

23 January 2015

MEDIA STATEMENT

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Paul Helm
Chief Government Accountant
The Treasury

Financial Statements of the Government of New Zealand for the Five Months Ended 30 November 2014

The *Financial Statements of the Government of New Zealand* for the five months ended 30 November 2014 were released by the Treasury today. These statements are compared against forecasts based on the *Half Year Economic and Fiscal Update (HYEFU)* released on 16 December 2014.

Core Crown tax revenue was \$94 million below forecast. GST, source deductions and corporate tax together were collectively \$138 million lower than forecast, partly offset by higher-than-forecast customs and excise duties. However, year-on-year growth largely in source deductions, GST and corporate tax meant core Crown tax revenue was \$1.6 billion (6.7%) higher than at the same time last year.

Core Crown expenses were \$67 million lower than forecast at \$29.9 billion. The variance is spread over a number of departments.

When Crown entity and State-owned enterprise results are included the **operating balance before gains and losses** (OBEGAL) deficit was \$121 million lower than expected.

Net Gains were tracking \$0.6 billion below forecast primarily due to a decrease in discount rates, with the actuarial losses on the ACC liability contributing \$0.7 billion to the variance. When added to the OBEGAL result, the **operating balance** (at \$1.3 billion in deficit) was \$466 million lower than forecast.

While the **core Crown residual cash deficit** (at \$3.2 billion) was close to forecast, there were a number of overs and unders:

- Core Crown tax receipts were \$84 million higher than forecast, with the main portion being corporate tax receipts, which were \$89 million higher than forecast mainly due to provisional tax receipts.

- Other sovereign receipts were \$120 million higher than forecast with higher collections of fees and levies than expected.
- Operating payments including the top-down adjustment were \$163 million higher than forecast. Excluding the top-down adjustment payments were close to forecast.

Net debt at \$62.6 billion (26.5% of GDP) was \$220 million lower than forecast with more money in circulation due to increased Christmas demand.

Gross debt at \$85.4 billion was \$782 million higher than forecast, mainly due to a number of unsettled trades.

	<i>Year to date</i>				<i>Full Year</i>
	November	November	<i>Variance to HYEFU to HYEFU</i>	<i>Variance to HYEFU to HYEFU</i>	June
	2014	2014 HYEFU			2015 HYEFU
\$ million	Actual¹	Forecast¹	\$m	%	Forecast²
Core Crown					
Core Crown tax revenue	25,489	25,583	(94)	(0.4)	65,626
Core Crown revenue	27,965	27,992	(27)	(0.1)	71,466
Core Crown expenses	29,937	30,004	67	0.2	73,018
Core Crown residual cash	(3,243)	(3,202)	(40)	(1.3)	(4,009)
Gross debt ³	85,366	84,583	(782)	(0.9)	80,289
<i>as a percentage of GDP</i>	36.1%	35.7%			33.6%
Net debt ⁴	62,636	62,856	220	0.4	63,494
<i>as a percentage of GDP</i>	26.5%	26.5%			26.5%
Total Crown					
Operating balance before gains and losses	(1,543)	(1,664)	121	7.3	(572)
Operating balance	(1,312)	(846)	(466)	55.1	1,900
Net worth attributable to the Crown	74,297	74,669	(372)	(0.5)	77,376

1 Using GDP for the year ended 30 September 2014 of \$236,757 million (Source: Statistics New Zealand).

2 Using forecast GDP for the year ended 30 June 2015 of \$239,188 million (Source: Treasury).

3 Gross sovereign-issued debt excluding settlement cash and Reserve Bank bills.

4 Net core Crown debt excluding student loans and other advances. Net debt may fluctuate during the year largely reflecting the timing of tax receipts.

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Financial Statements of the Government of New Zealand

For the Five Months Ended
30 November 2014



Prepared by the Treasury
23 January 2015

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New Zealand Government

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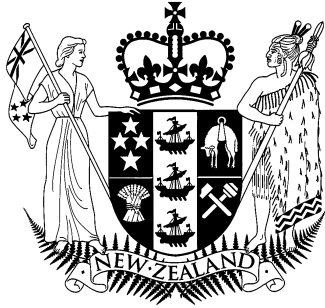
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COMMENTARY

S U M M A R Y

The Financial Statements of the Government provide a record of the Government's financial performance for the five months ended 30 November 2014 and its financial position as at that date.

The November results are reported against forecasts based on the 2014 *Half Year Economic and Fiscal Update* (HYEFU), published on 16 December 2014.

At a Glance

Table 1 – Key indicators for the five months ended 30 November 2014 compared to HYEFU

	Year to date				Full Year
	November 2014	November 2014 HYEFU	Variance to HYEFU	Variance to HYEFU	June 2015 HYEFU
\$ million	Actual ¹	Forecast ¹	\$m	%	Forecast ²
Core Crown					
Core Crown tax revenue	25,489	25,583	(94)	(0.4)	65,626
Core Crown revenue	27,965	27,992	(27)	(0.1)	71,466
Core Crown expenses	29,937	30,004	67	0.2	73,018
Core Crown residual cash	(3,243)	(3,202)	(40)	(1.3)	(4,009)
Gross debt ³	85,366	84,583	(782)	(0.9)	80,289
as a percentage of GDP	36.1%	35.7%			33.6%
Net debt ⁴	62,636	62,856	220	0.4	63,494
as a percentage of GDP	26.5%	26.5%			26.5%
Total Crown					
Operating balance before gains and losses	(1,543)	(1,664)	121	7.3	(572)
Operating balance	(1,312)	(846)	(466)	55.1	1,900
Net worth attributable to the Crown	74,297	74,669	(372)	(0.5)	77,376

1 Using GDP for the year ended 30 September 2014 of \$236,757 million (Source: Statistics New Zealand).

2 Using forecast GDP for the year ended 30 June 2015 of \$239,188 million (Source: Treasury).

3 Gross sovereign-issued debt excluding settlement cash and Reserve Bank bills.

4 Net core Crown debt excluding student loans and other advances. Net debt may fluctuate during the year largely reflecting the timing of tax receipts.

Core Crown includes Ministers, Departments, Offices of Parliament, the NZS Fund and the Reserve Bank of New Zealand but excludes State-owned enterprises and Crown entities.

Results for the five months ended 30 November 2014

Core Crown tax revenue was \$94 million below forecast. GST, source deductions and corporate tax together were collectively \$138 million lower-than-forecast, partly offset by higher-than-forecast customs and excise duties. However year-on-year growth reflected continued positive macroeconomic conditions leading to growth largely in source deductions, GST and corporate tax. This growth meant core Crown tax revenue was \$1.6 billion (6.7%) higher than at the same time last year.

Core Crown expenses were \$67 million lower than forecast at \$29.9 billion. The variance is spread over a number of departments.

When Crown entity and State-owned enterprise results are included the **operating balance before gains and losses** (OBEGAL) deficit was \$121 million lower than expected.

Net Gains were tracking \$0.6 billion below forecast primarily due to a decrease in discount rates, with actuarial losses on the ACC liability contributing \$0.7 billion to the variance. When added to the OBEGAL result, the **operating balance** (at \$1.3 billion in deficit) was \$466 million lower than forecast.

While the **core Crown residual cash deficit** (at \$3.2 billion) was close to forecast, there were a number of overs and unders:

- Core Crown tax receipts were \$84 million higher than forecast, with the main portion being corporate tax receipts, which were \$89 million higher than forecast mainly due to provisional tax receipts.
- Other sovereign receipts were \$120 million higher than forecast with higher collections of fees and levies than expected.
- Operating payments including the top-down adjustment were \$163 million higher-than-forecast. Excluding the top down adjustment payments were close to forecast.

Net debt at \$62.6 billion (26.5% of GDP) was \$220 million lower than forecast with higher issuance of circulating currency due to increased Christmas demand.

Gross debt at \$85.4 billion was \$782 million higher than forecast, mainly due to a number of unsettled trades.

Further analysis of the November results follows.

