	Personnel expenses		10,111	9,709	(402)	(4.1)	37,895
7,621	1,798	Depreciation		1,770	1,920	150	7.8	7,882
70,620	16,921	Other operating expenses		17,892	16,564	(1,328)	(8.0)	69,143
10,374	2,429	Interest expenses	5	2,652	2,468	(184)	(7.5)	10,166
10,426	1,869	Insurance expenses	6	2,197	2,075	(122)	(5.9)	10,215
-	-	Forecast new operating spending	7	-	-	-	-	3,796
-	-	Top-down expense adjustment	7	-	(280)	(280)	(100.0)	(2,800)
180,061	42,693	Total expenses (excluding losses)		45,813	43,736	(2,077)	(4.7)	181,013
		Gains/(losses)						
11,410	(2,442)	Net gains/(losses) on financial instruments		4,680	1,444	3,236	224.1	6,305
(6,743)	1,044	Net gains/(losses) on non-financial instruments	8	(2,702)	-	(2,702)	-	-
4,667	(1,398)	Total gains/(losses)		1,978	1,444	534	37.0	6,305
		Other interests						
120	(7)	Net surplus/(deficit) from associates and joint ventures		24	10	14	140.0	48
(438)	(161)	Less minority interests' share of operating balance		(39)	(133)	94	70.7	(530)
(8,365)	(3,918)	Operating balance (excluding minority interests)		(2,169)	(2,089)	(80)	(3.8)	(7,147)
438	161	Minority interests' share of operating balance		39	133	(94)	(70.7)	530
(7,927)	(3,757)	Operating balance (including minority interests)		(2,130)	(1,956)	(174)	(8.9)	(6,617)

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

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the three months ended 30 September 2024

Year to 30 June 2024	3 months to 30 Sep 2023		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
(7,927)	(3,757)	Operating balance (including minority interest)	(2,130)	(1,956)	(174)	(8.9)	(6,617)
		Other comprehensive revenue and expense					
8,260	31	Revaluation of physical assets	113	-	113	-	-
455	(2)	Revaluation of retirement plan schemes	3	5	(2)	(40.0)	20
(247)	-	Revaluation of veterans' disability entitlements	-	-	-	-	-
(418)	(164)	Transfers into/(out of) cash flow hedge reserve	(236)	(5)	(231)	-	(28)
-	11	Transfers into/(out of) other reserves	87	-	87	-	-
		(Gains)/losses transferred to the statement of					
(70)	6	financial performance	6	-	6	-	-
		Foreign currency translation differences on					
1	-	foreign operations	(1)	-	(1)	-	-
20	21	Other movements	(3)	(23)	20	87.0	(114)
8,001	(97)	Total other comprehensive revenue and expense	(31)	(23)	(8)	(34.8)	(122)
74	(3,854)	Total comprehensive revenue and expense	(2,161)	(1,979)	(182)	(9.2)	(6,739)
		Attributable to:					
1,770	161	- minority interests	23	152	(129)	(84.9)	527
(1,696)	(4,015)	- the Crown	(2,184)	(2,131)	(53)	(2.5)	(7,266)
74	(3,854)	Total comprehensive revenue and expense	(2,161)	(1,979)	(182)	(9.2)	(6,739)

STATEMENT OF CHANGES IN NET WORTH

For the three months ended 30 September 2024

Year to 30 June 2024	3 months to 30 Sep 2023		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
191,472	191,472	Opening net worth	191,049	189,233	1,816	1.0	189,233
(7,927)	(3,757)	Operating balance (including minority interest)	(2,130)	(1,956)	(174)	(8.9)	(6,617)
8,260	31	Revaluations of physical assets	113	-	113	-	-
455	(2)	Revaluations of retirement plan schemes	3	5	(2)	(40.0)	20
(247)	-	Revaluations of veterans' disability entitlements	-	-	-	-	-
(418)	(164)	Transfers into/(out of) cash flow hedge reserve	(236)	(5)	(231)	-	(28)
-	11	Transfers into/(out of) other reserves	87	-	87	-	-
		(Gains)/losses transferred to the statement					
(70)	6	of financial performance	6	-	6	-	-
		Foreign currency translation differences on					
1	-	foreign operations	(1)	-	(1)	-	-
20	21	Other movements	(3)	(23)	20	87.0	(114)
74	(3,854)	Total comprehensive revenue and expense	(2,161)	(1,979)	(182)	(9.2)	(6,739)
77	34	Increase in minority interest from equity issues	84	21	63	300.0	34
(574)	(334)	Transactions with minority interests	(318)	(311)	(7)	(2.3)	(572)
191,049	187,318	Closing net worth	188,654	186,964	1,690	0.9	181,956

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

STATEMENT OF CASH FLOWS

For the three months ended 30 September 2024

Year to 30 June 2024	3 months to 30 Sep 2023		Current Year Actual vs Forecast				Annual Forecast \$m	
			Note	Actual \$m	Forecast \$m	Variance \$m		%
		Cash flows from operations						
		Cash was provided from						
116,042	27,033	Taxation receipts		29,935	33,036	(3,101)	(9.4)	125,598
7,484	2,080	Other sovereign receipts		2,202	2,414	(212)	(8.8)	8,552
24,359	6,867	Sales of goods and services		7,947	6,340	1,607	25.3	24,174
5,283	1,087	Interest receipts		1,619	1,286	333	25.9	5,167
6,535	1,371	Other operating receipts		1,178	1,268	(90)	(7.1)	4,997
159,703	38,438	Total cash provided from operations		42,881	44,344	(1,463)	(3.3)	168,488
		Cash was disbursed to						
42,335	11,651	Transfer payments and subsidies		12,602	12,497	(105)	(0.8)	45,781
111,095	29,032	Personnel and operating payments		31,341	28,679	(2,662)	(9.3)	111,287
8,579	1,260	Interest payments		1,069	1,129	60	5.3	8,630
-	-	Forecast new operating spending	7	-	-	-	-	3,796
-	-	Top-down expense adjustment	7	-	(280)	(280)	(100.0)	(2,800)
162,009	41,943	Total cash disbursed to operations		45,012	42,025	(2,987)	(7.1)	166,694
(2,306)	(3,505)	Net cash flows from operations		(2,131)	2,319	(4,450)	(191.9)	1,794
		Cash flows from investing activities						
		Cash was provided from/(disbursed to)						
(16,948)	(4,022)	Net (purchase)/sale of physical assets		(3,458)	(4,735)	1,277	27.0	(18,156)
(10,232)	(3,483)	Net (purchase)/sale of shares and other securities		(1,394)	(11,671)	10,277	88.1	(7,434)
(860)	(191)	Net (purchase)/sale of intangible assets		(187)	(204)	17	8.3	(903)
151	(506)	Net (issue)/repayment of advances		1,806	2,070	(264)	(12.8)	5,102
(397)	(118)	Net acquisition of investments in associates		(121)	(91)	(30)	(33.0)	(467)
-	-	Forecast new capital spending	7	-	-	-	-	(2,094)
-	-	Top-down capital adjustment	7	-	130	(130)	(100.0)	1,550
(28,286)	(8,320)	Net cash flows from investing activities		(3,354)	(14,501)	11,147	76.9	(22,402)
(30,592)	(11,825)	Net cash flows from operating and investing activities		(5,485)	(12,182)	6,697	55.0	(20,608)
		Cash Flows from financing activities						
		Cash was provided from/(disbursed to)						
(24)	23	Issues of circulating currency		(51)	23	(74)	(321.7)	91
26,422	9,420	Net issue/(repayment) of Government bonds		11,073	10,707	366	3.4	27,369
651	324	Net issue/(repayment) of foreign currency borrowing		2,128	88	2,040	-	1,221
1,515	5,533	Net issue/(repayment) of other New Zealand dollar borrowing		(6,385)	808	(7,193)	-	(9,241)
(505)	(322)	Dividends paid to minority interests		(205)	(259)	54	20.8	(502)
28,059	14,978	Net cash flows from financing activities		6,560	11,367	(4,807)	(42.3)	18,938
(2,533)	3,153	Net movement in cash		1,075	(815)	1,890	231.9	(1,670)
18,791	18,791	Opening cash balance		16,212	21,040	(4,828)	(22.9)	21,040
(46)	204	Foreign-exchange gains/(losses) on opening cash		(41)	-	(41)	-	-
16,212	22,148	Closing cash balance		17,246	20,225	(2,979)	(14.7)	19,370

