

Interim Financial Statements of the Government of New Zealand

For the five months ended
30 November 2024



Prepared by the Treasury
23 January 2025

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Commentary

COMMENTARY

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

The November results are reported against forecasts based on the *Half Year Economic and Fiscal Update 2024 (HYEFU 2024)*, published on 17 December 2024 and the results against the same period for the previous year.

Comparison against forecast

Table 1 – Key indicators for the five months ended 30 November 2024 compared to *HYEFU 2024*

	Year to date				Full Year
	November	November	Variance ²	Variance	June
	2024	2024			2025
	Actual ¹	HYEFU 2024 Forecast ¹	HYEFU 2024	HYEFU 2024	HYEFU 2024 Forecast ³
\$m	\$m	\$m	%	\$m	
Core Crown tax revenue	49,260	49,261	(1)	-	120,623
Core Crown revenue	54,862	54,864	(2)	-	134,038
Core Crown expenses	57,835	58,025	190	0.3	144,638
Core Crown residual cash	(6,450)	(5,887)	(563)	(9.6)	(16,610)
Net core Crown debt ⁴	181,670	181,251	(419)	(0.2)	192,810
as a percentage of GDP	43.1%	43.0%			45.1%
Gross debt	192,147	191,466	(681)	(0.4)	206,558
as a percentage of GDP	45.6%	45.4%			48.3%
OBEGAL	(4,744)	(4,688)	(56)	(1.2)	(17,317)
OBEGAL excluding ACC (OBEGALx)	(3,933)	(3,909)	(24)	(0.6)	(12,868)
Operating balance (excluding minority interests)	(145)	(1,864)	1,719	92.2	(10,161)
Net worth	187,494	185,931	1,563	0.8	177,492
as a percentage of GDP	44.5%	44.1%			41.5%

1 Using the most recently published GDP (for the year ended 30 September 2024) of \$421,702 million (Source: Stats NZ).

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

3 Using HYEFU 2024 forecast GDP for the year ending 30 June 2025 of \$427,252 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 \$49.3 billion, was in line with forecast with a couple of offsetting variances noted below.

- Goods and services tax (GST) revenue was \$0.2 billion (1.5%) above forecast. This was consistent with growth in both nominal private consumption and residential investment being above forecast in the September 2024 quarter.
- Source deductions tax revenue was \$0.2 billion (0.7%) below forecast. This was in line with the weaker September 2024 quarter labour market data for employment and wage growth.

Core Crown expenses at \$57.8 billion, were \$0.2 billion below forecast. Most of the variance was timing in nature and reflected multiple small variances across a range of functional classifications.

Both **OBEGAL** and the operating balance before gains and losses excluding ACC revenue and expenses (**OBEGALx**) were in line with the forecast deficit at \$4.7 billion and \$3.9 billion respectively.

The **operating balance** deficit of \$0.1 billion was \$1.7 billion less than the deficit forecast. Variances to forecast in net gains and losses for the five months to November 2024 drive the majority of this.

- Net gains on financial instruments of \$6.8 billion for the period were \$1.1 billion greater than forecast. This was mainly owing to the better than forecast performance of financial markets impacting both ACC and New Zealand Superannuation Fund (NZS Fund) investments.

- Net losses on non-financial instruments totalled \$2.4 billion for the period and were \$0.6 billion below forecast. This largely reflected a smaller actuarial loss on the ACC outstanding claims liability (OCL) than forecast predominately due to changes in the discount rate used in the valuation.

The **core Crown residual cash deficit** of \$6.5 billion was bigger than the forecast deficit of \$5.9 billion. This resulted in an unfavourable variance of \$0.6 billion and reflects:

- Net core Crown operating cash outflows were higher than forecast by \$0.4 billion mostly due to the timing of personnel and operating payments and slightly higher than forecast interest payments. This was marginally offset by higher than forecast tax receipts.
- Net core Crown capital cash outflows were in line with forecast.

Net core Crown debt at \$181.7 billion (43.1% of GDP), was broadly in line with forecast net core Crown debt of \$181.2 billion (43.0% of GDP). The nominal increase mostly reflected additional borrowing to fund the higher than forecast core Crown residual cash deficit.

Gross debt at \$192.1 billion (45.6% of GDP) was \$0.7 billion higher than forecast largely owing to higher than forecast issuance of government stock due to the timing of debt issuance.

Net worth at \$187.5 billion (44.5% of GDP) was \$1.6 billion higher than forecast. The operating balance results mentioned previously drove most of the variance to forecast.

Comparison against the prior year actuals

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

	Year to date				Full Year
	November 2024	November 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	49,260	49,149	111	0.2	120,566
Core Crown revenue	54,862	54,933	(71)	(0.1)	133,220
Core Crown expenses	57,835	56,779	(1,056)	(1.9)	138,998
Core Crown residual cash	(6,450)	(13,785)	7,335	53.2	(19,302)
Net core Crown debt ⁵	181,670	169,749	(11,921)	(7.0)	175,464
as a percentage of GDP	43.1%	41.6%			41.8%
Gross debt	192,147	155,510	(36,637)	(23.6)	175,966
as a percentage of GDP	45.6%	38.1%			41.9%
OBEGAL	(4,744)	(2,797)	(1,947)	(69.6)	(12,854)
OBEGAL excluding ACC (OBEGALx)	(3,933)	(2,200)	(1,733)	(78.8)	(8,773)
Operating balance (excluding minority interests)	(145)	(4,621)	4,476	96.9	(8,365)
Net worth	187,494	187,261	233	0.1	191,049
as a percentage of GDP	44.5%	45.9%			45.5%

1 Using the most recently published GDP (for the year ended 30 September 2024) of \$421,702 million (Source: Stats NZ).

2 Using published GDP (revised) (for the year ended 30 September 2023) of \$408,164 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 \$420,023 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 \$49.3 billion was \$0.1 billion (0.2%) higher than tax revenue for the same time last year, with the following offsetting movements below:

- Source deductions increased by \$0.3 billion (1.3%). Although there was still some growth in the labour market, particularly wages, the 31 July 2024 tax threshold changes are starting to have a negative effect on source deductions revenue growth.
- Other individuals tax revenue was up \$0.2 billion (5.2%), owing to growth in terminal taxes.
- Other direct tax revenue was up \$0.2 billion (12.7%) mainly owing to increases in deposit interest rates.

Offsetting these higher tax revenues were the following decreases:

- Corporate tax revenue decreased by \$0.5 billion (6.7%), owing to declines in provisional and terminal taxes, which were partially offset by growth in portfolio investment entity tax revenue.
- GST revenue decreased by \$0.3 billion (2.4%) owing to a weaker economy, illustrated by a GDP contraction in the June and September quarters of 2024.

Core Crown expenses at \$57.8 billion were \$1.1 billion (1.9%) higher than the same period last year, with the most notable changes in the following areas:

- Social security and welfare expenses increased by \$1.3 billion compared to last year, mainly driven by increased NZ Superannuation payments (\$0.7 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 \$0.5 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 \$0.3 billion on last year. This mostly reflected less spending in relation to the North Island weather events.

- Transport and communication expenses decreased by \$0.3 billion on last year largely due to lower expenditure on shovel ready projects. In addition, the clean car discount scheme ended in late 2023 which has also contributed to the variance.

The **OBEGAL** deficit was larger by \$1.9 billion compared to the same time last year, broadly reflecting the increase in core Crown expenses (discussed above). Outside of the core Crown segment, ACC reported a \$0.8 billion deficit and Health New Zealand reported a \$0.7 billion deficit, compared to a \$0.6 billion deficit and a nearly break-even result respectively, for the same time last year.

Excluding the revenue and expense results of ACC from the OBEGAL result, the **OBEGALx** deficit was larger by \$1.7 billion compared to the same time last year, reflecting the same variances described above (excluding the ACC variance).

The **operating balance** deficit of \$0.1 billion, was \$4.5 billion less than for the same time last year mainly due to:

- The weaker OBEGAL result noted above.
- Net gains on financial instruments of \$6.0 billion compared to net gains last year of \$0.8 billion mostly driven by the improved performance of the NZS Fund and ACC financial instrument portfolios.
- Net losses on non-financial instruments were \$2.4 billion this year, \$0.2 billion lower than net losses last year.