ANALYSIS

Table 2 – Key indicator variances for the five months ended 30 November 2014 compared to *HYEFU*:

Item/indicator	Variance ¹	Key drivers
Core Crown		
Core Crown revenue	(\$27 million) lower than forecast	<p>While core Crown revenue was close to forecast, core Crown tax revenue was \$94m (0.4%) lower than forecast. GST, source deductions and corporate tax were collectively \$138m lower than forecast.</p> <p>This result was partly offset by customs and excise duties which were \$65m above forecast mainly due to higher than expected importation and production of tobacco products. This variance is expected to reduce once the December seasonal peak has passed.</p>
Core Crown expenses	\$67 million lower than forecast	<p>Core Crown expenses at \$29.9b were \$67m lower than forecast. Excluding the top-down expense adjustment of \$143m, underlying expenses were \$210m lower than expected. The variance is spread over a number of departments.</p>
Core Crown residual cash deficit	(\$40 million) higher than forecast	<p>While the residual cash deficit was close to forecast, there were a number of overs and unders as follows:</p> <ul style="list-style-type: none"> • Core Crown tax receipts were tracking above forecast (\$84m). The main portion of this variance was corporate tax receipts, which were \$89m above forecast mainly due to provisional tax receipts. It is currently unclear if this is timing related or if this will persist. • Other sovereign receipts were \$120m higher than forecast collections of fees and levies. • Operating payments were \$163m higher than forecast. Excluding the top-down adjustment of \$143m, underlying operating payments were close to forecast.
Gross debt	(\$782 million) higher than forecast	<p>Gross debt at \$85.4b (36.1% of GDP) was \$782m higher than forecast, mainly due to unsettled trades held by DMO and Reserve Bank at month end of approximately \$394m. These trades are expected to settle quickly and are therefore expected to be timing in nature.</p>
Net debt	\$220 million lower than forecast	<p>Net debt was \$62.6b, or 26.5% of GDP, \$220m lower than forecast. \$202m of the variance is due to higher issuance of circulating currency to meet public demand (which is expected to subside after Christmas).</p>

¹ Favourable variances against forecast have a positive sign and unfavourable variances against forecast have a negative sign.

Item/indicator	Variance ¹	Key drivers
Total Crown		
Operating balance before gains and losses deficit	\$121 million lower than forecast	The OBEGAL deficit at \$1.5b was \$121m lower than forecast due to lower revenue (\$140m) and lower expenditure (\$217m). This variance was spread across core Crown, SOE's and CE's.
Operating balance	(\$466 million) lower than forecast	<p>The operating balance, in deficit of \$1.3b, was \$466m lower than forecast.</p> <p>In addition to the OBEGAL result, net gains were tracking \$578m below forecast, reflecting changes in short term discount rate assumptions. This reduction in discount rates meant the actuarial loss on the ACC liability contributed \$706m to the variance on losses on non-financial instruments.</p>
Net worth attributable to the Crown	(\$372 million) lower than forecast	Net worth was close to forecast at \$74.3b, with the variance mostly reflecting the lower operating balance.

Table 3 – Fiscal strategy and financial results

Fiscal Strategy	Financial Results	Ret	30 Nov 2014	30 Nov 2014	Variance \$m	Variance ² %	HYEFU Forecast \$m
			Actual \$m	Forecast \$m			
Operating revenue Ensure sufficient operating revenue to meet the operating balance objective	Taxation as a % of GDP	1	25.8%	25.9%			27.4%
	Core Crown taxation revenue ...		25,489	25,583	(94)	(0.4)	65,626
	... combined with other core Crown revenue ...		2,476	2,409	67	2.8	5,840
Operating expenses To control the growth in spending so that over time, core Crown expenses are reduced to below 30% of GDP	... fund core Crown expenses...		(29,937)	(30,004)	67	0.2	(73,018)
	... and with SOE and Crown entity results and core Crown gains and losses...		660	1,166	(506)	(43.4)	3,452
Operating balance Return to an operating surplus sufficient to meet the Government's net capital requirements, including contributions to the New Zealand Superannuation Fund, and ensure consistency with the debt objective	... result in an operating surplus or deficit...		(1,312)	(846)	(466)	(55.1)	1,900
	...with income in SOEs, CEs and the NZS Fund retained...		(1,057)	(1,627)	570	35.0	(4,615)
	... and some items do not impact cash ...		569	718	(149)	(20.8)	2,755
	... leaving operating cash flows to ...		(1,800)	(1,755)	(45)	(2.6)	40
	... meet the capital expenditure budget ...		(798)	(855)	57	6.7	(2,126)
Debt Manage total debt at prudent levels ensuring net debt is reduced to a level no higher than 20% of GDP by 2020. Beyond 2020, maintain net debt within a range of around 10% to 20% of GDP over the economic cycle.	... make advances (e.g. to students and DHBs)...		(645)	(592)	(52)	(8.8)	(2,551)
	... and receive proceeds from government share offers ...		-	-	-	-	628
	With the residual cash ...		(3,243)	(3,202)	(40)	(1.3)	(4,009)
	... when combined with opening net debt ...		59,931	59,931	-	-	59,931
	... and fair value movements and other changes in financial assets and financial liabilities ...		(538)	(277)	260	93.8	(446)
	... results in a closing net debt ...		62,636	62,856	220	0.4	63,494
	... and as a % of GDP		26.5%	26.5%			26.5%

1 GDP for the four months ended 31 October 2014 (actual and forecast) is the actual data for the year ended 30 June 2014 (Source: Statistics New Zealand) pro-rated for four months.

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

YEAR - ON - YEAR PERSPECTIVE

Table 4 – Comparison with previous year

	November 2014	November 2013	Change ¹	Change %
	Actual \$m	Actual \$m	\$m	%
Statement of Financial Performance				
Core Crown revenue				
Taxation revenue	25,489	23,879	1,610	6.7
Other revenue	2,476	2,495	(19)	(0.8)
Total Core Crown Revenue	27,965	26,374	1,591	6.0
Core Crown expenses				
Social security and welfare	9,912	9,596	316	3.3
GSF pension expenses	151	106	45	42.5
Health	6,206	6,091	115	1.9
Education	5,322	5,192	130	2.5
Core government services	1,625	1,720	(95)	(5.5)
Law and order	1,494	1,453	41	2.8
Defence	793	772	21	2.7
Transport and communications	786	812	(26)	(3.2)
Economic and industrial services	900	867	33	3.8
Primary services	268	277	(9)	(3.2)
Heritage, culture and recreation	344	350	(6)	(1.7)
Environmental protection	300	184	116	63.0
Housing and community development	176	180	(4)	(2.2)
Other	69	103	(34)	(33.0)
Finance costs	1,591	1,457	134	9.2
Total Core Crown Expenses	29,937	29,160	777	2.7
Net surplus of SOE/CEs (and inter-segment eliminations)	429	451	(22)	(4.9)
OBE GAL	(1,543)	(2,335)	792	33.9
Total gains/(losses)	115	4,485	(4,370)	(97.4)
Other operating items	116	105	11	10.5
Operating Balance	(1,312)	2,255	(3,567)	(158.2)
Core Crown residual cash	(3,243)	(4,013)	770	19.2
Debt indicators				
Gross debt²	85,366	83,207	2,159	2.6
Net debt³	62,636	59,590	3,046	5.1

¹ Due to the seasonal nature of some expenditure it is not appropriate to annualise these changes.

² Gross sovereign-issued debt excluding settlement cash and Reserve Bank bills.

³ Net core Crown debt excluding NZS Fund, student loans and other advances.

Revenue and Expenses

Core Crown taxation revenue for the five months ended 30 November 2014 increased by \$1,610 million (6.7%) on the same period last year. Improving macroeconomic conditions have led to growth in corporate tax (9.7%), source deductions (5.6%) and GST (4.4%).

Total **core Crown expenses** increased by 2.7% on the same period last year. The main increases relate to the following:

Functional expense	Movement from previous year	Main drivers of the change
Increases:		
Social security and welfare	+ \$316 million	Indexation of welfare benefits and increase in recipient numbers, particularly NZ Superannuitants.
Finance costs	+ \$134 million	A direct result of the increased debt levels currently held.
Education	+ \$130 million	Funding provided in the 2014 Budget to maintain and improve existing service levels.
Environmental protection	+ \$116 million	\$103 million of this relates to the Crown's signing of the Deed of Indemnity with Solid Energy.
Health	+ \$115 million	Funding provided in the 2014 Budget to maintain and improve existing service levels.
Other functional class	- \$34 million	
Total	\$777 million	

Gains/Losses

Total net gains were \$115 million in the five months to November 2014, compared to gains of \$4,485 million in the previous year. Changes in the short term discount rates have contributed to actuarial losses on the ACC and GSF liabilities in the current period, compared to actuarial gains in the previous year.