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

STATEMENT OF CASH FLOWS (CONTINUED)

For the three months ended 30 September 2024

Year to 30 June 2024	3 months to 30 Sep 2023		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Reconciliation between the net cash flows from operations and the operating balance					
(2,306)	(3,505)	Net cash flows from operations	(2,131)	2,319	(4,450)	(191.9)	1,794
		Gains/(losses) and other interests					
11,410	(2,442)	Net gains/(losses) on financial instruments	4,680	1,444	3,236	224.1	6,305
(6,743)	1,044	Net gains/(losses) on non-financial instruments	(2,702)	-	(2,702)	-	-
		Net surplus/(deficit) from associates and joint ventures	24	10	14	140.0	48
120	(7)						
4,787	(1,405)	Total gains/(losses) and other interests	2,002	1,454	548	37.7	6,353
		Other non-cash items in operating balance					
(7,621)	(1,798)	Depreciation	(1,770)	(1,920)	150	7.8	(7,882)
		Amortisation and net impairment of non-financial assets	(200)	(230)	30	13.0	(1,790)
(1,195)	(214)	Cost of concessionary lending	(127)	(131)	4	3.1	(756)
(719)	(131)	Impairment of financial assets (excl receivables)	(16)	14	(30)	(214.3)	67
(123)	(25)	Decrease/(increase) in insurance liabilities	694	789	(95)	(12.0)	(3,095)
(3,838)	631	Change in accumulating pension expenses	(14)	12	(26)	(216.7)	(46)
61	(119)	Change in NZ ETS liability	170	349	(179)	(51.3)	1,507
614	237						
(12,821)	(1,419)	Total other non-cash items	(1,263)	(1,117)	(146)	(13.1)	(11,995)
		Movements in working capital					
3,305	(1,051)	Increase/(decrease) in receivables	(2,598)	(5,355)	2,757	51.5	(4,624)
211	(414)	Increase/(decrease) in accrued interest	(1,036)	(1,116)	80	7.2	(925)
(180)	148	Increase/(decrease) in inventories	305	(191)	496	259.7	504
305	260	Increase/(decrease) in prepayments	215	34	181	-	225
158	9	Decrease/(increase) in deferred revenue	(66)	(55)	(11)	(20.0)	(7)
(1,386)	3,620	Decrease/(increase) in payables/provisions	2,442	2,071	371	17.9	2,058
2,413	2,572	Total movements in working capital	(738)	(4,612)	3,874	84.0	(2,769)
(7,927)	(3,757)	Operating balance (including minority interests)	(2,130)	(1,956)	(174)	(8.9)	(6,617)

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

STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

As at 30 June 2024 Actual \$m	As at 30 Sep 2023 Actual \$m		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
		Assets						
16,212	22,148	Cash and cash equivalents	9	17,246	20,225	(2,979)	(14.7)	19,370
37,232	35,249	Receivables	9	35,392	31,200	4,192	13.4	31,865
		Marketable securities, deposits and derivatives in gain	9	78,054	88,356	(10,302)	(11.7)	85,292
73,646	68,625	Share investments	9	57,928	51,947	5,981	11.5	54,166
53,495	47,343	Advances	9	66,925	66,201	724	1.1	62,496
69,378	66,363	Investments in controlled enterprises	9	7,045	8,651	(1,606)	(18.6)	9,315
7,174	6,547	Inventory		3,166	2,921	245	8.4	3,616
2,861	3,189	Other assets		5,140	4,661	479	10.3	4,699
5,045	4,875	Property, plant and equipment	10	285,699	282,214	3,485	1.2	288,872
283,790	270,012	Equity accounted investments ¹		18,131	17,625	506	2.9	17,109
17,951	17,117	Intangible assets and goodwill		4,124	3,795	329	8.7	3,982
4,084	3,789	Forecast for new capital spending	7	-	-	-	-	2,094
-	-	Top-down capital adjustment	7	-	(1,130)	1,130	100.0	(2,550)
570,868	545,257	Total assets		578,850	576,666	2,184	0.4	580,326
		Liabilities						
8,977	9,025	Issued currency		8,926	9,154	228	2.5	9,222
19,863	18,902	Payables	11	23,277	17,422	(5,855)	(33.6)	18,513
3,453	3,601	Deferred revenue		3,519	3,447	(72)	(2.1)	3,407
250,943	241,662	Borrowings	12	256,738	272,529	15,791	5.8	278,882
6,626	9,420	New Zealand Emissions Trading Scheme	13	7,962	7,156	(806)	(11.3)	6,600
66,575	52,276	Insurance liabilities	14	67,046	58,871	(8,175)	(13.9)	62,755
7,337	7,937	Retirement plan liabilities		7,212	7,330	118	1.6	7,082
16,045	15,116	Provisions	15	15,516	13,793	(1,723)	(12.5)	11,909
379,819	357,939	Total liabilities		390,196	389,702	(494)	(0.1)	398,370
191,049	187,318	Total assets less total liabilities		188,654	186,964	1,690	0.9	181,956
		Net worth						
300	4,554	Taxpayers' funds	16	(1,696)	3,377	(5,073)	(150.2)	(1,726)
		Property, plant and equipment revaluation reserve	16	181,113	174,430	6,683	3.8	174,430
181,176	174,535	Defined benefit retirement plan revaluation reserve	16	866	791	75	9.5	807
864	406	Veterans' disability entitlements reserve	16	(640)	(392)	(248)	(63.3)	(392)
(640)	(392)	Other reserves	16	(9)	525	(534)	(101.7)	477
118	396							
181,818	179,499	Total net worth attributable to the Crown		179,634	178,731	903	0.5	173,596
9,231	7,819	Net worth attributable to minority interest	16	9,020	8,233	787	9.6	8,360
191,049	187,318	Total net worth		188,654	186,964	1,690	0.9	181,956