The **core Crown residual cash** deficit of \$6.5 billion was \$7.3 billion lower than for the same period last year:

- Net capital cash outflows were \$4.4 billion lower largely driven by net repayments of the Funding for Lending Programme loans of \$2.7 billion in the current year (compared to nil net repayments last year) and lower net advances to Kāinga Ora and NZ Transport Agency Waka Kotahi.
- Net core Crown operating cash outflows were \$3.0 billion lower than for the same time last year. This was owing to higher core Crown tax and interest receipts (driven largely by the timing of the Matariki public holiday and higher interest rates) partly offset by higher benefit payments as discussed above.

Net core Crown debt was \$11.9 billion higher than for the same period last year, and as a share of the economy increased to 43.1% of GDP (41.6% of GDP at 30 November 2023). The higher debt level reflected the accumulated residual cash deficits since November 2023.

Gross debt was \$192.1 billion, \$36.6 billion higher than the same time last year. This variance 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 at \$187.5 billion (44.5% of GDP), was \$0.2 billion higher than as at November last year. The increase mainly reflected the favourable operating balance results mentioned earlier. However, this was mostly offset by a reduction to the Veterans' disability entitlements reserve due to a recent decision by the Veterans' Entitlement Appeal Board impacting acceptance claim criteria. Revaluation losses of retirement plan schemes also partially offset the operating balance results.



Unaudited Interim Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE

For the five months ended 30 November 2024

Year to 30 June 2024	5 months to 30 Nov 2023		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
		Revenue						
119,900	48,899	Taxation revenue	2	49,014	49,005	9	-	119,964
9,426	4,250	Other sovereign revenue	2	4,211	4,227	(16)	(0.4)	10,765
129,326	53,149	Total sovereign revenue		53,225	53,232	(7)	-	130,729
25,135	9,909	Sales of goods and services		11,009	11,272	(263)	(2.3)	26,387
8,550	3,520	Interest revenue and dividends	3	3,739	3,729	10	0.3	8,098
4,336	1,507	Other revenue		1,649	1,639	10	0.6	4,114
38,021	14,936	Total revenue earned through operations		16,397	16,640	(243)	(1.5)	38,599
167,347	68,085	Total revenue (excluding gains)		69,622	69,872	(250)	(0.4)	169,328
		Expenses						
41,937	17,048	Transfer payments and subsidies	4	18,398	18,396	(2)	-	44,902
39,083	15,935	Personnel expenses		16,458	16,434	(24)	(0.1)	39,724
7,621	3,049	Depreciation		3,286	3,313	27	0.8	8,143
70,620	27,608	Other operating expenses		28,103	28,556	453	1.6	72,132
10,374	3,916	Interest expenses	5	4,399	4,273	(126)	(2.9)	10,226
10,426	3,148	Insurance expenses	6	3,593	3,644	51	1.4	11,115
-	-	Forecast new operating spending	7	-	-	-	-	2,656
-	-	Top-down expense adjustment	7	-	(125)	(125)	(100.0)	(2,500)
180,061	70,704	Total expenses (excluding losses)		74,237	74,491	254	0.3	186,398
		Gains/(losses)						
11,410	848	Net gains/(losses) on financial instruments		6,829	5,729	1,100	19.2	9,485
(6,743)	(2,627)	Net gains/(losses) on non-financial instruments	8	(2,391)	(2,950)	559	18.9	(2,500)
4,667	(1,779)	Total gains/(losses)		4,438	2,779	1,659	59.7	6,985
		Other interests						
120	(6)	Net surplus/(deficit) from associates and joint ventures		64	21	43	204.8	160
(438)	(217)	Less minority interests' share of operating balance		(32)	(45)	13	28.9	(236)
(8,365)	(4,621)	Operating balance (excluding minority interests)		(145)	(1,864)	1,719	92.2	(10,161)
438	217	Minority interests' share of operating balance		32	45	(13)	(28.9)	236
(7,927)	(4,404)	Operating balance (including minority interests)		(113)	(1,819)	1,706	93.8	(9,925)

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

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the five months ended 30 November 2024

Year to 30 June 2024	5 months to 30 Nov 2023		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
(7,927)	(4,404)	Operating balance (including minority interest)	(113)	(1,819)	1,706	93.8	(9,925)
		Other comprehensive revenue and expense					
8,260	(69)	Revaluation of physical assets	(62)	(30)	(32)	(106.7)	-
455	759	Revaluation of retirement plan schemes	(113)	(22)	(91)	(413.6)	(107)
(247)	-	Revaluation of veterans' disability entitlements	(3,212)	(3,215)	3	0.1	(3,216)
(418)	(220)	Transfers into/(out of) cash flow hedge reserve	(89)	42	(131)	(311.9)	87
-	8	Transfers into/(out of) other reserves	74	22	52	236.4	(85)
		(Gains)/losses transferred to the statement of					
(70)	6	financial performance	(26)	(14)	(12)	(85.7)	(12)
		Foreign currency translation differences on					
1	-	foreign operations	1	-	1	-	1
20	28	Other movements	(8)	(35)	27	77.1	(72)
8,001	512	Total other comprehensive revenue and expense	(3,435)	(3,252)	(183)	(5.6)	(3,404)
74	(3,892)	Total comprehensive revenue and expense	(3,548)	(5,071)	1,523	30.0	(13,329)
		Attributable to:					
1,770	209	- minority interests	32	60	(28)	(46.7)	255
(1,696)	(4,101)	- the Crown	(3,580)	(5,131)	1,551	30.2	(13,584)
74	(3,892)	Total comprehensive revenue and expense	(3,548)	(5,071)	1,523	30.0	(13,329)

STATEMENT OF CHANGES IN NET WORTH

For the five months ended 30 November 2024

Year to 30 June 2024	5 months to 30 Nov 2023		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
191,472	191,472	Opening net worth	191,049	191,049	-	-	191,049
(7,927)	(4,404)	Operating balance (including minority interest)	(113)	(1,819)	1,706	93.8	(9,925)
8,260	(69)	Revaluations of physical assets	(62)	(30)	(32)	(106.7)	-
455	759	Revaluations of retirement plan schemes	(113)	(22)	(91)	(413.6)	(107)
(247)	-	Revaluations of veterans' disability entitlements	(3,212)	(3,215)	3	0.1	(3,216)
(418)	(220)	Transfers into/(out of) cash flow hedge reserve	(89)	42	(131)	(311.9)	87
-	8	Transfers into/(out of) other reserves	74	22	52	236.4	(85)
		(Gains)/losses transferred to the statement					
(70)	6	of financial performance	(26)	(14)	(12)	(85.7)	(12)
		Foreign currency translation differences on					
1	-	foreign operations	1	-	1	-	1
20	28	Other movements	(8)	(35)	27	77.1	(72)
74	(3,892)	Total comprehensive revenue and expense	(3,548)	(5,071)	1,523	30.0	(13,329)
77	45	Increase in minority interest from equity issues	338	323	15	4.6	341
(574)	(364)	Transactions with minority interests	(345)	(370)	25	6.8	(569)
191,049	187,261	Closing net worth	187,494	185,931	1,563	0.8	177,492