Debt

Gross debt has increased by \$2,159 million or 2.6% from November 2013. **Net debt** has increased by \$3,046 million over the same time, largely owing to continued cash deficits.



FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE

for the five months ended 30 November 2014

Year to 30 Jun 2014	5 months to 30 Nov 2013			Current Year Actual vs Forecast				Annual
Actual \$m	Actual \$m		Note	Actual \$m	Forecast \$m	Variance \$m	%	Forecast \$m
Revenue								
60,879	23,615	Taxation revenue	2	25,262	25,363	(101)	(0.4)	65,041
5,450	2,264	Other sovereign revenue	2	2,208	2,136	72	3.4	5,103
66,329	25,879	Total Revenue Levied through the Crown's Sovereign Power		27,470	27,499	(29)	(0.1)	70,144
16,472	6,634	Sales of goods and services		6,743	6,846	(103)	(1.5)	16,645
3,175	1,280	Interest revenue and dividends	3	1,420	1,445	(25)	(1.7)	3,709
3,420	1,493	Other revenue		1,475	1,458	17	1.2	3,802
23,067	9,407	Total revenue earned through the Crown's operations		9,638	9,749	(111)	(1.1)	24,156
89,396	35,286	Total revenue (excluding gains)		37,108	37,248	(140)	(0.4)	94,300
Expenses								
23,360	9,665	Transfer payments and subsidies	4	9,801	9,842	41	0.4	23,890
20,484	8,447	Personnel expenses	5	8,739	8,714	(25)	(0.3)	21,058
4,872	1,790	Depreciation and amortisation	6	1,852	1,888	36	1.9	4,844
35,553	14,656	Other operating expenses	6	14,808	15,150	342	2.3	37,209
4,400	1,773	Interest expenses	7	1,883	1,903	20	1.1	4,665
3,501	1,290	Insurance expenses	8	1,366	1,312	(54)	(4.1)	3,678
-	-	Forecast new operating spending	6	-	-	-	-	123
-	-	Top-down expense adjustment	6	-	(143)	(143)	(100.0)	(950)
92,170	37,621	Total expenses (excluding losses)		38,449	38,666	217	0.6	94,517
(159)	-	Minority interests share of operating balance before gains/losses		(202)	(246)	44	17.9	(355)
(2,933)	(2,335)	Operating balance before gains/(losses)		(1,543)	(1,664)	121	7.3	(572)
4,841	2,844	Net gains/(losses) on financial instruments	9	2,609	2,464	145	5.9	3,938
540	1,641	Net gains/(losses) on non-financial instruments	10	(2,494)	(1,771)	(723)	(40.8)	(1,782)
5,381	4,485	Total gains/(losses)		115	693	(578)	(83.4)	2,156
360	105	Net surplus/(deficit) from associates and joint ventures		116	125	(9)	(7.2)	316
2,808	2,255	Operating balance		(1,312)	(846)	(466)	(55.1)	1,900

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

ANALYSIS OF EXPENSES BY FUNCTIONAL CLASSIFICATION

for the five months ended 30 November 2014

Year to 30 Jun 2014 Actual \$m	5 months to 30 Nov 2013 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Total Crown expenses							
27,266	11,140	Social security and welfare	11,553	11,484	(69)	(0.6)	28,200
295	110	GSF pension expenses	156	157	1	0.6	376
14,344	5,901	Health	6,108	6,125	17	0.3	14,828
13,064	5,689	Education	5,767	5,834	67	1.1	13,595
4,104	1,598	Core government services	1,462	1,545	83	5.4	4,483
3,730	1,538	Law and order	1,589	1,601	12	0.7	3,857
1,776	754	Defence	771	793	22	2.8	1,928
9,137	3,506	Transport and communications	3,540	3,594	54	1.5	9,545
7,767	3,124	Economic and industrial services	3,228	3,242	14	0.4	7,703
2,372	990	Heritage, culture and recreation	941	985	44	4.5	2,293
1,703	706	Primary services	730	760	30	3.9	1,888
1,095	505	Housing and community development	455	509	54	10.6	1,152
538	184	Environmental protection	197	206	9	4.4	563
579	103	Other	69	71	2	2.8	268
4,400	1,773	Finance costs	1,883	1,903	20	1.1	4,665
-	-	Forecast new operating spending	-	-	-	-	123
-	-	Top-down expense adjustment	-	(143)	(143)	(100.0)	(950)
92,170	37,621	Total Crown expenses excluding losses	38,449	38,666	217	0.6	94,517

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 Jun 2014 Actual \$m	5 months to 30 Nov 2013 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Core Crown expenses							
23,281	9,596	Social security and welfare	9,912	9,919	7	0.1	23,917
282	106	GSF pension expenses	151	150	(1)	(0.7)	360
14,898	6,091	Health	6,206	6,233	27	0.4	15,110
12,300	5,192	Education	5,322	5,371	49	0.9	12,861
4,502	1,720	Core government services	1,625	1,693	68	4.0	4,839
3,501	1,453	Law and order	1,494	1,491	(3)	(0.2)	3,595
1,811	772	Defence	793	813	20	2.5	1,977
2,237	812	Transport and communications	786	794	8	1.0	2,297
2,058	867	Economic and industrial services	900	901	1	0.1	2,239
842	350	Heritage, culture and recreation	344	359	15	4.2	781
676	277	Primary services	268	286	18	6.3	754
347	180	Housing and community development	176	182	6	3.3	372
533	184	Environmental protection	300	306	6	2.0	659
579	103	Other	69	71	2	2.8	268
3,620	1,457	Finance costs	1,591	1,578	(13)	(0.8)	3,816
-	-	Forecast new operating spending	-	-	-	-	123
-	-	Top-down expense adjustment	-	(143)	(143)	(100.0)	(950)
71,467	29,160	Core Crown expenses excluding losses	29,937	30,004	67	0.2	73,018

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

STATEMENT OF COMPREHENSIVE INCOME

for the five months ended 30 November 2014

Year to 30 Jun 2014 Actual \$m	5 months to 30 Nov 2013 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
2,946	2,255	Operating Balance (including minority interest)	(1,121)	(638)	(483)	(75.7)	2,291
		Other comprehensive income					
5,395	(51)	Revaluation of physical assets	-	(28)	28	100.0	(9)
30	(42)	Effective portion of changes in value of cash flow hedges	(1)	(67)	66	98.5	(67)
(45)	(5)	Net change in fair value of cash flow hedges transferred to operating balance	33	(46)	79	171.7	19
(19)	4	Net change in fair value of cash flow hedges transferred to the hedged item	(1)	(2)	1	50.0	(2)
(51)	(27)	Foreign currency translation differences for foreign operations	50	14	36	257.1	11
(36)	(79)	Valuation gains/(losses) on investments available for sale taken to reserves	7	30	(23)	(76.7)	19
1	26	Other movements	(4)	(4)	-	-	(13)
5,275	(174)	Total other comprehensive income	84	(103)	187	181.6	(42)
8,221	2,081	Total comprehensive income	(1,037)	(741)	(296)	(39.9)	2,249
		Attributable to:					
147	-	- minority interest	34	(55)	89	161.8	441
8,074	2,081	- the Crown	(1,071)	(686)	(385)	(56.1)	1,808
8,221	2,081	Total comprehensive income	(1,037)	(741)	(296)	(39.9)	2,249