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 three months ended 30 September 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
Revenue										
Taxation revenue	28,676	28,767	-	-	-	-	(172)	(186)	28,504	28,581
Other sovereign revenue	987	1,131	2,167	2,141	-	-	(660)	(634)	2,494	2,638
Revenue from core Crown funding	-	-	12,168	11,780	195	208	(12,363)	(11,988)	-	-
Sales of goods and services	494	464	798	720	6,248	5,312	(216)	(183)	7,324	6,313
Interest and dividend revenue	1,886	1,676	1,323	856	43	31	(823)	(700)	2,429	1,863
Other revenue	269	259	1,003	1,091	200	209	(542)	(628)	930	931
Total Revenue (excluding gains)	32,312	32,297	17,459	16,588	6,686	5,760	(14,776)	(14,319)	41,681	40,326
Expenses										
Transfer payments and subsidies	11,565	11,658	-	-	-	-	(374)	(378)	11,191	11,280
Personnel expenses	2,826	2,795	6,397	6,084	903	844	(15)	(14)	10,111	9,709
Other operating expenses	18,240	18,347	9,501	8,911	5,360	4,412	(13,439)	(13,186)	19,662	18,484
Interest expenses	2,238	2,244	613	402	141	138	(340)	(316)	2,652	2,468
Insurance expenses	2	1	2,192	2,073	3	1	-	-	2,197	2,075
Top-down adjustment	-	(280)	-	-	-	-	-	-	-	(280)
Total Expenses (excluding losses)	34,871	34,765	18,703	17,470	6,407	5,395	(14,168)	(13,894)	45,813	43,736
Gains/(losses) and other items	2,311	1,198	478	303	(145)	(142)	(681)	(38)	1,963	1,321
Operating Balance (excluding minority interests)	(248)	(1,270)	(766)	(579)	134	223	(1,289)	(463)	(2,169)	(2,089)
Assets										
Financial assets	160,092	172,470	102,115	97,064	3,912	3,772	(38,921)	(37,926)	227,198	235,380
Receivables	28,563	24,592	6,258	6,912	2,830	2,641	(2,259)	(2,945)	35,392	31,200
Property, plant and equipment	68,210	65,692	159,572	160,692	57,917	55,830	-	-	285,699	282,214
Investments in associates, CEs and SOEs	70,812	71,056	15,239	14,775	482	486	(68,402)	(68,692)	18,131	17,625
Other assets	6,102	5,807	3,553	3,031	3,229	3,038	(454)	(499)	12,430	11,377
Top-down capital adjustments	-	(1,130)	-	-	-	-	-	-	-	(1,130)
Total Assets	333,779	338,487	286,737	282,474	68,370	65,767	(110,036)	(110,062)	578,850	576,666
Liabilities										
Borrowings	222,857	237,453	57,446	59,098	12,357	11,786	(35,922)	(35,808)	256,738	272,529
Other liabilities	46,367	43,458	85,429	72,856	12,535	11,500	(10,873)	(10,641)	133,458	117,173
Total Liabilities	269,224	280,911	142,875	131,954	24,892	23,286	(46,795)	(46,449)	390,196	389,702
Net Worth	64,555	57,576	143,862	150,520	43,478	42,481	(63,241)	(63,613)	188,654	186,964
Cost of Acquisition of Physical Assets (Cash)	831	1,013	2,017	2,677	648	1,085	-	-	3,496	4,775

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

STATEMENT OF COMMITMENTS

As at 30 September 2024

	As at 30 Sep 2024 \$m	As at 30 Jun 2024 \$m	As at 30 Sep 2023 \$m
Capital Commitments			
State highways	2,512	2,512	2,437
Specialist military equipment	403	411	898
Land and buildings	7,413	7,547	9,557
Other property, plant and equipment	5,085	5,098	5,542
Other capital commitments	1,040	1,118	1,095
Universities and Wānanga	412	412	635
Total capital commitments	16,865	17,098	20,164
Operating Commitments			
Non-cancellable accommodation leases	6,197	6,092	5,951
Other non-cancellable leases	4,898	4,952	4,365
Universities and Wānanga	1,332	1,332	1,288
Total operating commitments	12,427	12,376	11,604
Total commitments	29,292	29,474	31,768
Total Commitments by Segment			
Core Crown	11,115	11,281	11,974
Crown entities	11,174	11,166	12,468
State-owned Enterprises	7,597	7,543	7,719
Inter-segment eliminations	(594)	(516)	(393)
Total commitments	29,292	29,474	31,768

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

As at 30 September 2024

	As at 30 Sep 2024 \$m	As at 30 Jun 2024 \$m	As at 30 Sep 2023 \$m
Quantifiable Contingent Liabilities			
Uncalled capital	9,342	9,580	9,521
Guarantees and indemnities	255	279	235
Legal proceedings and disputes	441	440	924
Other contingent liabilities	1,138	1,129	1,050
Total quantifiable contingent liabilities	11,176	11,428	11,730
Total Quantifiable Contingent Liabilities by Segment			
Core Crown	11,697	11,942	11,652
Crown entities	246	246	771
State-owned Enterprises	183	190	257
Inter-segment eliminations	(950)	(950)	(950)
Total quantifiable contingent liabilities	11,176	11,428	11,730
Quantifiable Contingent Assets			
Core Crown	58	56	64
Crown entities	34	34	34
State-owned Enterprises	80	80	41
Inter-segment eliminations	-	-	-
Total quantifiable contingent assets	172	170	139

Further details of contingent liabilities including a list of unquantifiable contingent liabilities and their descriptions is included on the Treasury's website as part of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2024*, pages 126 to 138.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

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
- 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.

There have been changes to the Government Reporting Entity subsequent to 30 June 2024. For further details of the entities that are included in the Government Reporting Entity and a list of recent changes, refer to pages 52 to 56 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2024* published on 10 October 2024.

The 30 June 2024 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 NZ GAAP 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 2025, 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, Estimates and Assumptions

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 57 to 62 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2024* published on 10 October 2024.