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

STATEMENT OF CASH FLOWS

For the five months ended 30 November 2024

Year to 30 June 2024	5 months to 30 Nov 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	45,883	Taxation receipts		48,727	48,596	131	0.3	120,351
7,484	3,381	Other sovereign receipts		3,575	3,572	3	0.1	8,014
24,359	9,860	Sales of goods and services		11,696	11,770	(74)	(0.6)	26,931
5,283	1,896	Interest receipts		2,522	2,324	198	8.5	5,651
6,535	2,212	Other operating receipts		2,347	2,573	(226)	(8.8)	6,747
159,703	63,232	Total cash provided from operations		68,867	68,835	32	-	167,694
		Cash was disbursed to						
42,335	18,060	Transfer payments and subsidies		19,467	19,368	(99)	(0.5)	46,309
111,095	47,648	Personnel and operating payments		50,056	49,421	(635)	(1.3)	120,881
8,579	3,611	Interest payments		3,884	3,700	(184)	(5.0)	8,597
-	-	Forecast new operating spending	7	-	-	-	-	2,656
-	-	Top-down expense adjustment	7	-	(125)	(125)	(100.0)	(2,500)
162,009	69,319	Total cash disbursed to operations		73,407	72,364	(1,043)	(1.4)	175,943
(2,306)	(6,087)	Net cash flows from operations		(4,540)	(3,529)	(1,011)	(28.6)	(8,249)
		Cash flows from investing activities						
		Cash was provided from/(disbursed to)						
(16,948)	(7,196)	Net (purchase)/sale of physical assets		(5,800)	(6,859)	1,059	15.4	(17,131)
(10,232)	(7,710)	Net (purchase)/sale of shares and other securities		(4,668)	(3,065)	(1,603)	(52.3)	(4,775)
(860)	(302)	Net (purchase)/sale of intangible assets		(335)	(360)	25	6.9	(934)
151	(724)	Net (issue)/repayment of advances		1,338	1,733	(395)	(22.8)	5,500
(397)	(241)	Net acquisition of investments in associates		(285)	(265)	(20)	(7.5)	(497)
-	-	Forecast new capital spending	7	-	-	-	-	(1,110)
-	-	Top-down capital adjustment	7	-	130	(130)	(100.0)	1,300
(28,286)	(16,173)	Net cash flows from investing activities		(9,750)	(8,686)	(1,064)	(12.2)	(17,647)
(30,592)	(22,260)	Net cash flows from operating and investing activities		(14,290)	(12,215)	(2,075)	(17.0)	(25,896)
		Cash Flows from financing activities						
		Cash was provided from/(disbursed to)						
(24)	94	Issues of circulating currency		67	(42)	109	259.5	(4)
26,422	13,152	Net issue/(repayment) of Government bonds		18,883	18,211	672	3.7	28,737
651	879	Net issue/(repayment) of foreign currency borrowing		2,142	406	1,736	427.6	82
1,515	10,705	Net issue/(repayment) of other New Zealand dollar borrowing		(2,513)	(5,651)	3,138	55.5	(3,355)
-	-	Net issue/(purchase) of equity		250	250	-	-	250
(505)	(333)	Dividends paid to minority interests		(239)	(266)	27	10.2	(449)
28,059	24,497	Net cash flows from financing activities		18,590	12,908	5,682	44.0	25,261
(2,533)	2,237	Net movement in cash		4,300	693	3,607	-	(635)
18,791	18,791	Opening cash balance		16,212	16,212	-	-	16,212
(46)	53	Foreign-exchange gains/(losses) on opening cash		247	140	107	76.4	91
16,212	21,081	Closing cash balance		20,759	17,045	3,714	21.8	15,668

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

STATEMENT OF CASH FLOWS (CONTINUED)

For the five months ended 30 November 2024

Year to 30 June 2024	5 months to 30 Nov 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)	(6,087)	Net cash flows from operations	(4,540)	(3,529)	(1,011)	(28.6)	(8,249)
		Gains/(losses) and other interests					
11,410	848	Net gains/(losses) on financial instruments	6,829	5,729	1,100	19.2	9,485
(6,743)	(2,627)	Net gains/(losses) on non-financial instruments	(2,391)	(2,950)	559	18.9	(2,500)
		Net surplus/(deficit) from associates and joint ventures					
120	(6)		64	21	43	204.8	160
4,787	(1,785)	Total gains/(losses) and other interests	4,502	2,800	1,702	60.8	7,145
		Other non-cash items in operating balance					
(7,621)	(3,049)	Depreciation	(3,286)	(3,313)	27	0.8	(8,143)
		Amortisation and net impairment of non-financial assets					
(1,195)	(362)		(332)	(345)	13	3.8	(862)
(719)	(216)	Cost of concessionary lending	(157)	(160)	3	1.9	(630)
(123)	(67)	Impairment of financial assets (excl receivables)	(20)	9	(29)	(322.2)	49
(3,838)	1,080	Decrease/(increase) in insurance liabilities	1,136	1,087	49	4.5	(3,972)
61	24	Change in accumulating pension expenses	(19)	21	(40)	(190.5)	(46)
614	521	Change in NZ ETS liability	358	310	48	15.5	1,352
(12,821)	(2,069)	Total other non-cash items	(2,320)	(2,391)	71	3.0	(12,252)
		Movements in working capital					
3,305	1,812	Increase/(decrease) in receivables	(1,658)	(1,773)	115	6.5	(941)
211	801	Increase/(decrease) in accrued interest	297	209	88	42.1	(1,075)
(180)	249	Increase/(decrease) in inventories	387	191	196	102.6	348
305	817	Increase/(decrease) in prepayments	709	284	425	149.6	235
158	(65)	Decrease/(increase) in deferred revenue	(188)	(83)	(105)	(126.5)	(6)
(1,386)	1,923	Decrease/(increase) in payables/provisions	2,698	2,473	225	9.1	4,870
2,413	5,537	Total movements in working capital	2,245	1,301	944	72.6	3,431
(7,927)	(4,404)	Operating balance (including minority interests)	(113)	(1,819)	1,706	93.8	(9,925)

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

STATEMENT OF FINANCIAL POSITION

As at 30 November 2024

As at 30 June 2024 Actual \$m	As at 30 Nov 2023 Actual \$m		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
		Assets						
16,212	21,081	Cash and cash equivalents	9	20,759	17,045	3,714	21.8	15,668
37,232	36,893	Receivables	9	35,695	35,583	112	0.3	36,485
		Marketable securities, deposits and derivatives in gain	9	77,965	79,062	(1,097)	(1.4)	80,804
73,646	71,867	Share investments	9	58,803	58,585	218	0.4	60,811
53,495	46,160	Advances	9	69,112	67,693	1,419	2.1	62,943
69,378	67,316	Investments in controlled enterprises	9	7,532	7,199	333	4.6	7,734
7,174	7,583	Inventory		3,248	3,052	196	6.4	3,209
2,861	3,290	Other assets		5,757	5,244	513	9.8	4,892
5,045	5,308	Property, plant and equipment	10	286,169	287,294	(1,125)	(0.4)	293,144
283,790	271,516	Equity accounted investments ¹		18,301	18,270	31	0.2	18,593
17,951	17,221	Intangible assets and goodwill		4,127	4,115	12	0.3	4,286
4,084	4,030	Forecast for new capital spending	7	-	-	-	-	1,110
-	-	Top-down capital adjustment	7	-	(130)	130	100.0	(1,300)
570,868	552,265	Total assets		587,468	583,012	4,456	0.8	588,379
		Liabilities						
8,977	9,096	Issued currency		9,044	8,934	(110)	(1.2)	8,973
19,863	19,374	Payables	11	20,805	23,133	2,328	10.1	23,634
3,453	3,675	Deferred revenue		3,641	3,529	(112)	(3.2)	3,459
250,943	246,257	Borrowings	12	266,414	260,780	(5,634)	(2.2)	273,514
6,626	10,454	New Zealand Emissions Trading Scheme	13	8,030	8,091	61	0.8	7,094
66,575	54,138	Insurance liabilities	14	65,960	66,588	628	0.9	71,417
7,337	7,144	Retirement plan liabilities		7,282	7,194	(88)	(1.2)	7,133
16,045	14,866	Provisions	15	18,798	18,832	34	0.2	15,663
379,819	365,004	Total liabilities		399,974	397,081	(2,893)	(0.7)	410,887
191,049	187,261	Total assets less total liabilities		187,494	185,931	1,563	0.8	177,492
		Net worth						
300	3,908	Taxpayers' funds	16	372	(1,402)	1,774	126.5	(9,900)
		Property, plant and equipment revaluation reserve	16	180,889	180,949	(60)	-	181,046
181,176	174,385	Defined benefit retirement plan revaluation reserve	16	751	842	(91)	(10.8)	757
864	1,167	Veterans' disability entitlements reserve	16	(3,852)	(3,855)	3	0.1	(3,856)
(640)	(392)	Other reserves	16	78	153	(75)	(49.0)	187
118	345							
181,818	179,413	Total net worth attributable to the Crown		178,238	176,687	1,551	0.9	168,234
9,231	7,848	Net worth attributable to minority interest	16	9,256	9,244	12	0.1	9,258
191,049	187,261	Total net worth		187,494	185,931	1,563	0.8	177,492