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

STATEMENT OF CASH FLOWS

for the five months ended 30 November 2014

Year to 30 Jun 2014 Actual \$m	5 months to 30 Nov 2013 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Cash Flows From Operations							
Cash was provided from							
59,853	22,967	Taxation receipts	24,930	24,838	92	0.4	64,129
4,974	2,273	Other sovereign receipts	2,342	2,254	88	3.9	4,673
16,608	6,695	Sales of goods and services	6,979	7,298	(319)	(4.4)	16,759
2,945	1,223	Interest and dividends	1,373	1,289	84	6.5	3,660
5,737	2,708	Other operating receipts	1,651	1,720	(69)	(4.0)	4,535
90,117	35,866	Total cash provided from operations	37,275	37,399	(124)	(0.3)	93,756
Cash was disbursed to							
23,447	10,080	Transfer payments and subsidies	9,861	9,817	(44)	(0.4)	24,015
59,891	26,373	Personnel and operating payments	26,394	27,105	711	2.6	62,143
4,312	1,718	Interest payments	1,821	1,965	144	7.3	4,964
-	-	Forecast new operating spending	-	-	-	-	123
-	-	Top-down expense adjustment	-	(143)	(143)	(100.0)	(950)
87,650	38,171	Total cash disbursed to operations	38,076	38,744	668	1.7	90,295
2,467	(2,305)	Net cash flows from operations	(801)	(1,345)	544	40.4	3,461
Cash Flows From Investing Activities							
Cash was provided from/(disbursed to)							
(5,503)	(2,296)	Net purchase of physical assets	(2,228)	(2,534)	306	12.1	(7,767)
(5,725)	(4,609)	Net (purchase)/sale of shares and other securities	(1,958)	(763)	(1,195)	(156.6)	3,747
(658)	(240)	Net (purchase)/sale of intangible assets	(238)	(246)	8	3.3	(385)
(1,529)	8	Net (issue)/repayment of advances	(517)	(706)	189	26.8	(2,043)
73	52	Net acquisition of investments in associates	(61)	4	(65)	-	(42)
-	-	Forecast new capital spending	-	-	-	-	(113)
-	-	Top-down capital adjustment	-	86	(86)	(100.0)	575
(13,342)	(7,085)	Net cash flows from investing activities	(5,002)	(4,159)	(843)	(20.3)	(6,028)
(10,875)	(9,390)	Net cash flows from operating and investing activities	(5,803)	(5,504)	(299)	(5.4)	(2,567)
Cash Flows From Financing Activities							
Cash was provided from/(disbursed to)							
274	277	Issues of circulating currency	304	102	202	198.0	130
2,186	1,521	Net proceeds from Government share offer	-	-	-	-	598
5,520	5,324	Net issue/(repayment) of Government bonds	3,928	4,005	(77)	(1.9)	(547)
1,442	201	Net issue/(repayment) of foreign currency borrowing	(972)	(966)	(6)	(0.6)	(1,447)
(832)	(269)	Net issue/(repayment) of other New Zealand dollar borrowing	1,293	1,460	(167)	(11.4)	3,126
(166)	-	Dividends paid to minority interests	(285)	(243)	(42)	(17)	(398)
8,424	7,054	Net cash flows from financing activities	4,268	4,358	(90)	(2.1)	1,462
(2,451)	(2,336)	Net movement in cash	(1,535)	(1,146)	(389)	(33.9)	(1,105)
14,924	14,924	Opening Cash Balance	11,888	11,888	-	-	11,888
(585)	(260)	Foreign-exchange gains/(losses) on opening cash	322	374	(52)	(13.9)	383
11,888	12,328	Closing Cash Balance	10,675	11,116	(441)	(4.0)	11,166

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 2014

Year to 30 Jun 2014 Actual \$m	5 months to 30 Nov 2013 Actual \$m		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							
2,467	(2,305)	Net Cash Flows from Operations	(801)	(1,345)	544	40.4	3,461
Items included in the operating balance but not in net cash flows from operations							
Gains/(losses)							
4,841	2,844	Gains/(losses) on financial instruments	2,609	2,464	145	5.9	3,938
540	1,641	Gains/(losses) on non-financial instruments	(2,494)	(1,771)	(723)	(40.8)	(1,782)
5,381	4,485	Total gains/(losses)	115	693	(578)	(83.4)	2,156
Other Non-cash Items in Operating Balance							
(4,872)	(1,790)	Depreciation and amortisation	(1,852)	(1,888)	36	1.9	(4,844)
(789)	(216)	Write-down on initial recognition of financial assets	(188)	(191)	3	1.6	(786)
(47)	(30)	Impairment of financial assets (excluding receivables)	(8)	(10)	2	20.0	(125)
442	169	Non-cash movement in defined benefit retirement plan liabilities	126	137	(11)	(8.0)	399
1,409	1,747	Non-cash movement in insurance liabilities	1,501	1,629	(128)	(7.9)	968
202	104	Other	(85)	(124)	39	31.5	(39)
(3,655)	(16)	Total other non-cash Items	(506)	(447)	(59)	(13.2)	(4,427)
Movements in Working Capital							
(1,553)	(1,773)	Increase/(decrease) in receivables	(2,133)	(1,209)	(924)	(76.4)	385
143	2	Increase/(decrease) in accrued interest	(14)	219	(233)	(106.4)	349
(41)	41	Increase/(decrease) in inventories	5	33	(28)	(84.8)	3
39	394	Increase/(decrease) in prepayments	444	359	85	23.7	(64)
(248)	(96)	Decrease/(increase) in deferred revenue	(159)	(30)	(129)	(430.0)	12
275	1,523	Decrease/(increase) in payables/provisions	1,737	881	856	97.2	25
(1,385)	91	Total movements in working capital	(120)	253	(373)	(147.4)	710
2,808	2,255	Operating Balance	(1,312)	(846)	(466)	(55.1)	1,900

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

STATEMENT OF CHANGES IN NET WORTH

for the five months ended 30 November 2014

Year to 30 Jun 2014	5 months to 30 Nov 2013		Current Year Actual vs Forecast				Annual Forecast
Actual \$m	Actual \$m		Actual \$m	Forecast \$m	Variance \$m	%	Forecast \$m
70,011	70,011	Opening net worth	80,779	80,779	-	-	80,779
2,946	2,255	Operating balance (including minority interest)	(1,121)	(638)	(483)	(75.7)	2,291
5,395	(51)	Net revaluations	-	(28)	28	100.0	(9)
(2)	(103)	Transfers to/(from) reserves	47	(94)	141	150.0	38
		(Gains)/losses transferred to the					
(43)	(5)	statement of financial performance	-	(10)	10	100.0	(7)
(75)	9	Other movements	37	29	8	27.6	(64)
8,221	2,105	Total comprehensive income	(1,037)	(741)	(296)	(39.9)	2,249
(577)	(358)	Gain/(loss) on Government share offers in SOEs	-	-	-	-	-
		Increase in minority interest from Government					
3,308	2,528	share offers	-	-	-	-	-
(184)	-	Transactions with minority interests	(200)	(213)	13	6.1	(468)
80,779	74,286	Closing net worth	79,542	79,825	(283)	(0.4)	82,560
		Attributable to:					
5,211	4,468	- minority interest	5,245	5,156	89	1.7	5,184
75,568	69,818	- the Crown	74,297	74,669	(372)	(0.5)	77,376
80,779	74,286	Closing net worth	79,542	79,825	(283)	(0.4)	82,560

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

STATEMENT OF FINANCIAL POSITION

as at 30 November 2014

As at 30 Jun 2014 Actual \$m	As at 30 Nov 2013 Actual \$m			Current Year Actual vs Forecast				Annual Forecast \$m
			Note	Actual \$m	Forecast \$m	Variance \$m	%	
Assets								
11,888	12,328	Cash and cash equivalents	12	10,675	11,116	(441)	(4.0)	11,166
17,480	18,294	Receivables	12	15,334	16,336	(1,002)	(6.1)	17,602
		Marketable securities, deposits and derivatives in gain	12	48,950	50,098	(1,148)	(2.3)	45,459
48,457	46,832	Share investments	12	22,762	21,623	1,139	5.3	22,718
20,596	19,967	Advances	12	25,095	25,342	(247)	(1.0)	26,428
24,756	22,996	Inventory		1,104	1,132	(28)	(2.5)	1,102
1,099	1,181	Other assets		2,967	2,832	135	4.8	2,279
2,510	2,758	Property, plant & equipment	13	117,220	117,553	(333)	(0.3)	120,046
116,306	110,510	Equity accounted investments ¹		10,321	10,214	107	1.0	10,519
10,071	9,713	Intangible assets and goodwill		2,948	2,908	40	1.4	3,066
2,920	2,793	Forecast for new capital spending		-	-	-	-	113
-	-	Top-down capital adjustment		-	(86)	86	100.0	(575)
-	-							
256,083	247,372	Total assets		257,376	259,068	(1,692)	(0.7)	259,923
Liabilities								
4,964	4,968	Issued currency		5,269	5,066	(203)	(4.0)	5,153
11,294	10,450	Payables	15	9,862	11,080	1,218	11.0	12,319
1,962	1,810	Deferred revenue		2,121	1,993	(128)	(6.4)	1,950
103,419	103,392	Borrowings		106,454	107,985	1,531	1.4	104,442
35,825	34,621	Insurance liabilities	16	36,346	35,513	(833)	(2.3)	36,173
10,885	11,195	Retirement plan liabilities		11,163	11,153	(10)	(0.1)	10,891
6,955	6,650	Provisions	17	6,619	6,453	(166)	(2.6)	6,435
175,304	173,086	Total liabilities		177,834	179,243	1,409	0.8	177,363
80,779	74,286	Total assets less total liabilities		79,542	79,825	(283)	(0.4)	82,560
Net Worth								
13,300	12,861	Taxpayer funds	18	12,054	12,519	(465)	(3.7)	15,271
62,225	56,990	Revaluation reserve	18	62,200	62,189	11	-	62,153
43	(33)	Other reserves	18	43	(39)	82	210.3	(48)
75,568	69,818	Total net worth attributable to the Crown		74,297	74,669	(372)	(0.5)	77,376
		Net worth attributable to minority interest	18	5,245	5,156	89	1.7	5,184
5,211	4,468							
80,779	74,286	Total net worth		79,542	79,825	(283)	(0.4)	82,560