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 June 2024	3 months to 30 Sep 2023	Current Year Actual vs Forecast				Annual Forecast \$m	
		Actual \$m	Forecast \$m	Variance \$m	%		
NOTE 2: Sovereign Revenue							
Taxation revenue							
Individuals							
52,283	12,758	Source deductions	13,091	13,150	(59)	(0.4)	53,546
9,866	2,420	Other persons	2,646	2,449	197	8.0	10,541
(2,655)	(555)	Refunds	(606)	(587)	(19)	(3.2)	(2,766)
838	182	Fringe benefit tax	200	185	15	8.1	837
60,332	14,805	Total individuals	15,331	15,197	134	0.9	62,158
Corporate tax							
16,940	4,103	Gross companies tax	3,667	3,536	131	3.7	17,623
(738)	(175)	Refunds	(257)	(196)	(61)	(31.1)	(718)
707	87	Non-resident withholding tax	94	99	(5)	(5.1)	695
16,909	4,015	Total corporate tax	3,504	3,439	65	1.9	17,600
Other direct income tax							
3,473	731	Resident withholding tax on interest income	929	749	180	24.0	3,198
2,521	157	Resident withholding tax on dividend income	117	117	-	-	1,000
5,994	888	Total other direct income tax	1,046	866	180	20.8	4,198
83,235	19,708	Total direct income tax	19,881	19,502	379	1.9	83,956
Goods and services tax							
47,446	11,763	Gross goods and services tax	11,473	12,024	(551)	(4.6)	49,407
(18,168)	(4,717)	Refunds	(4,703)	(4,748)	45	0.9	(18,939)
29,278	7,046	Total goods and services tax	6,770	7,276	(506)	(7.0)	30,468
Other indirect taxation							
2,002	421	Petroleum fuels excise and duty ¹	462	439	23	5.2	1,889
1,473	238	Tobacco excise and duty ¹	407	353	54	15.3	1,506
1,839	404	Road and track user charges	485	473	12	2.5	2,100
1,239	320	Alcohol excise and duty ¹	324	355	(31)	(8.7)	1,399
180	51	Other customs duty	35	25	10	40.0	94
654	130	Miscellaneous indirect tax	140	158	(18)	(11.4)	742
7,387	1,564	Total other indirect taxation	1,853	1,803	50	2.8	7,730
36,665	8,610	Total indirect taxation	8,623	9,079	(456)	(5.0)	38,198
119,900	28,318	Total taxation revenue	28,504	28,581	(77)	(0.3)	122,154
Other sovereign revenue							
4,145	1,008	ACC levies	1,062	1,085	(23)	(2.1)	4,437
1,690	598	Emissions trading revenue	496	667	(171)	(25.6)	2,730
712	177	Fire Service levies	203	208	(5)	(2.4)	826
853	201	EQC levies	229	224	5	2.2	904
246	50	Child support and working for families penalties	53	44	9	20.5	174
125	29	Court fines	34	30	4	13.3	118
1,655	336	Other miscellaneous items	417	380	37	9.7	1,478
9,426	2,399	Total other sovereign revenue	2,494	2,638	(144)	(5.5)	10,667
129,326	30,717	Total sovereign revenue	30,998	31,219	(221)	(0.7)	132,821

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

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2024	3 months to 30 Sep 2023		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 2: Sovereign Receipts (continued)							
Taxation Receipts (cash)							
Individuals							
51,683	12,687	Source deductions	12,966	13,021	(55)	(0.4)	53,374
10,269	2,299	Other persons	2,411	2,755	(344)	(12.5)	11,285
(3,176)	(713)	Refunds	(738)	(747)	9	1.2	(3,251)
822	185	Fringe benefit tax	202	195	7	3.6	837
59,598	14,458	Total individuals	14,841	15,224	(383)	(2.5)	62,245
Corporate Tax							
17,849	4,641	Gross companies tax	4,858	5,198	(340)	(6.5)	18,325
(2,098)	(515)	Refunds	(579)	(429)	(150)	(35.0)	(1,563)
706	149	Non-resident withholding tax	156	156	-	-	695
16,457	4,275	Total corporate tax	4,435	4,925	(490)	(9.9)	17,457
Other Direct Income Tax							
3,440	744	Resident withholding tax on interest income	920	735	185	25.2	3,198
2,542	222	Resident withholding tax on dividend income	163	197	(34)	(17.3)	1,000
5,982	966	Total other direct income tax	1,083	932	151	16.2	4,198
82,037	19,699	Total income tax	20,359	21,081	(722)	(3.4)	83,900
Goods and Services Tax							
44,350	10,097	Gross goods and services tax	12,251	14,577	(2,326)	(16.0)	52,648
(17,624)	(4,303)	Refunds	(4,477)	(4,477)	-	-	(18,679)
26,726	5,794	Total goods and services tax	7,774	10,100	(2,326)	(23.0)	33,969
Other Indirect Taxation							
1,822	453	Road and track user charges	482	473	9	1.9	2,100
799	173	Excise duties	163	197	(34)	(17.3)	867
3,984	762	Customs duty	999	990	9	0.9	4,020
674	152	Miscellaneous indirect taxation	158	195	(37)	(19.0)	742
7,279	1,540	Total other indirect taxation	1,802	1,855	(53)	(2.9)	7,729
34,005	7,334	Total indirect taxation	9,576	11,955	(2,379)	(19.9)	41,698
116,042	27,033	Total tax receipts collected	29,935	33,036	(3,101)	(9.4)	125,598
Other Sovereign Receipts (cash)							
4,075	1,149	ACC levies	1,311	1,359	(48)	(3.5)	4,330
210	-	Emissions trading receipts	2	183	(181)	(98.9)	785
705	205	Fire Service levies	194	212	(18)	(8.5)	772
871	237	EQC levies	255	246	9	3.7	911
196	53	Child support and working for families penalties	36	39	(3)	(7.7)	153
137	36	Court fines	34	30	4	13.3	118
1,290	400	Other miscellaneous items	370	345	25	7.2	1,483
7,484	2,080	Total other sovereign receipts	2,202	2,414	(212)	(8.8)	8,552
123,526	29,113	Total sovereign receipts	32,137	35,450	(3,313)	(9.3)	134,150

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 2024	3 months to 30 Sep 2023	Actual \$m	Actual \$m	Current Year Actual vs Forecast				
				Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
NOTE 3: Interest Revenue and Dividends								
7,120	1,675			1,843	1,529	314	20.5	5,846
1,430	521			586	334	252	75.4	1,356
8,550	2,196			2,429	1,863	566	30.4	7,202

NOTE 4: Transfer Payments and Subsidies								
21,574	5,294			5,728	5,729	1	-	23,194
4,062	957			1,119	1,097	(22)	(2.0)	4,435
2,411	604			546	542	(4)	(0.7)	2,495
2,530	624			665	664	(1)	(0.2)	2,661
2,297	544			584	551	(33)	(6.0)	2,316
2,097	516			560	558	(2)	(0.4)	2,245
537	315			330	329	(1)	(0.3)	555
1,014	265			277	277	-	-	1,104
526	169			180	180	-	-	579
667	167			183	184	1	0.5	751
1,202	139			178	285	107	37.5	1,103
448	102			118	131	13	9.9	594
464	114			122	123	1	0.8	496
384	92			97	98	1	1.0	405
336	77			80	79	(1)	(1.3)	339
189	35			45	28	(17)	(60.7)	133
1,199	296			379	425	46	10.8	1,311
41,937	10,310			11,191	11,280	89	0.8	44,716

NOTE 5: Interest expenses								
9,747	2,283			2,500	2,339	(161)	(6.9)	9,634
627	146			152	129	(23)	(17.8)	532
10,374	2,429			2,652	2,468	(184)	(7.5)	10,166

NOTE 6: Insurance Expenses								
9,772	1,798			2,107	1,951	(156)	(8.0)	9,680
578	68			87	106	19	17.9	454
76	3			3	18	15	83.3	81
10,426	1,869			2,197	2,075	(122)	(5.9)	10,215

NOTE 7: Forecast Adjustments

Forecast for new operating and capital spending

Forecast new operating and capital spending in these financial statements relates to unallocated operating and capital contingencies which represents funding agreed by the Government, or likely to be agreed, that have yet to be allocated to departments.