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

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

STATEMENT OF SEGMENTS

For the five months ended 30 November 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	49,260	49,261	-	-	-	-	(246)	(256)	49,014	49,005
Other sovereign revenue	1,692	1,669	3,604	3,641	-	-	(1,085)	(1,083)	4,211	4,227
Revenue from core Crown funding	-	-	20,270	20,076	325	375	(20,595)	(20,451)	-	-
Sales of goods and services	825	836	1,370	1,315	9,186	9,450	(372)	(329)	11,009	11,272
Interest and dividend revenue	2,635	2,616	2,045	2,070	70	48	(1,011)	(1,005)	3,739	3,729
Other revenue	450	482	1,767	1,867	318	333	(886)	(1,043)	1,649	1,639
Total Revenue (excluding gains)	54,862	54,864	29,056	28,969	9,899	10,206	(24,195)	(24,167)	69,622	69,872
Expenses										
Transfer payments and subsidies	19,029	19,048	-	-	-	-	(631)	(652)	18,398	18,396
Personnel expenses	4,688	4,683	10,304	10,319	1,492	1,457	(26)	(25)	16,458	16,434
Other operating expenses	30,414	30,785	15,156	15,153	7,977	8,019	(22,158)	(22,088)	31,389	31,869
Interest expenses	3,704	3,634	1,002	933	237	237	(544)	(531)	4,399	4,273
Insurance expenses	-	-	3,587	3,640	5	5	-	-	3,593	3,644
Top-down adjustment	-	(125)	-	-	-	-	-	-	-	(125)
Total Expenses (excluding losses)	57,835	58,025	30,049	30,045	9,711	9,718	(23,359)	(23,296)	74,237	74,491
Gains/(losses) and other items	3,529	3,063	1,371	531	(183)	(67)	(248)	(771)	4,470	2,755
Operating Balance (excluding minority interests)	556	(98)	378	(545)	5	421	(1,084)	(1,642)	(145)	(1,864)
Assets										
Financial assets	167,222	162,387	103,937	103,273	4,274	3,936	(41,262)	(40,011)	234,171	229,584
Receivables	29,311	29,596	5,542	5,532	2,777	2,715	(1,935)	(2,260)	35,695	35,583
Property, plant and equipment	68,294	68,315	160,172	160,638	57,703	58,342	-	-	286,169	287,294
Investments in associates, CEs and SOEs	71,757	71,774	15,271	15,225	539	558	(69,266)	(69,287)	18,301	18,270
Other assets	6,768	6,346	3,619	3,454	3,372	3,171	(627)	(560)	13,132	12,411
Top-down capital adjustments	-	(130)	-	-	-	-	-	-	-	(130)
Total Assets	343,352	338,288	288,541	288,122	68,665	68,722	(113,090)	(112,118)	587,468	583,012
Liabilities										
Borrowings	233,410	226,725	59,115	58,792	12,676	12,228	(38,787)	(36,965)	266,414	260,780
Other liabilities	47,893	50,094	83,676	84,440	12,487	12,589	(10,496)	(10,822)	133,560	136,301
Total Liabilities	281,303	276,819	142,791	143,232	25,163	24,817	(49,283)	(47,787)	399,974	397,081
Net Worth	62,049	61,469	145,750	144,890	43,502	43,905	(63,807)	(64,331)	187,494	185,931
Cost of Acquisition of Physical Assets (Cash)	1,407	1,501	3,379	3,842	1,071	1,566	-	-	5,856	6,909

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

STATEMENT OF COMMITMENTS

As at 30 November 2024

	As at 30 Nov 2024 \$m	As at 30 Jun 2024 \$m	As at 30 Nov 2023 \$m
Capital Commitments			
State highways	2,512	2,512	2,437
Specialist military equipment	456	411	897
Land and buildings	7,770	7,547	9,449
Other property, plant and equipment	4,969	5,098	5,738
Other capital commitments	973	1,118	1,034
Universities and Wānanga	412	412	635
Total capital commitments	17,092	17,098	20,190
Operating Commitments			
Non-cancellable accommodation leases	6,157	6,092	5,818
Other non-cancellable leases	4,938	4,952	4,385
Universities and Wānanga	1,332	1,332	1,293
Total operating commitments	12,427	12,376	11,496
Total commitments	29,519	29,474	31,686
Total Commitments by Segment			
Core Crown	11,469	11,281	11,595
Crown entities	11,012	11,166	12,555
State-owned Enterprises	7,492	7,543	7,917
Inter-segment eliminations	(454)	(516)	(381)
Total commitments	29,519	29,474	31,686

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

As at 30 November 2024

	As at 30 Nov 2024 \$m	As at 30 Jun 2024 \$m	As at 30 Nov 2023 \$m
Quantifiable Contingent Liabilities			
Uncalled capital	9,868	9,580	9,311
Guarantees and indemnities	245	279	241
Legal proceedings and disputes	748	440	901
Other contingent liabilities	1,711	1,129	1,025
Total quantifiable contingent liabilities	12,572	11,428	11,478
Total Quantifiable Contingent Liabilities by Segment			
Core Crown	12,730	11,942	11,496
Crown entities	558	246	737
State-owned Enterprises	234	190	195
Inter-segment eliminations	(950)	(950)	(950)
Total quantifiable contingent liabilities	12,572	11,428	11,478
Quantifiable Contingent Assets			
Core Crown	57	56	44
Crown entities	34	34	34
State-owned Enterprises	80	80	41
Inter-segment eliminations	-	-	-
Total quantifiable contingent assets	171	170	119

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 *HYEFU 2024*, pages 86 to 98.

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 *HYEFU 2024* published on 17 December 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	5 months to 30 Nov 2023		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 2: Sovereign Revenue							
Taxation revenue							
Individuals							
52,283	21,617	Source deductions	21,892	22,058	(166)	(0.8)	53,214
9,866	4,071	Other persons	4,320	4,248	72	1.7	10,375
(2,655)	(882)	Refunds	(971)	(935)	(36)	(3.9)	(2,821)
838	331	Fringe benefit tax	356	360	(4)	(1.1)	907
60,332	25,137	Total individuals	25,597	25,731	(134)	(0.5)	61,675
Corporate tax							
16,940	6,643	Gross companies tax	6,307	6,375	(68)	(1.1)	17,318
(738)	(292)	Refunds	(408)	(417)	9	2.2	(935)
707	257	Non-resident withholding tax	268	272	(4)	(1.5)	746
16,909	6,608	Total corporate tax	6,167	6,230	(63)	(1.0)	17,129
Other direct income tax							
3,473	1,245	Resident withholding tax on interest income	1,571	1,562	9	0.6	3,822
2,521	498	Resident withholding tax on dividend income	394	362	32	8.8	879
5,994	1,743	Total other direct income tax	1,965	1,924	41	2.1	4,701
83,235	33,488	Total direct income tax	33,729	33,885	(156)	(0.5)	83,505
Goods and services tax							
47,446	19,896	Gross goods and services tax	19,831	19,762	69	0.3	48,153
(18,168)	(7,579)	Refunds	(7,810)	(7,899)	89	1.1	(19,351)
29,278	12,317	Total goods and services tax	12,021	11,863	158	1.3	28,802
Other indirect taxation							
2,002	737	Petroleum fuels excise and duty ¹	790	753	37	4.9	1,885
1,473	740	Tobacco excise and duty ¹	735	734	1	0.1	1,459
1,839	719	Road and track user charges	842	845	(3)	(0.4)	2,057
1,239	564	Alcohol excise and duty ¹	573	584	(11)	(1.9)	1,338
180	87	Other customs duty	56	61	(5)	(8.2)	121
654	247	Miscellaneous indirect tax	268	280	(12)	(4.3)	797
7,387	3,094	Total other indirect taxation	3,264	3,257	7	0.2	7,657
36,665	15,411	Total indirect taxation	15,285	15,120	165	1.1	36,459
119,900	48,899	Total taxation revenue	49,014	49,005	9	-	119,964
Other sovereign revenue							
4,145	1,701	ACC levies	1,784	1,778	6	0.3	4,362
1,690	1,164	Emissions trading revenue	883	873	10	1.1	2,634
712	298	Fire Service levies	340	345	(5)	(1.4)	826
853	343	Natural Hazards Commission ² levies	379	381	(2)	(0.5)	921
246	99	Child support and working for families penalties	98	91	7	7.7	235
125	47	Court fines	58	58	-	-	118
1,655	598	Other miscellaneous items	669	701	(32)	(4.6)	1,669
9,426	4,250	Total other sovereign revenue	4,211	4,227	(16)	(0.4)	10,765
129,326	53,149	Total sovereign revenue	53,225	53,232	(7)	-	130,729