1. Tertiary education institutions constitute most equity accounted investments.

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

STATEMENT OF BORROWINGS

as at 30 November 2014

As at 30 Jun 2014 Actual \$m	As at 30 Nov 2013 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
60,337	60,863	Government bonds ¹	62,104	62,933	829	1.3	58,375
3,147	3,968	Treasury bills	3,808	3,709	(99)	(2.7)	4,129
183	192	Government retail stock	178	182	4	2.2	181
7,758	7,321	Settlement deposits with Reserve Bank	7,539	7,695	156	2.0	7,695
2,245	2,267	Derivatives in loss	2,555	2,913	358	12.3	2,680
1,501	1,462	Finance lease liabilities	1,689	1,765	76	4.3	1,991
28,248	27,319	Other borrowings	28,581	28,788	207	0.7	29,391
103,419	103,392	Total borrowings	106,454	107,985	1,531	1.4	104,442
77,461	78,518	Sovereign-guaranteed debt	79,936	80,059	123	0.2	75,862
25,958	24,874	Non sovereign-guaranteed debt	26,518	27,926	1,408	5.0	28,580
103,419	103,392	Total borrowings	106,454	107,985	1,531	1.4	104,442
		Net Debt:					
89,090	89,822	Core Crown borrowings ²	92,749	91,912	(837)	(0.9)	87,604
(622)	(646)	Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(1,123)	(839)	284	33.8	(847)
88,468	89,176	Gross sovereign-issued debt³	91,626	91,073	(553)	(0.6)	86,757
68,047	66,056	Less core Crown financial assets ⁴	70,384	69,070	1,314	1.9	65,846
20,421	23,120	Net core Crown debt	21,242	22,003	761	3.5	20,911
13,753	13,136	Add back core Crown advances	13,886	13,870	(16)	(0.1)	14,502
34,174	36,256	Net core Crown debt (incl NZS Fund)⁵	35,128	35,873	745	2.1	35,413
25,757	23,334	Add back NZS Fund holdings of core Crown financial assets and NZS Fund fin assets ⁶	27,508	26,983	(525)	(1.9)	28,081
59,931	59,590	Net core Crown debt (excl NZS Fund and advances)⁷	62,636	62,856	220	0.4	63,494
		Gross Debt:					
88,468	89,176	Gross sovereign-issued debt ³	91,626	91,073	(553)	(0.6)	86,757
(8,112)	(7,569)	Less Reserve Bank settlement cash and Reserve Bank bills	(7,860)	(8,090)	(229)	(2.8)	(8,068)
1,600	1,600	Add back changes to DMO borrowing due to settlement cash ⁸	1,600	1,600	-	-	1,600
81,956	83,207	Gross sovereign-issued debt excluding Reserve Bank settlement cash and Reserve bank bills	85,366	84,583	(782)	(0.9)	80,289

Notes on gross and net debt:

- Government bonds includes \$395 million of infrastructure bonds.
- Core Crown borrowings in this instance includes unsettled purchases of securities (classified as accounts payable in the statement of financial position).
- Gross Sovereign-Issued Debt (GSID) represents debt issued by the sovereign (the core Crown) and includes Government stock held by the New Zealand Superannuation Fund (NZS Fund), ACC and EQC.
- Core Crown financial assets exclude receivables.
- Net Core Crown Debt represents GSID less financial assets. This can provide information about the sustainability of the Government's accounts, and is used by some international agencies when determining the creditworthiness of a country.
- Adding back the NZS Fund assets provides the financial liabilities less financial assets of the Core Crown, excluding those assets set aside to meet part of the future cost of New Zealand superannuation.
- Net Core Crown Debt (excluding NZS Fund and advances) excludes financial assets which are held for public policy rather than treasury management purposes.
- The Reserve Bank has used \$1.6 billion of settlement cash to purchase reserves that were to have been funded by the NZ Debt Management Office borrowing. Therefore, the impact of settlement cash on GSID is adjusted by this amount.

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

STATEMENT OF COMMITMENTS

as at 30 November 2014

	As at 30 Nov 2014 \$m	As at 30 Jun 2014 \$m	As at 30 Nov 2013 \$m
Capital Commitments			
Specialist military equipment	595	732	407
Land and buildings	1,178	878	727
Other property, plant and equipment	5,346	5,307	5,376
Other capital commitments	858	919	760
Tertiary Education Institutions	201	201	169
Total capital commitments	8,178	8,037	7,439
Operating Commitments			
Non-cancellable accommodation leases	2,973	3,059	2,683
Other non-cancellable leases	2,307	2,340	2,610
Tertiary Education Institutions	494	494	466
Total operating commitments	5,774	5,893	5,759
Total commitments	13,952	13,930	13,198
Total Commitments by Segment			
Core Crown	5,096	4,916	3,831
Crown entities	5,394	5,465	5,280
State-owned Enterprises	4,838	4,847	5,061
Inter-segment eliminations	(1,375)	(1,298)	(974)
Total commitments	13,952	13,930	13,198

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

as at 30 November 2014

	As at 30 Nov 2014 \$m	As at 30 Jun 2014 \$m	As at 30 Nov 2013 \$m
Quantifiable Contingent Liabilities			
Guarantees and indemnities	220	222	178
Uncalled capital	6,058	5,662	6,055
Legal proceedings and disputes	483	604	677
Other contingent liabilities	384	357	441
Total quantifiable contingent liabilities	7,145	6,845	7,351
Total Quantifiable Contingent Liabilities by Segment			
Core Crown	6,873	6,568	7,028
Crown entities	43	44	53
State-owned Enterprises	229	233	270
Inter-segment eliminations	-	-	-
Total quantifiable contingent liabilities	7,145	6,845	7,351
Quantifiable Contingent Assets			
Core Crown	140	129	228
Crown entities	4	4	4
State owned enterprises	12	-	-
Inter-segment eliminations	-	-	-
Total quantifiable contingent assets	156	133	232

A list of unquantified contingent liabilities is included on the Treasury's website
<http://www.treasury.govt.nz/government/financialstatements/yearend/jun14/74.htm>

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 are the consolidated financial statements for the Government reporting entity as specified in Part III of the Public Finance Act 1989. This comprises:

- Ministers of the Crown
- Government Departments
- Offices of Parliament
- New Zealand Superannuation Fund
- Reserve Bank of New Zealand
- State-Owned Enterprises (SOEs)
- Crown Entities (excluding Tertiary Education Institutions)
- Air New Zealand Limited
- Organisations listed in Schedule 4 and 4A of the Public Finance Act 1989
- Organisations listed in Schedule 5 of the Public Finance Act 1989
- Organisations listed in Schedule 6 of the Public Finance Act 1989

A schedule of the entities that are included in the Government reporting entity was set out on pages 91 - 93 of the *2014 Half Year Economic and Fiscal Update* released on 16 December 2014.

With the exception of the 30 June 2014 comparative figures, all actual, forecast and comparative figures presented in these financial statements are unaudited.

Basis of Preparation and General Accounting Policies

These unaudited interim financial statements of the Government reporting entity comply with generally accepted accounting practice as defined in the Financial Reporting Act 2013 and have been prepared in accordance with Public Sector PBE Accounting Standards (PBE Standards), including 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.

These financial statements are the first interim set prepared in accordance with PBE Standards. There were no material adjustments as a result of transitioning to PBE standards.

The measurement base applied is historical cost adjusted for revaluations of property, plant and equipment (where appropriate), commercial forests; and marketable securities, deposits and equity investments held for trading purposes. The accrual basis of accounting has been used unless otherwise stated.