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.

NOTE 8: Net Gains and Losses on Non-financial instruments								
(5,227)	4,604			(1,165)	-	(1,165)	-	-
(1,170)	(3,532)			(1,504)	-	(1,504)	-	-
(346)	(28)			(33)	-	(33)	-	-
(6,743)	1,044			(2,702)	-	(2,702)	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 30 Sep 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 9: Financial Assets and Sovereign Receivables							
16,212	22,148	Cash and cash equivalents	17,246	20,225	(2,979)	(14.7)	19,370
22,413	21,416	Tax receivables	21,208	19,595	1,613	8.2	18,347
14,819	13,833	Other receivables	14,184	11,605	2,579	22.2	13,518
32,487	30,286	Kiwi Group loans and advances	33,551	33,333	218	0.7	35,781
9,596	9,286	Student loans	9,531	9,603	(72)	(0.7)	9,562
16,466	18,326	Funding for Lending advances	13,726	13,762	(36)	(0.3)	7,330
10,829	8,465	Other advances	10,117	9,503	614	6.5	9,823
53,495	47,343	Share investments	57,928	51,947	5,981	11.5	54,166
7,174	6,547	Investments in controlled enterprises	7,045	8,651	(1,606)	(18.6)	9,315
54,443	47,139	Other marketable securities	57,738	68,802	(11,064)	(16.1)	65,902
7,714	9,264	Long-term deposits	6,455	7,791	(1,336)	(17.1)	8,044
5,967	6,566	Derivatives in gain	8,527	6,242	2,285	36.6	5,825
5,522	5,656	IMF financial assets	5,334	5,521	(187)	(3.4)	5,521
257,137	246,275	Total financial assets and sovereign receivables	262,590	266,580	(3,990)	(1.5)	262,504
Financial assets by entity							
54,092	46,087	The Treasury	58,277	60,008	(1,731)	(2.9)	46,669
53,925	72,637	Reserve Bank of New Zealand	50,804	64,081	(13,277)	(20.7)	58,717
79,058	68,543	NZ Superannuation Fund	83,712	78,410	5,302	6.8	81,776
44,027	44,970	Other core Crown	42,182	39,827	2,355	5.9	36,354
(47,563)	(59,683)	Intra-segment eliminations	(46,319)	(45,264)	(1,055)	(2.3)	(31,425)
183,539	172,554	Total core Crown segment	188,656	197,062	(8,406)	(4.3)	192,091
53,385	49,382	ACC	57,496	53,239	4,257	8.0	55,203
655	710	EQC	721	596	125	21.0	584
32,487	30,286	Kiwi Group loans and advances	33,551	33,333	218	0.7	35,781
22,929	21,437	Other Crown entities	21,320	22,181	(861)	(3.9)	22,276
(5,092)	(5,309)	Intra-segment eliminations	(4,715)	(5,374)	659	12.3	(5,148)
104,364	96,506	Total Crown entities segment	108,373	103,975	4,398	4.2	108,696
7,398	7,526	Total State-owned Enterprises segment	6,742	6,414	328	5.1	6,238
(38,164)	(30,311)	Inter-segment eliminations	(41,181)	(40,871)	(310)	(0.8)	(44,521)
257,137	246,275	Total financial assets and sovereign receivables	262,590	266,580	(3,990)	(1.5)	262,504

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 30 Sep 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 10: Property, Plant and Equipment							
Net Carrying Value¹							
By class of asset:							
80,881	80,049	Land	81,143	81,141	2	-	81,149
74,968	69,622	Buildings	76,151	76,020	131	0.2	79,475
62,333	59,761	State highways	62,684	61,169	1,515	2.5	63,262
23,628	19,788	Electricity generation assets	23,254	19,945	3,309	16.6	19,876
4,650	4,485	Electricity distribution network (cost)	4,640	5,052	(412)	(8.2)	4,688
5,055	4,515	Aircraft (excl military)	4,955	5,299	(344)	(6.5)	5,781
5,699	5,249	Specialist military equipment	5,521	6,038	(517)	(8.6)	6,260
3,238	3,207	Specified cultural and heritage assets	3,238	3,166	72	2.3	3,168
14,523	14,737	Rail network	14,655	15,462	(807)	(5.2)	15,746
8,815	8,599	Other plant and equipment (cost)	9,458	8,922	536	6.0	9,467
283,790	270,012	Total net carrying value	285,699	282,214	3,485	1.2	288,872
Land breakdown by usage							
29,143	29,202	Housing stock	29,121	29,898	(777)	(2.6)	29,912
22,973	23,136	State highway corridor land	22,987	23,136	(149)	(0.6)	22,805
9,054	8,342	Conservation estate	9,053	8,324	729	8.8	8,328
6,748	6,283	Schools	6,750	6,332	418	6.6	6,369
4,290	4,280	Rail network corridor land	4,304	4,348	(44)	(1.0)	4,388
1,477	1,670	Commercial (SOE) excluding rail	1,692	1,636	56	3.4	1,735
7,196	7,136	Other	7,236	7,467	(231)	(3.1)	7,612
80,881	80,049	Total land	81,143	81,141	2	-	81,149
Schedule of Movements							
Cost or Valuation							
287,777	287,777	Opening balance	306,631	307,062	(431)	(0.1)	307,062
17,866	4,556	Additions	3,606	5,269	(1,663)	(31.6)	18,073
(1,397)	(243)	Disposals	(109)	(62)	(47)	(75.8)	(627)
2,792	(53)	Net revaluations	187	-	187	-	-
(407)	64	Other	(8)	39	(47)	(120.5)	(15)
306,631	292,101	Total cost or valuation	310,307	312,308	(2,001)	(0.6)	324,493
Accumulated Depreciation & Impairment							
20,387	20,387	Opening balance	22,841	27,954	(5,113)	(18.3)	27,954
(709)	(122)	Eliminated on disposal	(78)	207	(285)	(137.7)	(209)
(4,751)	3	Eliminated on revaluation	3	-	3	-	-
82	-	Impairment losses charged to operating balance	-	-	-	-	-
7,621	1,798	Depreciation expense and impairment losses	1,770	1,920	(150)	(7.8)	7,882
211	23	Other	72	13	59	453.8	(6)
22,841	22,089	Total accumulated depreciation & impairment	24,608	30,094	(5,486)	(18.2)	35,621
283,790	270,012	Total property, plant and equipment	285,699	282,214	3,485	1.2	288,872