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

2. Previously Earthquake Commission

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2024 Actual \$m	5 months to 30 Nov 2023 Actual \$m	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	21,238	Source deductions	21,685	21,799	(114)	(0.5)	53,050
10,269	3,062	Other persons	3,229	3,208	21	0.7	10,484
(3,176)	(1,025)	Refunds	(1,056)	(1,039)	(17)	(1.6)	(3,339)
822	377	Fringe benefit tax	410	414	(4)	(1.0)	907
59,598	23,652	Total individuals	24,268	24,382	(114)	(0.5)	61,102
Corporate Tax							
17,849	6,661	Gross companies tax	7,137	7,145	(8)	(0.1)	18,577
(2,098)	(764)	Refunds	(840)	(866)	26	3.0	(2,108)
706	323	Non-resident withholding tax	327	338	(11)	(3.3)	746
16,457	6,220	Total corporate tax	6,624	6,617	7	0.1	17,215
Other Direct Income Tax							
3,440	1,308	Resident withholding tax on interest income	1,562	1,557	5	0.3	3,822
2,542	564	Resident withholding tax on dividend income	445	404	41	10.1	879
5,982	1,872	Total other direct income tax	2,007	1,961	46	2.3	4,701
82,037	31,744	Total income tax	32,899	32,960	(61)	(0.2)	83,018
Goods and Services Tax							
44,350	18,556	Gross goods and services tax	20,374	20,299	75	0.4	48,655
(17,624)	(7,456)	Refunds	(7,765)	(7,849)	84	1.1	(18,991)
26,726	11,100	Total goods and services tax	12,609	12,450	159	1.3	29,664
Other Indirect Taxation							
1,822	731	Road and track user charges	837	845	(8)	(0.9)	2,057
799	306	Excise duties	292	299	(7)	(2.3)	843
3,984	1,691	Customs duty	1,798	1,741	57	3.3	3,972
674	311	Miscellaneous indirect taxation	292	301	(9)	(3.0)	797
7,279	3,039	Total other indirect taxation	3,219	3,186	33	1.0	7,669
34,005	14,139	Total indirect taxation	15,828	15,636	192	1.2	37,333
116,042	45,883	Total tax receipts collected	48,727	48,596	131	0.3	120,351
Other Sovereign Receipts (cash)							
4,075	1,856	ACC levies	2,088	2,024	64	3.2	4,172
210	6	Emissions trading receipts	2	12	(10)	(83.3)	288
705	314	Fire Service levies	338	348	(10)	(2.9)	802
871	383	Natural Hazards Commission ¹ levies	398	420	(22)	(5.2)	943
196	96	Child support and working for families penalties	68	87	(19)	(21.8)	210
137	60	Court fines	58	58	-	-	118
1,290	666	Other miscellaneous items	623	622	1	0.2	1,481
7,484	3,381	Total other sovereign receipts	3,575	3,571	4	0.1	8,014
123,526	49,264	Total sovereign receipts	52,302	52,167	135	0.3	128,365

1. Previously Earthquake Commission

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	5 months to 30 Nov 2023		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 3: Interest Revenue and Dividends							
7,120	2,853	Interest revenue	3,011	2,875	136	4.7	6,279
1,430	667	Dividends	728	854	(126)	(14.8)	1,819
8,550	3,520	Total interest revenue and dividends	3,739	3,729	10	0.3	8,098
NOTE 4: Transfer Payments and Subsidies							
21,574	8,826	New Zealand superannuation	9,549	9,553	4	-	23,160
4,062	1,625	Jobseeker support and emergency benefit	1,875	1,886	11	0.6	4,695
2,411	1,010	Accommodation assistance	916	972	56	5.8	2,332
2,530	1,043	Supported living payment	1,107	1,114	7	0.6	2,701
2,297	908	Family tax credit	958	957	(1)	(0.1)	2,407
2,097	861	Sole parent support	931	938	7	0.7	2,262
537	319	Winter energy payment	334	334	-	-	560
1,014	441	KiwiSaver subsidies	459	459	-	-	1,052
526	262	Student allowances	281	283	2	0.7	587
667	279	Hardship assistance	307	309	2	0.6	765
1,202	283	International Development Cooperation	289	276	(13)	(4.7)	1,116
448	166	Other working for families tax credits	197	198	1	0.5	574
464	191	Disability allowances	203	205	2	1.0	494
384	154	Orphan's/unsupported child's benefit	164	164	-	-	405
336	128	Best start	132	133	1	0.8	346
189	65	Income related rent subsidy	76	49	(27)	(55.1)	122
1,199	487	Other social assistance benefits	620	566	(54)	(9.5)	1,324
41,937	17,048	Total transfer payments and subsidies	18,398	18,396	(2)	-	44,902
NOTE 5: Interest expenses							
9,747	3,671	Interest on financial liabilities	4,154	4,025	(129)	(3.2)	9,639
627	245	Interest unwind on provisions and other interest	245	248	3	1.2	587
10,374	3,916	Total interest expenses	4,399	4,273	(126)	(2.9)	10,226
NOTE 6: Insurance Expenses							
9,772	3,018	ACC	3,424	3,453	29	0.8	10,610
578	123	Natural Hazards Commission ¹	160	181	21	11.6	475
76	7	Other (incl. inter-segment eliminations)	9	10	1	10.0	30
10,426	3,148	Total insurance expenses	3,593	3,644	51	1.4	11,115
1. Previously Earthquake Commission							
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							
By type							
(5,227)	2,293	Actuarial gains/(losses) on ACC liability	(522)	(1,099)	577	52.5	(870)
(1,170)	(4,844)	Gains/(losses) on the Emissions Trading Scheme	(1,760)	(1,763)	3	0.2	(1,532)
(346)	(76)	Other	(109)	(88)	(21)	(23.9)	(98)
(6,743)	(2,627)	Net gains/(losses) on non-financial instruments	(2,391)	(2,950)	559	18.9	(2,500)

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 30 Nov 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	21,081	Cash and cash equivalents	20,759	17,045	3,714	21.8	15,668
22,413	23,231	Tax receivables	22,597	22,790	(193)	(0.8)	20,892
14,819	13,662	Other receivables	13,098	12,793	305	2.4	15,593
32,487	30,879	Kiwi Group loans and advances	34,184	33,941	243	0.7	35,570
9,596	9,197	Student loans	9,460	9,453	7	0.1	9,648
16,466	18,497	Funding for Lending advances	13,830	13,860	(30)	(0.2)	7,299
10,829	8,743	Other advances	11,638	10,439	1,199	11.5	10,426
53,495	46,160	Share investments	58,803	58,585	218	0.4	60,811
7,174	7,583	Investments in controlled enterprises	7,532	7,199	333	4.6	7,734
54,443	51,209	Other marketable securities	59,704	58,921	783	1.3	60,968
7,714	8,373	Long-term deposits	7,343	6,731	612	9.1	6,578
5,967	6,816	Derivatives in gain	5,351	8,076	(2,725)	(33.7)	7,924
5,522	5,469	IMF financial assets	5,567	5,334	233	4.4	5,334
257,137	250,900	Total financial assets and sovereign receivables	269,866	265,167	4,699	1.8	264,445
Financial assets by entity							
54,092	47,880	The Treasury	60,092	57,768	2,324	4.0	48,700
53,925	72,806	Reserve Bank of New Zealand	55,018	49,294	5,724	11.6	46,460
79,058	71,144	NZ Superannuation Fund	83,524	84,852	(1,328)	(1.6)	88,975
44,027	46,303	Other core Crown	43,936	45,040	(1,104)	(2.5)	41,107
(47,563)	(58,439)	Intra-segment eliminations	(46,037)	(44,972)	(1,065)	(2.4)	(33,560)
183,539	179,694	Total core Crown segment	196,533	191,982	4,551	2.4	191,682
53,385	49,829	ACC	56,564	56,901	(337)	(0.6)	59,053
655	661	Natural Hazards Commission ¹	693	668	25	3.7	746
32,487	30,879	Kiwi Group loans and advances	34,184	33,941	243	0.7	35,570
22,929	22,401	Other Crown entities	23,141	22,629	512	2.3	22,058
(5,092)	(5,313)	Intra-segment eliminations	(5,103)	(5,335)	232	4.3	(4,841)
104,364	98,457	Total Crown entities segment	109,479	108,804	675	0.6	112,586
7,398	7,238	Total State-owned Enterprises segment	7,050	6,651	399	6.0	6,417
(38,164)	(34,489)	Inter-segment eliminations	(43,196)	(42,270)	(926)	(2.2)	(46,240)
257,137	250,900	Total financial assets and sovereign receivables	269,866	265,167	4,699	1.8	264,445