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:

<http://www.treasury.govt.nz/publications/guidance/reporting/accounting>

Forecasts

The annual forecasts in these financial statements are for the year to 30 June 2015.

The accounting policies underlying the preparation of forecasts are set out in the Statement of Accounting Policies reproduced in full on the Treasury's internet site:

<http://www.treasury.govt.nz/publications/guidance/reporting/accounting>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting Policies (continued)

Comparative Figures

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

Variance Percentages

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

Judgements and Estimates

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income 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.

A further area of uncertainty relates to the estimation of the claims and provisions arising from the Canterbury earthquakes. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 Actual \$m	5 months to 30 Nov 2013 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 2: Sovereign Revenue (Accrual)							
Taxation Revenue (accrual)							
Individuals							
23,738	9,893	Source deductions	10,447	10,487	(40)	(0.4)	25,034
5,216	1,971	Other persons	2,076	2,097	(21)	(1.0)	5,347
(1,573)	(570)	Refunds	(551)	(562)	11	2.0	(1,517)
489	189	Fringe benefit tax	195	192	3	1.6	505
27,870	11,483	Total individuals	12,167	12,214	(47)	(0.4)	29,369
Corporate Tax							
9,020	2,570	Gross companies tax	2,839	2,924	(85)	(2.9)	9,840
(192)	(74)	Refunds	(50)	(56)	6	10.7	(198)
428	145	Non-resident withholding tax	166	140	26	18.6	467
8	(1)	Foreign-source dividend w/holding payments	(5)	(5)	-	-	(3)
9,264	2,640	Total corporate tax	2,950	3,003	(53)	(1.8)	10,106
Other Income Tax							
1,644	641	Resident w/holding tax on interest income	699	699	-	-	1,813
446	161	Resident w/holding tax on dividend income	192	193	(1)	(0.5)	494
2,090	802	Total other income tax	891	892	(1)	(0.1)	2,307
39,224	14,925	Total income tax	16,008	16,109	(101)	(0.6)	41,782
Goods and Services Tax							
27,208	10,877	Gross goods and services tax	11,381	11,582	(201)	(1.7)	28,799
(11,191)	(4,501)	Refunds	(4,721)	(4,866)	145	3.0	(11,428)
16,017	6,376	Total goods and services tax	6,660	6,716	(56)	(0.8)	17,371
Other Taxation							
1,205	494	Road user charges	532	538	(6)	(1.1)	1,246
1,612	616	Petroleum fuels excise ¹	680	691	(11)	(1.6)	1,709
892	378	Alcohol excise ¹	406	401	5	1.2	923
1,272	548	Tobacco excise ¹	693	624	69	11.1	1,358
172	78	Other customs duty	75	73	2	2.7	157
211	89	Gaming duties	90	88	2	2.3	213
187	77	Motor vehicle fees	82	83	(1)	(1.2)	199
52	22	Approved issuer levy and cheque duty	21	26	(5)	(19.2)	50
35	12	Energy resources levies	15	14	1	7.1	33
5,638	2,314	Total other indirect taxation	2,594	2,538	56	2.2	5,888
21,655	8,690	Total indirect taxation	9,254	9,254	-	-	23,259
60,879	23,615	Total taxation revenue	25,262	25,363	(101)	(0.4)	65,041
Other Sovereign Revenue (accrual)							
3,600	1,483	ACC levies	1,380	1,336	44	3.3	3,195
339	154	Fire Service levies	168	161	7	4.3	350
274	113	EQC levies	116	117	(1)	(0.9)	282
1,237	514	Other miscellaneous items	544	522	22	4.2	1,276
5,450	2,264	Total other sovereign revenue	2,208	2,136	72	3.4	5,103
66,329	25,879	Total sovereign revenue	27,470	27,499	(29)	(0.1)	70,144

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

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 Actual \$m	5 months to 30 Nov 2013 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 2 (continued): Sovereign Receipts (Cash)							
Income Tax Receipts (cash)							
Individuals							
23,621	9,768	Source deductions	10,330	10,371	(41)	(0.4)	24,886
5,466	1,675	Other persons	1,818	1,818	-	-	5,900
(2,276)	(1,093)	Refunds	(1,102)	(1,114)	12	1.1	(2,293)
482	224	Fringe benefit tax	237	234	3	1.3	503
27,293	10,574	Total individuals	11,283	11,309	(26)	(0.2)	28,996
Corporate Tax							
9,374	3,338	Gross companies tax	3,879	3,860	19	0.5	10,083
(563)	(237)	Refunds	(236)	(236)	-	-	(639)
405	155	Non-resident withholding tax	213	200	13	6.5	491
-	-	Foreign-source dividend w/holding payments	(5)	(5)	-	-	(3)
9,216	3,256	Total corporate tax	3,851	3,819	32	0.8	9,932
Other Income Tax							
1,629	662	Resident w/holding tax on interest income	719	737	(18)	(2.4)	1,811
449	172	Resident w/holding tax on dividend income	204	210	(6)	(2.9)	494
2,078	834	Total other income tax	923	947	(24)	(2.5)	2,305
38,587	14,664	Total income tax	16,057	16,075	(18)	(0.1)	41,233
Goods and Services Tax							
26,596	10,406	Gross goods and services tax	11,001	11,074	(73)	(0.7)	27,934
(10,948)	(4,389)	Refunds	(4,691)	(4,822)	131	2.7	(10,928)
15,648	6,017	Total goods and services tax	6,310	6,252	58	0.9	17,006
Other Taxation							
1,187	473	Road user charges	529	538	(9)	(1.7)	1,246
1,780	721	Excise duties	758	737	21	2.8	1,899
2,179	875	Customs duty	1,040	1,025	15	1.5	2,248
208	86	Gaming duties	90	88	2	2.3	213
178	94	Motor vehicle fees	102	83	19	22.9	199
51	25	Approved issuer levy and cheque duty	29	26	3	11.5	52
35	12	Energy resources levies	15	14	1	7.1	33
5,618	2,286	Total other indirect taxation	2,563	2,511	52	2.1	5,890
21,266	8,303	Total indirect taxation	8,873	8,763	110	1.3	22,896
59,853	22,967	Total tax receipts collected	24,930	24,838	92	0.4	64,129
Other Sovereign Receipts (cash)							
3,579	1,662	ACC levies	1,582	1,618	(36)	(2.2)	3,219
340	154	Fire Service levies	168	161	7	4.3	350
273	121	EQC levies	123	124	(1)	(0.8)	284
782	336	Other miscellaneous items	469	351	118	33.6	820
4,974	2,273	Total other sovereign receipts	2,342	2,254	88	3.9	4,673
64,827	25,240	Total sovereign receipts	27,272	27,092	180	0.7	68,802

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 Actual \$m	5 months to 30 Nov 2013 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 3: Interest Revenue and Dividends							
<i>By type</i>							
2,516	989	Interest revenue	1,134	1,188	(54)	(4.5)	3,075
659	291	Dividends	286	257	29	11.3	634
3,175	1,280	Total interest revenue and dividends	1,420	1,445	(25)	(1.7)	3,709
<i>By source</i>							
2,295	1,109	Core Crown	1,164	1,148	16	1.4	2,372
1,249	465	Crown entities	594	562	32	5.7	1,465
879	359	State-owned Enterprises	436	423	13	3.1	1,072
(1,248)	(653)	Inter-segment eliminations	(774)	(688)	(86)	(12.5)	(1,200)
3,175	1,280	Total interest revenue and dividends	1,420	1,445	(25)	(1.7)	3,709
NOTE 4: Transfer Payments and Subsidies							
10,913	4,485	New Zealand superannuation	4,788	4,790	2	-	11,577
1,691	672	Jobseeker support and emergency benefit	700	701	1	0.1	1,679
1,422	558	Supported living payment	633	632	(1)	(0.2)	1,513
1,222	498	Sole parent support	504	504	-	-	1,187
1,965	831	Family tax credit	753	784	31	4.0	1,890
567	223	Other working for families tax credits	224	207	(17)	(8.2)	557
1,146	482	Accommodation assistance	471	472	1	0.2	1,132
660	273	Income related rents	291	288	(3)	(1.0)	718
379	159	Disability assistance	158	158	-	-	379
539	281	Student allowances	272	270	(2)	(0.7)	523
1,519	753	Other social assistance benefits	561	577	16	2.8	1,350
22,023	9,215	Total social assistance grants	9,355	9,383	28	0.3	22,505
Subsidies							
804	334	KiwiSaver	348	352	4	1.1	854
Other transfer payments							
533	116	Official development assistance	98	107	9	8.4	531
23,360	9,665	Total transfer payments and subsidies	9,801	9,842	41	0.4	23,890
NOTE 5: Personnel Expenses							
6,232	2,588	Core Crown	2,707	2,697	(10)	(0.4)	6,507
11,315	4,654	Crown entities	4,836	4,844	8	0.2	11,688
2,956	1,210	State-owned Enterprises	1,203	1,177	(26)	(2.2)	2,874
(19)	(5)	Inter-segment eliminations	(7)	(4)	3	75.0	(11)
20,484	8,447	Total personnel expenses	8,739	8,714	(25)	(0.3)	21,058