1. Using a revaluation methodology unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 30 Sep 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 11: Payables							
13,213	13,192	Accounts payable	17,196	11,315	(5,881)	(52.0)	12,400
6,650	5,710	Taxes repayable	6,081	6,107	26	0.4	6,113
19,863	18,902	Total payables	23,277	17,422	(5,855)	(33.6)	18,513
NOTE 12: Borrowings							
128,959	113,666	Government bonds	138,168	139,005	837	0.6	155,201
27,720	28,859	Kiwi Group customer deposits	28,376	26,875	(1,501)	(5.6)	29,805
37,553	53,914	Settlement deposits	33,274	42,375	9,101	21.5	37,500
5,482	4,555	Treasury bills	5,299	6,013	714	11.9	5,801
13,200	3,093	European Commercial Paper	10,250	12,412	2,162	17.4	6,960
5,621	8,438	Derivatives in loss	4,775	6,005	1,230	20.5	5,357
1,044	1,177	Finance lease liabilities	970	1,004	34	3.4	942
158	160	Government retail stock	164	162	(2)	(1.2)	162
31,206	27,800	Other borrowings	35,462	38,678	3,216	8.3	37,154
250,943	241,662	Total borrowings	256,738	272,529	15,791	5.8	278,882
196,808	190,237	Sovereign-guaranteed debt	200,866	215,981	15,115	7.0	220,945
54,135	51,425	Non sovereign-guaranteed debt	55,872	56,548	676	1.2	57,937
250,943	241,662	Total borrowings	256,738	272,529	15,791	5.8	278,882

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.

NOTE 13: New Zealand Emissions Trading Scheme							
6,125	6,125	Opening liability	6,626	7,322	696	9.5	7,322
210	-	Units sold	2	183	181	98.9	785
834	336	Allocated units	315	312	(3)	(1.0)	1,273
(1,690)	(598)	Units surrendered	(496)	(667)	(171)	(25.6)	(2,730)
1,170	3,532	(Gains)/ losses due to revaluation in NZ Units	1,504	-	(1,504)	-	-
(23)	25	Other movements	11	6	(5)	(83.3)	(50)
6,626	9,420	Closing liability	7,962	7,156	(806)	(11.3)	6,600

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>

NOTE 14: Insurance Liabilities							
65,049	50,619	ACC liability	65,700	57,621	(8,079)	(14.0)	61,776
1,301	1,495	EQC property damage liability	1,213	1,132	(81)	(7.2)	860
225	162	Other insurance liabilities	133	118	(15)	(12.7)	119
66,575	52,276	Total insurance liabilities	67,046	58,871	(8,175)	(13.9)	62,755

The most recent valuation of the ACC liability was as at 30 June 2024 and is updated monthly for changes to discount rates.

NOTE 15: Provisions							
8,795	8,547	Provision for employee entitlements	8,685	7,463	(1,222)	(16.4)	5,906
2,912	2,640	Veterans disability entitlements	2,913	2,644	(269)	(10.2)	2,658
610	625	Provision for National Provident Fund guarantee	601	603	2	0.3	572
3,728	3,304	Other provisions	3,317	3,083	(234)	(7.6)	2,773
16,045	15,116	Total provisions	15,516	13,793	(1,723)	(12.5)	11,909

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 30 Sep 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 16: Changes in Net Worth							
300	4,554	Taxpayers' funds	(1,696)	3,377	(5,073)	(150.2)	(1,726)
181,176	174,535	Property, plant and equipment revaluation reserve	181,113	174,430	6,683	3.8	174,430
864	406	Defined benefit retirement plan revaluation reserve	866	791	75	9.5	807
(640)	(392)	Veterans' disability entitlements reserve	(640)	(392)	(248)	(63.3)	(392)
9,231	7,819	Net worth attributable to minority interests	9,020	8,233	787	9.6	8,360
118	396	Other reserves	(9)	525	(534)	(101.7)	477
191,049	187,318	Total net worth	188,654	186,964	1,690	0.9	181,956
8,380	8,380	Opening taxpayers funds	300	5,495	(5,195)	(94.5)	5,495
(8,365)	(3,918)	Operating balance excluding minority interests	(2,169)	(2,089)	(80)	(3.8)	(7,147)
285	92	Transfers from/(to) other reserves	173	(29)	202	-	(74)
300	4,554	Closing taxpayers funds	(1,696)	3,377	(5,073)	(150.2)	(1,726)
174,575	174,575	Opening property, plant and equipment revaluation reserve	181,176	174,432	6,744	3.9	174,432
8,260	31	Net revaluations	113	(2)	115	-	(2)
(1,389)	-	Revaluation reserve attributable to minority interest	-	-	-	-	-
(270)	(71)	Transfers from/(to) other reserves	(176)	-	(176)	-	-
181,176	174,535	Closing property, plant and equipment revaluation reserve	181,113	174,430	6,683	3.8	174,430
7,958	7,958	Opening net worth attributable to minority interests	9,231	8,371	860	10.3	8,371
77	34	Increase/(decrease) in minority interest from changes in equity	84	21	63	300.0	34
438	161	Operating balance attributable to minority interests	39	133	(94)	(70.7)	530
758	(334)	Net movements	(334)	(292)	(42)	(14.4)	(575)
9,231	7,819	Closing net worth attributable to minority interests	9,020	8,233	787	9.6	8,360
542	542	Opening other reserves	118	540	(422)	(78.1)	540
(424)	(146)	Net movements	(127)	(15)	(112)	-	(63)
118	396	Closing other reserves	(9)	525	(534)	(101.7)	477

FISCAL INDICATOR ANALYSIS

For the three months ended 30 September 2024

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

Year to 30 June 2024 Actual \$m	3 months to 30 Sep 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Operating Balance					
167,347	40,341	Total revenue	41,681	40,326	1,355	3.4	168,043
180,061	42,693	Less total expenses	45,813	43,736	(2,077)	(4.7)	181,013
4,667	(1,398)	Total gains/(losses)	1,978	1,444	534	37.0	6,305
120	(7)	Net surplus from associates and joint ventures	24	10	14	140.0	48
(438)	(161)	Minority interests share of operating balance	(39)	(133)	94	70.7	(530)
(8,365)	(3,918)	Operating balance	(2,169)	(2,089)	(80)	(3.8)	(7,147)
		Reconciliation Between the Operating Balance and OBEGAL					
(8,365)	(3,918)	Operating balance	(2,169)	(2,089)	(80)	(3.8)	(7,147)
		Less items excluded from OBEGAL:					
11,410	(2,442)	Net gains/(losses) on financial instruments	4,680	1,444	3,236	224.1	6,305
(6,743)	1,044	Net gains/(losses) on non-financial instruments	(2,702)	-	(2,702)	-	-
120	(7)	Net surplus from associates and joint ventures	24	10	14	140.0	48
(298)	(11)	Minority interests share of total gains/(losses)	47	6	41	-	(128)
(12,854)	(2,502)	OBEGAL	(4,218)	(3,549)	(669)	(18.9)	(13,372)