1. Previously Earthquake Commission

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 30 Nov 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	80,188	Land	81,232	81,138	94	0.1	81,732
74,968	70,196	Buildings	76,481	77,052	(571)	(0.7)	79,074
62,333	60,112	State highways	63,062	62,865	197	0.3	64,553
23,628	19,774	Electricity generation assets	23,303	23,510	(207)	(0.9)	23,568
4,650	4,515	Electricity distribution network (cost)	4,704	4,601	103	2.2	4,805
5,055	4,638	Aircraft (excl military)	4,880	5,092	(212)	(4.2)	5,262
5,699	5,298	Specialist military equipment	5,450	5,753	(303)	(5.3)	6,129
3,238	3,191	Specified cultural and heritage assets	3,241	3,248	(7)	(0.2)	3,232
14,523	14,834	Rail network	14,530	14,624	(94)	(0.6)	14,918
8,815	8,770	Other plant and equipment (cost)	9,286	9,411	(125)	(1.3)	9,871
283,790	271,516	Total net carrying value	286,169	287,294	(1,125)	(0.4)	293,144
Land breakdown by usage							
29,143	29,332	Housing stock	29,315	29,246	69	0.2	29,581
22,973	23,137	State highway corridor land	22,984	22,973	11	-	22,976
9,054	8,336	Conservation estate	9,053	9,028	25	0.3	9,035
6,748	6,289	Schools	6,768	6,766	2	-	6,780
4,290	4,280	Rail network corridor land	4,309	4,312	(3)	(0.1)	4,385
1,477	1,659	Commercial (SOE) excluding rail	1,491	1,481	10	0.7	1,506
7,196	7,155	Other	7,312	7,332	(20)	(0.3)	7,469
80,881	80,188	Total land	81,232	81,138	94	0.1	81,732
Schedule of Movements							
Cost or Valuation							
287,777	287,777	Opening balance	306,631	306,631	-	-	306,631
17,866	7,498	Additions	5,904	7,085	(1,181)	(16.7)	17,494
(1,397)	(363)	Disposals	(363)	(229)	(134)	(58.5)	(77)
2,792	(56)	Net revaluations	(5)	15	(20)	(133.3)	-
(407)	(105)	Other	(11)	66	(77)	(116.7)	(40)
306,631	294,751	Total cost or valuation	312,156	313,568	(1,412)	(0.5)	324,008
Accumulated Depreciation & Impairment							
20,387	20,387	Opening balance	22,841	22,841	-	-	22,841
(709)	(218)	Eliminated on disposal	(209)	(72)	(137)	(190.3)	(89)
(4,775)	3	Eliminated on revaluation	29	3	26	-	-
82	-	Impairment losses charged to operating balance	-	-	-	-	-
7,621	3,049	Depreciation expense and impairment losses	3,286	3,313	(27)	(0.8)	8,143
235	14	Other	40	189	(149)	(78.8)	(31)
22,841	23,235	Total accumulated depreciation & impairment	25,987	26,274	(287)	(1.1)	30,864
283,790	271,516	Total property, plant and equipment	286,169	287,294	(1,125)	(0.4)	293,144

1. Using a revaluation methodology unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 30 Nov 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 11: Payables							
13,213	13,650	Accounts payable	14,534	16,813	2,279	13.6	16,581
6,650	5,724	Taxes repayable	6,271	6,320	49	0.8	7,053
19,863	19,374	Total payables	20,805	23,133	2,328	10.1	23,634
NOTE 12: Borrowings							
128,959	114,650	Government bonds	142,772	143,920	1,148	0.8	154,555
27,720	25,885	Kiwi Group customer deposits	28,954	28,509	(445)	(1.6)	29,657
37,553	54,183	Settlement deposits	38,258	31,616	(6,642)	(21.0)	28,768
5,482	4,783	Treasury bills	4,966	5,236	270	5.2	5,333
13,200	6,732	European Commercial Paper	10,670	10,329	(341)	(3.3)	14,495
5,621	6,301	Derivatives in loss	7,211	3,981	(3,230)	(81.1)	3,671
1,044	1,126	Finance lease liabilities	996	994	(2)	(0.2)	1,197
158	158	Government retail stock	163	164	1	0.6	164
31,206	32,439	Other borrowings	32,424	36,031	3,607	10.0	35,674
250,943	246,257	Total borrowings	266,414	260,780	(5,634)	(2.2)	273,514
196,808	194,270	Sovereign-guaranteed debt	209,477	203,541	(5,936)	(2.9)	215,461
54,135	51,987	Non sovereign-guaranteed debt	56,937	57,239	302	0.5	58,053
250,943	246,257	Total borrowings	266,414	260,780	(5,634)	(2.2)	273,514

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	6,626	-	-	6,626
210	6	Units sold	2	12	10	83.3	288
834	611	Allocated units	521	517	(4)	(0.8)	1,279
(1,690)	(1,164)	Units surrendered	(883)	(873)	10	1.1	(2,634)
1,170	4,844	(Gains)/ losses due to revaluation in NZ Units	1,760	1,763	3	0.2	1,532
(23)	32	Other movements	4	46	42	91.3	3
6,626	10,454	Closing liability	8,030	8,091	61	0.8	7,094

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	52,570	ACC liability	64,611	65,229	618	0.9	70,201
1,301	1,398	Natural Hazards Commission ¹ liability	1,161	1,173	12	1.0	1,017
225	170	Other insurance liabilities	188	186	(2)	(1.1)	199
66,575	54,138	Total insurance liabilities	65,960	66,588	628	0.9	71,417

1. Previously Earthquake Commission

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	8,452	Provision for employee entitlements	8,680	8,584	(96)	(1.1)	5,926
2,912	2,636	Veterans disability entitlements	6,127	6,122	(5)	(0.1)	6,127
610	621	Provision for National Provident Fund guarantee	589	596	7	1.2	577
3,728	3,157	Other provisions	3,402	3,530	128	3.6	3,033
16,045	14,866	Total provisions	18,798	18,832	34	0.2	15,663

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 30 Nov 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 16: Changes in Net Worth							
300	3,908	Taxpayers' funds	372	(1,402)	1,774	126.5	(9,900)
181,176	174,385	Property, plant and equipment revaluation reserve	180,889	180,949	(60)	-	181,046
864	1,167	Defined benefit retirement plan revaluation reserve	751	842	(91)	(10.8)	757
(640)	(392)	Veterans' disability entitlements reserve	(3,852)	(3,855)	3	0.1	(3,856)
9,231	7,848	Net worth attributable to minority interests	9,256	9,244	12	0.1	9,258
118	345	Other reserves	78	153	(75)	(49.0)	187
191,049	187,261	Total net worth	187,494	185,931	1,563	0.8	177,492
8,380	8,380	Opening taxpayers funds	300	300	-	-	300
(8,365)	(4,621)	Operating balance excluding minority interests	(145)	(1,864)	1,719	92.2	(10,161)
285	149	Transfers from/(to) other reserves	217	162	55	34.0	(39)
300	3,908	Closing taxpayers funds	372	(1,402)	1,774	126.5	(9,900)
174,575	174,575	Opening property, plant and equipment revaluation reserve	181,176	181,176	-	-	181,176
8,260	(69)	Net revaluations	(62)	(30)	(32)	(106.7)	-
(1,389)	-	Revaluation reserve attributable to minority interest	2	-	2	-	-
(270)	(121)	Transfers from/(to) other reserves	(227)	(197)	(30)	(15.2)	(130)
181,176	174,385	Closing property, plant and equipment revaluation reserve	180,889	180,949	(60)	-	181,046
7,958	7,958	Opening net worth attributable to minority interests	9,231	9,231	-	-	9,231
77	45	Increase/(decrease) in minority interest from changes in equity	338	323	15	4.6	341
438	217	Operating balance attributable to minority interests	32	45	(13)	(28.9)	236
758	(372)	Net movements	(345)	(355)	10	2.8	(550)
9,231	7,848	Closing net worth attributable to minority interests	9,256	9,244	12	0.1	9,258
542	542	Opening other reserves	118	118	-	-	118
(424)	(197)	Net movements	(40)	35	(75)	(214.3)	69
118	345	Closing other reserves	78	153	(75)	(49.0)	187