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 Actual \$m	5 months to 30 Nov 2013 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 6: Operating Expenses							
<i>By type</i>							
4,872	1,790	Depreciation and amortisation	1,852	1,888	36	1.9	4,844
35,553	14,656	Other operating expenses	14,808	15,150	342	2.3	37,209
-	-	Forecast new operating spending	-	-	-	-	123
-	-	Top-down expense adjustment	-	(143)	(143)	(100.0)	(950)
40,425	16,446	Total operating expenses	16,660	16,895	235	1.4	41,226
<i>By source</i>							
38,252	15,454	Core Crown	15,841	15,888	47	0.3	38,804
18,959	8,121	Crown entities	8,164	8,278	114	1.4	19,793
10,777	4,247	State-owned Enterprises	4,393	4,476	83	1.9	10,887
(27,563)	(11,376)	Inter-segment eliminations	(11,738)	(11,747)	(9)	(0.1)	(28,258)
40,425	16,446	Total operating expenses	16,660	16,895	235	1.4	41,226
NOTE 7: Interest Expenses							
<i>By type</i>							
4,360	1,757	Interest on financial liabilities	1,868	1,879	11	0.6	4,615
40	16	Interest unwind on provisions	15	24	9	37.5	50
4,400	1,773	Total interest expenses	1,883	1,903	20	1.1	4,665
<i>By source</i>							
3,620	1,457	Core Crown	1,591	1,578	(13)	(0.8)	3,816
219	92	Crown entities	93	94	1	1.1	224
1,161	472	State-owned Enterprises	518	527	9	1.7	1,348
(600)	(248)	Inter-segment eliminations	(319)	(296)	23	7.8	(723)
4,400	1,773	Total interest expenses	1,883	1,903	20	1.1	4,665
NOTE 8: Insurance Expenses							
<i>By entity</i>							
3,484	1,314	ACC	1,395	1,331	(64)	(4.8)	3,675
(111)	(41)	EQC	(86)	(76)	10	13.2	(21)
87	14	Southern Response	51	51	-	-	12
17	3	Other insurance expenses	6	6	-	-	12
24	-	Inter-segment eliminations	-	-	-	-	-
3,501	1,290	Total insurance expenses	1,366	1,312	(54)	(4.1)	3,678
NOTE 9: Gains and Losses on Financial Instruments							
<i>By source</i>							
4,045	2,336	Core Crown	1,947	1,701	246	14.5	3,140
702	101	Crown entities	1,237	817	420	51.4	994
182	118	State-owned Enterprises	(54)	62	(116)	(187.1)	3
(88)	289	Inter-segment eliminations	(521)	(116)	(405)	(349.1)	(199)
4,841	2,844	Net gains/(losses) on financial instruments	2,609	2,464	145	5.9	3,938

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 Actual \$m	5 months to 30 Nov 2013 Actual \$m	Current Year Actual vs Forecast				Annual Forecast \$m
		Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 10: Gains and Losses on Non-Financial Instruments						
By type						
577	539	Actuarial gains/(losses) on GSF liability ¹	(405)	(405)	-	(405)
479	1,343	Actuarial gains/(losses) on ACC liability ²	(2,022)	(1,316)	(706)	(53.6)
(516)	(241)	Other	(67)	(50)	(17)	(34.0)
540	1,641	Net gains/(losses) on non-financial instruments	(2,494)	(1,771)	(723)	(40.8)
By source						
220	309	Core Crown	(474)	(456)	(18)	(3.9)
477	1,337	Crown entities	(2,018)	(1,313)	(705)	(53.7)
(156)	(5)	State-owned Enterprises	(3)	(2)	(1)	(50.0)
(1)	-	Inter-segment eliminations	1	-	1	-
540	1,641	Net gains/(losses) on non-financial instruments	(2,494)	(1,771)	(723)	(40.8)
NOTE 11: Operating Balance						
By source						
203	(108)	Core Crown	(489)	(749)	260	34.7
2,874	2,194	Crown entities	43	244	(201)	(82.4)
428	421	State-owned Enterprises	154	197	(43)	(21.8)
(697)	(252)	Inter-segment eliminations	(1,020)	(538)	(482)	(89.6)
2,808	2,255	Total operating balance	(1,312)	(846)	(466)	(55.1)

1. The most recent GSF valuation was as at 30 September 2014.

2. The most recent ACC valuation was as at 30 June 2014, updated monthly for changes to discount rates.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2014 \$m	As at 30 Nov 2013 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 12: Financial Assets and Sovereign Receivables							
11,888	12,328	Cash and cash equivalents	10,675	11,116	(441)	(4.0)	11,166
8,112	8,175	Tax receivables	7,644	8,299	(655)	(7.9)	8,917
9,368	10,119	Trade and other receivables	7,690	8,037	(347)	(4.3)	8,685
8,716	8,329	Student loans	8,713	8,696	17	0.2	8,990
14,630	13,798	Kiwibank mortgages	14,915	15,366	(451)	(2.9)	16,037
3,844	3,415	Long-term deposits	3,496	3,479	17	0.5	3,336
2,142	2,353	IMF financial assets	2,469	2,558	(89)	(3.5)	2,791
1,410	869	Other advances ¹	1,467	1,280	187	14.6	1,401
20,596	19,967	Share investments	22,762	21,623	1,139	5.3	22,718
4,164	3,659	Derivatives in gain	3,480	2,879	601	20.9	2,813
38,307	37,405	Other marketable securities	39,505	41,182	(1,677)	(4.1)	36,519
123,177	120,417	Total financial assets and sovereign receivables	122,816	124,515	(1,699)	(1.4)	123,373
Financial assets by entity							
18,359	19,506	Debt Management Office	19,675	19,103	572	3.0	13,411
18,849	18,999	Reserve Bank of New Zealand	19,801	19,207	594	3.1	18,408
26,990	25,227	NZ Superannuation Fund	28,153	27,791	362	1.3	29,167
24,358	24,375	Other core Crown	24,218	25,074	(856)	(3.4)	24,346
(8,473)	(9,476)	Intra-segment eliminations	(10,642)	(10,440)	(202)	(1.9)	(7,439)
80,083	78,631	Total core Crown segment	81,205	80,735	470	0.6	77,893
30,897	28,580	ACC portfolio	31,502	31,697	(195)	(1)	32,616
3,605	4,633	EQC portfolio	3,013	2,650	363	14	1,431
9,806	8,912	Other Crown entities	9,265	9,019	246	3	10,042
(2,464)	(1,767)	Intra-segment eliminations	(2,511)	(2,510)	(1)	-	(2,315)
41,844	40,358	Total Crown entities segment	41,269	40,856	413	1.0	41,774
21,151	20,160	Total State-owned Enterprises segment	21,315	22,285	(970)	(4.4)	23,318
(19,901)	(18,732)	Inter-segment eliminations	(20,973)	(19,361)	(1,612)	(8.3)	(19,612)
123,177	120,417	Total financial assets	122,816	124,515	(1,699)	(1.4)	123,373