FISCAL INDICATOR ANALYSIS

For the three months ended 30 September 2024

Expenses by Functional Classification

Year to 30 June 2024 Actual \$m	3 months to 30 Sep 2023 Actual \$m		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
Total Crown expenses								
53,996	12,744	Social security and welfare		13,781	13,668	(113)	(0.8)	56,391
29,840	7,320	Health		8,143	7,742	(401)	(5.2)	29,420
21,186	5,433	Education		5,672	5,531	(141)	(2.5)	21,755
8,178	1,890	Core government services		1,314	1,645	331	20.1	6,759
7,072	1,685	Law and order		1,808	1,758	(50)	(2.8)	7,275
16,733	3,609	Transport and communications		3,501	3,331	(170)	(5.1)	16,071
16,008	3,398	Economic and industrial services		4,877	3,678	(1,199)	(32.6)	14,443
3,125	775	Defence		761	774	13	1.7	3,169
3,608	894	Heritage, culture and recreation		988	841	(147)	(17.5)	3,351
2,636	619	Primary services		582	694	112	16.1	2,580
4,789	1,219	Housing and community development		1,054	1,109	55	5.0	5,002
2,277	644	Environmental protection		648	644	(4)	(0.6)	2,818
94	17	GSF pension expenses		19	20	1	5.0	80
145	17	Other		13	113	100	88.5	737
10,374	2,429	Finance costs		2,652	2,468	(184)	(7.5)	10,166
-	-	Forecast new operating spending	7	-	-	-	-	3,796
-	-	Top-down expense adjustment	7	-	(280)	(280)	(100.0)	(2,800)
180,061	42,693	Total Crown expenses excluding losses		45,813	43,736	(2,077)	(4.7)	181,013

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

Year to 30 June 2024 Actual \$m	3 months to 30 Sep 2023 Actual \$m		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
Core Crown expenses								
44,589	11,012	Social security and welfare		11,806	11,844	38	0.3	47,509
29,999	6,893	Health		7,626	7,646	20	0.3	30,587
20,223	4,951	Education		5,427	5,228	(199)	(3.8)	20,538
8,468	1,887	Core government services		1,301	1,715	414	24.1	6,908
6,527	1,583	Law and order		1,683	1,621	(62)	(3.8)	6,656
5,487	1,204	Transport and communications		1,177	1,063	(114)	(10.7)	6,019
4,010	933	Economic and industrial services		919	914	(5)	(0.5)	3,529
3,163	786	Defence		769	786	17	2.2	3,215
1,504	389	Heritage, culture and recreation		378	361	(17)	(4.7)	1,429
1,062	229	Primary services		206	289	83	28.7	1,118
2,512	688	Housing and community development		660	560	(100)	(17.9)	2,531
2,297	652	Environmental protection		654	649	(5)	(0.8)	2,849
69	12	GSF pension expenses		14	12	(2)	(16.7)	50
145	17	Other		13	113	100	88.5	737
8,943	2,128	Finance costs		2,238	2,244	6	0.3	9,224
-	-	Forecast new operating spending	7	-	-	-	-	3,796
-	-	Top-down expense adjustment	7	-	(280)	(280)	(100.0)	(2,800)
138,998	33,364	Core Crown expenses excluding losses		34,871	34,765	(106)	(0.3)	143,895

FISCAL INDICATOR ANALYSIS

For the three months ended 30 September 2024

Core Crown Residual Cash

Year to 30 June 2024 \$m	3 months to 30 Sep 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Core Crown Cash Flows from Operations					
116,737	27,536	Tax receipts	31,581	34,518	(2,937)	(8.5)	128,929
1,790	480	Other sovereign receipts	437	595	(158)	(26.6)	2,532
1,878	324	Interest receipts	840	770	70	9.1	2,943
3,779	973	Sale of goods & services and other receipts	961	965	(4)	(0.4)	3,546
(43,495)	(11,977)	Transfer payments and subsidies	(12,999)	(12,877)	(122)	(0.9)	(47,485)
(79,747)	(20,265)	Personnel and operating costs	(20,855)	(20,541)	(314)	(1.5)	(81,127)
(7,044)	(951)	Interest payments	(699)	(918)	219	23.9	(7,552)
-	-	Forecast for future new operating spending	-	-	-	-	(3,796)
-	-	Top-down expense adjustment	-	280	(280)	(100.0)	2,800
(6,102)	(3,880)	Net core Crown operating cash flows	(734)	2,792	(3,526)	(126.3)	790
(4,701)	(1,229)	Net purchase of physical and intangible assets	(903)	(1,132)	229	20.2	(4,388)
(2,533)	(1,230)	Net increase in advances	3,048	2,144	904	42.2	4,416
(4,352)	(1,179)	Net purchase of investments	(1,992)	(1,724)	(268)	(15.5)	(8,328)
(1,614)	(404)	Contributions to New Zealand Superannuation Fund	(220)	(220)	-	-	(879)
-	-	Forecast for future new capital spending	-	-	-	-	(2,094)
-	-	Top-down capital adjustment	-	130	(130)	(100.0)	1,550
(13,200)	(4,042)	Net core Crown capital cash flows	(67)	(802)	735	91.6	(9,723)
(19,302)	(7,922)	Core Crown residual cash surplus / (deficit)	(801)	1,990	(2,791)	140.3	(8,933)
		<i>The core Crown residual cash surplus / (deficit) is funded or invested as follows:</i>					
		Debt Programme Cash Flows					
		Market:					
35,077	9,420	Issue of government bonds	11,764	10,692	1,072	10.0	35,838
(18,197)	(976)	Repayment of government bonds	(1,185)	(1,155)	(30)	(2.6)	(19,192)
14,157	2,871	Net issue/(repayment) of short-term borrowing ¹	(3,014)	370	(3,384)	-	(5,400)
31,037	11,315	Total market debt cash flows	7,565	9,907	(2,342)	(23.6)	11,246
		Non market:					
(200)	-	Net issue/(repayment) of short-term borrowing ¹	-	(100)	100	100.0	(100)
(200)	-	Total non-market debt cash flows	-	(100)	100	100.0	(100)
30,837	11,315	Total debt programme cash flows	7,565	9,807	(2,242)	(22.9)	11,146
		Other Borrowing Cash Flows					
		Net (repayment)/issue of other New Zealand dollar borrowing	(7,449)	(74)	(7,375)	-	(2,022)
(10,692)	(673)	Net (repayment)/issue of foreign currency borrowing	4,887	32	4,855	-	6,238
(5,634)	3,471	Total other borrowing cash flows	(2,562)	(42)	(2,520)	-	4,216
		Investing Cash Flows					
		Other net sale/(purchase) of marketable securities and deposits	(3,133)	(11,660)	8,527	73.1	(6,433)
(24)	23	Issues of circulating currency	(51)	23	(74)	(321.7)	91
2,541	(3,454)	Decrease/(increase) in cash	(1,018)	(118)	(900)	-	(87)
(5,901)	(6,864)	Total investing cash flows	(4,202)	(11,755)	7,553	64.3	(6,429)
19,302	7,922	Core Crown residual cash deficit / (surplus) funding	801	(1,990)	2,791	(140.3)	8,933