FISCAL INDICATOR ANALYSIS

For the five months ended 30 November 2024

Reconciliation between the Operating Balance, OBEGAL and OBEGALx

Year to 30 June 2024 Actual \$m	5 months to 30 Nov 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Operating Balance					
167,347	68,085	Total revenue	69,622	69,872	(250)	(0.4)	169,328
180,061	70,704	Less total expenses	74,237	74,491	254	0.3	186,398
4,667	(1,779)	Total gains/(losses)	4,438	2,779	1,659	59.7	6,985
120	(6)	Net surplus from associates and joint ventures	64	21	43	204.8	160
(438)	(217)	Minority interests share of operating balance	(32)	(45)	13	28.9	(236)
(8,365)	(4,621)	Operating balance	(145)	(1,864)	1,719	92.2	(10,161)
		Reconciliation Between the Operating Balance, OBEGAL and OBEGALx					
(8,365)	(4,621)	Operating balance	(145)	(1,864)	1,719	92.2	(10,161)
		Less items excluded from OBEGAL:					
11,410	848	Net gains/(losses) on financial instruments	6,829	5,729	1,100	19.2	9,485
(6,743)	(2,627)	Net gains/(losses) on non-financial instruments	(2,391)	(2,950)	559	18.9	(2,500)
120	(6)	Net surplus from associates and joint ventures	64	21	43	204.8	160
(298)	(39)	Minority interests share of total gains/(losses)	97	24	73	304.2	11
(12,854)	(2,797)	OBEGAL	(4,744)	(4,688)	(56)	(1.2)	(17,317)
(4,081)	(597)	ACC net revenue	(811)	(779)	(32)	(4.1)	(4,449)
(8,773)	(2,200)	OBEGAL excluding ACC	(3,933)	(3,909)	(24)	(0.6)	(12,868)

FISCAL INDICATOR ANALYSIS

For the five months ended 30 November 2024

Expenses by Functional Classification

Year to 30 June 2024 Actual \$m	5 months to 30 Nov 2023 Actual \$m		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
Total Crown expenses								
53,996	21,111	Social security and welfare		22,694	22,807	113	0.5	57,680
29,840	12,041	Health		12,867	12,602	(265)	(2.1)	30,893
21,186	9,120	Education		9,248	9,279	31	0.3	22,338
8,178	2,779	Core government services		2,464	2,450	(14)	(0.6)	6,853
7,072	2,817	Law and order		3,002	3,062	60	2.0	7,449
16,733	6,014	Transport and communications		6,006	5,854	(152)	(2.6)	16,294
16,008	5,774	Economic and industrial services		6,969	7,356	387	5.3	16,783
3,125	1,280	Defence		1,266	1,245	(21)	(1.7)	3,149
3,608	1,491	Heritage, culture and recreation		1,435	1,484	49	3.3	3,325
2,636	1,048	Primary services		1,022	1,085	63	5.8	2,947
4,789	2,062	Housing and community development		1,789	2,019	230	11.4	5,158
2,277	1,154	Environmental protection		999	1,008	9	0.9	2,852
94	28	GSF pension expenses		30	31	1	3.2	71
145	69	Other		47	61	14	23.0	224
10,374	3,916	Finance costs		4,399	4,273	(126)	(2.9)	10,226
-	-	Forecast new operating spending	7	-	-	-	-	2,656
-	-	Top-down expense adjustment	7	-	(125)	(125)	(100.0)	(2,500)
180,061	70,704	Total Crown expenses excluding losses		74,237	74,491	254	0.3	186,398

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	5 months to 30 Nov 2023 Actual \$m		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
Core Crown expenses								
44,589	18,214	Social security and welfare		19,506	19,581	75	0.4	47,807
29,999	12,334	Health		12,813	12,878	65	0.5	30,959
20,223	8,354	Education		8,482	8,532	50	0.6	20,942
8,468	2,800	Core government services		2,501	2,468	(33)	(1.3)	7,114
6,527	2,672	Law and order		2,793	2,843	50	1.8	6,857
5,487	2,441	Transport and communications		2,145	2,093	(52)	(2.5)	6,232
4,010	1,560	Economic and industrial services		1,530	1,577	47	3.0	4,146
3,163	1,298	Defence		1,278	1,257	(21)	(1.7)	3,196
1,504	695	Heritage, culture and recreation		654	688	34	4.9	1,529
1,062	397	Primary services		366	428	62	14.5	1,271
2,512	1,154	Housing and community development		999	1,082	83	7.7	2,699
2,297	1,171	Environmental protection		998	1,007	9	0.9	2,855
69	24	GSF pension expenses		19	21	2	9.5	46
145	69	Other		47	61	14	23.0	224
8,943	3,596	Finance costs		3,704	3,634	(70)	(1.9)	8,605
-	-	Forecast new operating spending	7	-	-	-	-	2,656
-	-	Top-down expense adjustment	7	-	(125)	(125)	(100.0)	(2,500)
138,998	56,779	Core Crown expenses excluding losses		57,835	58,025	190	0.3	144,638

FISCAL INDICATOR ANALYSIS

For the five months ended 30 November 2024

Core Crown Residual Cash

Year to 30 June 2024 \$m	5 months to 30 Nov 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Core Crown Cash Flows from Operations					
116,737	46,332	Tax receipts	50,720	50,497	223	0.4	122,550
1,790	815	Other sovereign receipts	727	753	(26)	(3.5)	2,068
1,878	520	Interest receipts	1,040	974	66	6.8	2,753
3,779	1,387	Sale of goods & services and other receipts	1,434	1,451	(17)	(1.2)	3,847
(43,495)	(18,551)	Transfer payments and subsidies	(20,093)	(20,016)	(77)	(0.4)	(48,024)
(79,747)	(34,995)	Personnel and operating costs	(35,199)	(34,850)	(349)	(1.0)	(84,552)
(7,044)	(2,958)	Interest payments	(3,109)	(2,997)	(112)	(3.7)	(6,896)
-	-	Forecast for future new operating spending	-	-	-	-	(2,656)
-	-	Top-down expense adjustment	-	125	(125)	(100.0)	2,500
(6,102)	(7,450)	Net core Crown operating cash flows	(4,480)	(4,063)	(417)	(10.3)	(8,410)
(4,701)	(1,966)	Net purchase of physical and intangible assets	(1,530)	(1,676)	146	8.7	(4,537)
(2,533)	(1,729)	Net increase in advances	2,552	2,786	(234)	(8.4)	5,205
(4,352)	(1,967)	Net purchase of investments	(2,626)	(2,698)	72	2.7	(8,179)
(1,614)	(673)	Contributions to New Zealand Superannuation Fund	(366)	(366)	-	-	(879)
-	-	Forecast for future new capital spending	-	-	-	-	(1,110)
-	-	Top-down capital adjustment	-	130	(130)	(100.0)	1,300
(13,200)	(6,335)	Net core Crown capital cash flows	(1,970)	(1,824)	(146)	(8.0)	(8,200)
(19,302)	(13,785)	Core Crown residual cash surplus / (deficit)	(6,450)	(5,887)	(563)	(9.6)	(16,610)
		<i>The core Crown residual cash surplus / (deficit) is funded or invested as follows:</i>					
		Debt Programme Cash Flows					
		Market:					
35,077	13,249	Issue of government bonds	20,634	20,136	498	2.5	39,191
(18,197)	(1,601)	Repayment of government bonds	(2,433)	(2,448)	15	0.6	(21,177)
14,157	7,132	Net issue/(repayment) of short-term borrowing ¹	(3,812)	(2,756)	(1,056)	(38.3)	1,444
31,037	18,780	Total market debt cash flows	14,389	14,932	(543)	(3.6)	19,458
		Non market:					
(200)	(100)	Net issue/(repayment) of short-term borrowing ¹	-	-	-	-	(200)
(200)	(100)	Total non-market debt cash flows	-	-	-	-	(200)
30,837	18,680	Total debt programme cash flows	14,389	14,932	(543)	(3.6)	19,258
		Other Borrowing Cash Flows					
		Net (repayment)/issue of other New Zealand dollar borrowing	(4,088)	(7,040)	2,952	41.9	4,970
(10,692)	(4,026)	Net (repayment)/issue of foreign currency borrowing	5,363	2,892	2,471	85.4	(1,872)
(5,634)	4,907	Total other borrowing cash flows	1,275	(4,148)	5,423	127.4	3,098
		Investing Cash Flows					
		Other net sale/(purchase) of marketable securities and deposits	(5,414)	(4,393)	(1,021)	(23.2)	(5,207)
(24)	94	Issues of circulating currency	67	(42)	109	259.5	(4)
2,540	(2,113)	Decrease/(increase) in cash	(3,867)	(462)	(3,405)	-	(535)
(5,901)	(9,802)	Total investing cash flows	(9,214)	(4,897)	(4,317)	(88.2)	(5,746)
19,302	13,785	Core Crown residual cash deficit / (surplus) funding	6,450	5,887	563	9.6	16,610