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

FISCAL INDICATOR ANALYSIS

As at 30 September 2024

Debt Indicators

As at 30 June 2024 Actual \$m	As at 30 Sep 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Net core Crown debt:					
216,349	207,254	Core Crown borrowings ¹	222,857	237,453	14,596	6.1	242,744
847	2,947	Core Crown unsettled purchases of securities ²	2,710	914	(1,796)	(196.5)	611
(2,754)	(4,447)	Less NZS Fund borrowings ³	(4,583)	(3,576)	1,007	28.2	(3,276)
214,442	205,754	Borrowings included in net core Crown debt	220,984	234,791	13,807	5.9	240,079
(154,900)	(143,344)	Core Crown financial assets ⁴	(160,092)	(172,470)	(12,378)	(7.2)	(168,693)
(3,278)	(4,560)	Core Crown unsettled sales of securities ²	(4,172)	(2,441)	1,731	70.9	(2,375)
78,812	68,311	Less NZS Fund financial assets	83,459	78,260	(5,199)	(6.6)	81,907
40,388	37,767	Less core Crown advances	37,435	38,818	1,383	3.6	36,332
(38,978)	(41,826)	Financial assets included in net core Crown debt	(43,370)	(57,833)	(14,463)	(25.0)	(52,829)
175,464	163,928	Net core Crown debt	177,614	176,958	(656)	(0.4)	187,250
		Net debt:					
175,464	163,928	Net core Crown debt (as above)	177,614	176,958	(656)	(0.4)	187,250
56,470	49,850	Crown entity borrowings ⁵	57,446	59,098	1,652	2.8	64,198
(33,291)	(30,765)	Less Kiwi Group borrowings ⁶	(33,573)	(34,503)	(930)	(2.7)	(37,188)
(40,388)	(37,767)	Add core Crown advances	(37,435)	(38,818)	(1,383)	(3.6)	(36,332)
158,255	145,246	Net debt (excl. NZS Fund)	164,052	162,735	(1,317)	(0.8)	177,928
2,754	4,447	NZS Fund borrowings	4,583	3,576	(1,007)	(28.2)	3,276
(78,812)	(68,311)	NZS Fund financial assets	(83,459)	(78,260)	5,199	6.6	(81,907)
82,197	81,382	Net debt	85,176	88,051	2,875	3.3	99,297
		Gross Debt:					
216,349	207,254	Core Crown borrowings	222,857	237,453	14,596	6.1	242,744
847	2,947	Core Crown unsettled purchases of securities	2,710	914	(1,796)	(196.5)	611
(2,754)	(4,447)	Less NZS Fund borrowings	(4,583)	(3,576)	1,007	28.2	(3,276)
		Less Reserve Bank settlement cash ⁷ and					
(38,476)	(56,009)	Reserve Bank bills	(34,293)	(48,246)	(13,953)	(28.9)	(43,371)
175,966	149,745	Gross Debt	186,691	186,545	(146)	(0.1)	196,708

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 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 2024 \$m	30 Sep 2023 \$m		Current Year Actual vs Forecast				
			Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
		NZ Superannuation Fund					
1,659	439	Revenue	502	393	109	27.7	1,571
1,290	33	Less current tax expense	(1,100)	(334)	766	229.3	(1,337)
189	7	Less other expenses ¹	(39)	(76)	(37)	(48.7)	(299)
8,352	(1,653)	Add gains/(losses)	3,629	1,093	2,536	232.0	4,371
8,532	(1,174)	Operating balance	2,992	1,076	1,916	178.1	4,306
		Opening net worth	74,819	72,727	2,092	2.9	72,727
1,614	404	Contributions from the Crown	220	220	-	-	879
8,532	(1,174)	Operating balance	2,992	1,076	1,916	178.1	4,306
-	(1)	Other movements in reserves	(4)	-	(4)	-	-
74,819	63,902	Closing net worth	78,027	74,023	4,004	5.4	77,912
		Comprising:					
79,058	68,543	Financial assets	83,712	78,410	5,302	6.8	81,776
(4,235)	(4,581)	Financial liabilities	(5,681)	(4,326)	(1,355)	(31.3)	(3,774)
(4)	(60)	Net other assets	(4)	(61)	57	93.4	(90)
74,819	63,902	Closing net worth	78,027	74,023	4,004	5.4	77,912

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 Sep 2024 Actual \$m	30 Sep 2024 Forecast \$m	Variance \$m	Variance %	Annual Forecast \$m
Core Crown taxation revenue...	28,676	28,767	(91)	(0.3)	122,851
...combined with other core Crown revenue...	3,636	3,530	106	3.0	13,153
...funds core Crown expenses...	(34,871)	(34,765)	(106)	(0.3)	(143,895)
...and with SOE and CE ¹ results...	(1,659)	(1,081)	(578)	(53.5)	(5,481)
...this results in an operating balance before gains and losses (OBEGAL) ...	(4,218)	(3,549)	(669)	(18.9)	(13,372)
...with gains/losses leading to an operating surplus/(deficit) ...	(2,169)	(2,089)	(80)	(3.8)	(7,147)
...with income in SOEs, CEs ¹ and the NZS Fund retained...	(2,992)	(1,076)	(1,916)	(178.1)	-
...and some items do not impact cash.	4,427	5,957	(1,530)	(25.7)	-
This leads to an operating residual cash surplus/(deficit)...	(734)	2,792	(3,526)	(126.3)	790
...used to make contributions to the NZS Fund...	(220)	(220)	-	-	(879)
...and to use for capital expenditure	(903)	(1,132)	229	20.2	(4,388)
...and to make advances	3,048	2,144	904	42.2	4,416
...and to purchase investments	(1,992)	(1,724)	(268)	(15.5)	(8,328)
Adjusting for forecast adjustments (top-down/new spending)...	-	130	(130)	(100.0)	(544)
...results in a borrowing requirement (cash deficit)/surplus	(801)	1,990	(2,791)	(140.3)	(8,933)
Opening net core Crown debt...	175,464	178,094	2,630	1.5	178,094
...when combined with the residual cash (surplus)/deficit...	801	(1,990)	(2,791)	(140.3)	8,933
...and other fair value movements in financial assets and financial liabilities...	1,349	854	(495)	(58.0)	223
...results in a closing net core Crown debt ...	177,614	176,958	(656)	(0.4)	187,250
...which as a % of GDP is	43.0%	42.8%			43.5%

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