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

FISCAL INDICATOR ANALYSIS

As at 30 November 2024

Debt Indicators

As at 30 June 2024 Actual \$m	As at 30 Nov 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Net core Crown debt:					
216,349	213,769	Core Crown borrowings ¹	233,410	226,725	(6,685)	(2.9)	238,966
847	3,396	Core Crown unsettled purchases of securities ²	475	2,336	1,861	79.7	2,146
(2,754)	(4,126)	Less NZS Fund borrowings ³	(2,836)	(4,530)	(1,694)	(37.4)	(4,338)
214,442	213,039	Borrowings included in net core Crown debt	231,049	224,531	(6,518)	(2.9)	236,774
(154,900)	(148,901)	Core Crown financial assets ⁴	(167,222)	(162,387)	4,835	3.0	(163,964)
(3,278)	(4,552)	Core Crown unsettled sales of securities ²	(3,498)	(3,538)	(40)	(1.1)	(3,608)
78,812	70,910	Less NZS Fund financial assets	83,168	84,603	1,435	1.7	88,727
40,388	39,253	Less core Crown advances	38,173	38,042	(131)	(0.3)	34,881
(38,978)	(43,290)	Financial assets included in net core Crown debt	(49,379)	(43,280)	6,099	14.1	(43,964)
175,464	169,749	Net core Crown debt	181,670	181,251	(419)	(0.2)	192,810
		Net debt:					
175,464	169,749	Net core Crown debt (as above)	181,670	181,251	(419)	(0.2)	192,810
56,470	51,919	Crown entity borrowings ⁵	59,115	58,792	(323)	(0.5)	62,638
(33,291)	(31,778)	Less Kiwi Group borrowings ⁶	(34,207)	(34,789)	(582)	(1.7)	(36,866)
(40,388)	(39,253)	Add core Crown advances	(38,173)	(38,042)	131	0.3	(34,881)
158,255	150,637	Net debt (excl. NZS Fund)	168,405	167,212	(1,193)	(0.7)	183,701
2,754	4,126	NZS Fund borrowings	2,836	4,530	1,694	37.4	4,338
(78,812)	(70,910)	NZS Fund financial assets	(83,168)	(84,603)	(1,435)	(1.7)	(88,727)
82,197	83,853	Net debt	88,073	87,139	(934)	(1.1)	99,312
		Gross Debt:					
216,349	213,769	Core Crown borrowings	233,410	226,725	(6,685)	(2.9)	238,966
847	3,396	Core Crown unsettled purchases of securities	475	2,336	1,861	79.7	2,146
(2,754)	(4,126)	Less NZS Fund borrowings	(2,836)	(4,530)	(1,694)	(37.4)	(4,338)
		Less Reserve Bank settlement cash ⁷ and					
(38,476)	(57,529)	Reserve Bank bills	(38,902)	(33,065)	5,837	17.7	(30,216)
175,966	155,510	Gross Debt	192,147	191,466	(681)	(0.4)	206,558

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

For the five months ended 30 November 2024

New Zealand Superannuation Fund

30 June 2024 \$m	30 Nov 2023 \$m		Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
		NZ Superannuation Fund					
1,659	674	Revenue	730	776	(46)	(5.9)	1,733
1,290	(490)	Less current tax expense	(423)	(1,359)	(936)	(68.9)	(2,263)
189	(27)	Less other expenses ¹	(93)	(90)	3	3.3	(269)
8,352	783	Add gains/(losses)	4,832	4,493	339	7.5	7,516
8,532	940	Operating balance	5,046	3,820	1,226	32.1	6,717
64,673	64,673	Opening net worth	74,819	74,819	-	-	74,819
1,614	673	Contributions from the Crown	366	366	-	-	879
8,532	940	Operating balance	5,046	3,820	1,226	32.1	6,717
-	(1)	Other movements in reserves	(3)	(3)	-	-	-
74,819	66,285	Closing net worth	80,228	79,002	1,226	1.6	82,415
		Comprising:					
79,058	71,144	Financial assets	83,524	84,852	(1,328)	(1.6)	88,975
(4,235)	(4,799)	Financial liabilities	(3,291)	(5,837)	2,546	43.6	(6,517)
(4)	(60)	Net other assets	(5)	(13)	8	61.5	(43)
74,819	66,285	Closing net worth	80,228	79,002	1,226	1.6	82,415

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 Nov 2024 Actual \$m	30 Nov 2024 Forecast \$m	Variance \$m	Variance %	Annual Forecast \$m
Core Crown taxation revenue...	49,260	49,261	(1)	-	120,623
...combined with other core Crown revenue...	5,602	5,603	(1)	-	13,415
...funds core Crown expenses...	(57,835)	(58,025)	190	0.3	(144,638)
...and with SOE and CE ¹ excluding ACC results..	(960)	(748)	(212)	(28.3)	(2,268)
...this results in an operating balance before gains losses excluding ACC (OBEGALx)...	(3,933)	(3,909)	(24)	(0.6)	(12,868)
...adding back ACC revenue and expenses...	(811)	(779)	(32)	(4.1)	(4,449)
...this results in an operating balance before gains and losses (OBEGAL)...	(4,744)	(4,688)	(56)	(1.2)	(17,317)
..with gains/losses leading to an operating surplus/(deficit) ...	(145)	(1,864)	1,719	92.2	(10,161)
...with income in SOEs, CEs ¹ and the NZS Fund retained...	(4,345)	(2,054)	(2,291)	(111.5)	(893)
...and some items do not impact cash.	10	(145)	155	106.9	2,644
This leads to an operating residual cash surplus/(deficit)...	(4,480)	(4,063)	(417)	(10.3)	(8,410)
...used to make contributions to the NZS Fund...	(366)	(366)	-	-	(879)
...and to use for capital expenditure	(1,530)	(1,676)	146	8.7	(4,537)
...and to make advances	2,552	2,786	(234)	(8.4)	5,205
...and to purchase investments	(2,626)	(2,698)	72	2.7	(8,179)
Adjusting for forecast adjustments (top-down/new spending)...	-	130	(130)	(100.0)	190
...results in a borrowing requirement (cash deficit)/surplus	(6,450)	(5,887)	(563)	(9.6)	(16,610)
Opening net core Crown debt...	175,464	175,464	-	-	175,464
...when combined with the residual cash (surplus)/deficit...	6,450	5,887	(563)	(9.6)	16,610
...and other fair value movements in financial assets and financial liabilities...	(244)	(100)	144	144.0	736
...results in a closing net core Crown debt ...	181,670	181,251	(419)	(0.2)	192,810
...which as a % of GDP is	43.1%	43.0%			45.1%

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