1. Other advances include finance lease receivables.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2014 \$m	As at 30 Nov 2013 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 13: Property, Plant and Equipment							
Net Carrying Value ¹							
By class of asset:							
37,138	34,410	Land ²	37,216	37,232	(16)	-	37,379
27,396	25,707	Buildings	27,491	27,606	(115)	(0.4)	28,528
19,709	18,497	State highways - excluding land	20,024	20,060	(36)	(0.2)	21,102
13,941	13,518	Electricity generation assets	13,850	13,912	(62)	(0.4)	13,778
3,992	3,953	Electricity distribution network (cost)	3,991	4,014	(23)	(0.6)	4,130
2,891	3,066	Specialist military equipment	2,986	3,020	(34)	(1.1)	3,146
2,975	2,620	Specified cultural and heritage assets	2,985	2,979	6	0.2	3,073
2,287	2,324	Aircraft (excl military)	2,501	2,466	35	1.4	2,780
936	1,091	Rail network - excluding land	1,024	1,003	21	2.1	1,089
5,041	5,324	Other plant and equipment (cost)	5,152	5,261	(109)	(2.1)	5,041
116,306	110,510	Total net carrying value	117,220	117,553	(333)	(0.3)	120,046
By source:							
30,963	29,637	Core Crown	31,232	31,334	(102)	(0.3)	32,242
56,802	52,246	Crown entities	57,263	57,425	(162)	(0.3)	58,945
28,541	28,627	State-owned Enterprises	28,725	28,794	(69)	(0.2)	28,859
-	-	Inter-segment eliminations	-	-	-	-	-
116,306	110,510	Total net carrying value	117,220	117,553	(333)	(0.3)	120,046
Land breakdown by usage ²							
11,361	9,583	Housing stock	11,350	11,348	2	-	11,371
8,853	8,003	State highway corridor land	8,853	8,853	-	-	8,853
5,432	5,354	Conservation estate	5,425	5,418	7	0.1	5,439
3,256	3,257	Rail network corridor land	3,256	3,251	5	0.2	3,231
3,167	2,879	Schools	3,142	3,161	(19)	(0.6)	3,175
1,312	1,391	Commercial (SOE) excluding rail	1,343	1,321	22	1.7	1,327
3,757	3,943	Other	3,847	3,880	(33)	(0.9)	3,983
37,138	34,410	Total land	37,216	37,232	(16)	-	37,379
Schedule of movements							
Cost or valuation							
122,796	122,796	Opening balance	130,342	130,342	-	-	130,342
6,672	2,425	Additions	2,771	3,111	(340)	(10.9)	8,663
(1,432)	(287)	Disposals	(341)	(240)	(101)	(42.1)	(656)
3,038	(36)	Net revaluations	(10)	(22)	12	54.5	(2)
(732)	(39)	Other	37	6	31	-	(45)
130,342	124,859	Total cost or valuation	132,799	133,197	(398)	(0.3)	138,302
Accumulated depreciation and impairment							
12,963	12,963	Opening balance	14,036	14,036	-	-	14,036
(813)	(149)	Eliminated on disposal	(89)	(68)	(21)	(30.9)	(62)
(2,133)	-	Eliminated on revaluation	(10)	-	(10)	-	-
4,151	1,530	Depreciation expense and impairment losses	1,585	1,629	(44)	(2.7)	4,192
(132)	5	Other	57	47	10	21.3	90
14,036	14,349	Total accumulated depreciation and impairment	15,579	15,644	(65)	(0.4)	18,256
116,306	110,510	Total property, plant and equipment	117,220	117,553	(333)	(0.3)	120,046

1. Using the revaluation model unless otherwise stated.

2. Land relating to state highways, the rail network and conservation which had previously been included within the state highways, rail network and specified cultural and heritage assets categories has been reclassified to the Land category.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2014 \$m	As at 30 Nov 2013 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 13 (continued): Property, Plant and Equipment							
Additions - by functional classification							
2,363	838	Transport and communications	993	1,099	(106)	(9.6)	3,325
1,108	426	Economic and industrial services	254	262	(8)	(3.1)	759
529	161	Education	170	164	6	3.7	913
443	219	Health	226	359	(133)	(37.0)	762
386	131	Defence	236	283	(47)	(16.6)	626
1,843	650	Other	892	944	(52)	(5.5)	2,278
6,672	2,425	Total additions	2,771	3,111	(340)	(10.9)	8,663
NOTE 14: NZ Superannuation Fund							
767	310	Revenue	297	299	(2)	(0.7)	730
(1,074)	(570)	Less: current tax expense	(146)	(217)	(71)	(32.7)	(576)
(164)	(58)	Less: other expenses ¹	(58)	(57)	1	1.8	(151)
3,735	2,245	Add gains/(losses)	1,385	1,175	210	17.9	2,338
3,264	1,927	Operating balance	1,478	1,200	278	23.2	2,341
22,549	22,549	Opening net worth	25,809	25,809	-	-	25,809
3,264	1,927	Operating balance	1,478	1,200	278	23.2	2,341
(4)	(10)	Other movements in reserves	32	18	14	77.8	29
25,809	24,466	Closing net worth	27,319	27,027	292	1.1	28,179
comprising:							
26,990	25,227	Financial assets	28,153	27,791	362	1.3	29,167
(2,323)	(1,948)	Financial liabilities	(1,962)	(1,927)	(35)	(1.8)	(2,233)
1,142	1,187	Net other assets	1,128	1,163	(35)	(3.0)	1,245
25,809	24,466	Closing net worth	27,319	27,027	292	1.1	28,179
Core Crown revenue (excl NZS Fund)							
67,297	26,374	Core Crown revenue	27,965	27,992	(27)	(0.1)	71,466
767	310	Less NZS Fund revenue	297	299	(2)	(0.7)	730
1,074	570	Add back NZS Fund intra-segment revenue	146	217	(71)	(32.7)	576
67,604	26,634	Core Crown revenue (excl NZS Fund)	27,814	27,910	(96)	(0.3)	71,312
OBEGAL excluding NZS Fund							
(2,933)	(2,335)	Total Crown OBEGAL	(1,543)	(1,664)	121	7.3	(572)
767	310	Less NZS Fund revenue	297	299	(2)	(0.7)	730
133	63	Add back NZS Fund external expenses	46	55	(9)	(16.4)	143
1,074	570	Add back NZS Fund tax	146	217	(71)	(32.7)	576
(2,493)	(2,012)	OBEGAL excluding NZS Fund	(1,648)	(1,691)	43	2.5	(583)

1. NZS Fund other expenses include deferred tax expense/(credits).

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2014 \$m	As at 30 Nov 2013 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 15: Payables							
7,626	7,514	Accounts payable	7,032	7,751	719	9.3	7,768
3,668	2,936	Taxes repayable	2,830	3,329	499	15.0	4,551
11,294	10,450	Total payables	9,862	11,080	1,218	11.0	12,319
NOTE 16: Insurance liabilities							
29,948	27,459	ACC liability	31,466	30,634	(832)	(2.7)	32,472
4,747	5,905	EQC property damage liability	3,902	3,569	(333)	(9.3)	2,814
1,434	1,606	Southern Response (formerly AMI Insurance)	1,253	1,249	(4)	(0.3)	817
63	58	Other insurance liabilities	63	61	(2)	(3.3)	70
(367)	(407)	Inter-segment eliminations	(338)	-	338	-	-
35,825	34,621	Total insurance liabilities	36,346	35,513	(833)	(2.3)	36,173
NOTE 17: Provisions							
521	394	Provision for ETS Credits ¹	584	574	(10)	(1.7)	567
910	963	Provision for National Provident Fund guarantee	894	892	(2)	(0.2)	872
3,444	3,380	Provision for employee entitlements	3,437	3,295	(142)	(4.3)	3,200
		Provision for Canterbury Red Zone support package	91	57	(34)	(59.6)	77
394	498	Provision for Infrastructure costs	322	321	(1)	(0.3)	204
		Provision for weathertight services financial assistance package	94	64	(30)	(46.9)	67
1,528	1,190	Other provisions	1,197	1,250	53	4.2	1,448
6,955	6,650	Total provisions	6,619	6,453	(166)	(2.6)	6,435
NOTE 18: Changes in Net Worth							
10,862	10,862	Opening taxpayers funds	13,300	13,300	-	-	13,300
2,808	2,255	Operating balance excluding minority interests	(1,312)	(846)	(466)	(55.1)	1,900
(577)	(358)	Gain/(loss) on Government share offers in state-owned enterprises	-	-	-	-	-
207	102	Transfers from/(to) other reserves	66	65	1	1.5	71
13,300	12,861	Closing taxpayers funds	12,054	12,519	(465)	(3.7)	15,271
57,068	57,068	Opening revaluation reserve	62,225	62,225	-	-	62,225
5,386	(51)	Net revaluations	-	(16)	16	100.0	(21)
(229)	(27)	Transfers from/(to) other reserves	(25)	(20)	(5)	(25.0)	(51)
62,225	56,990	Closing revaluation reserve	62,200	62,189	11	-	62,153
1,940	1,940	Opening minority interests	5,211	5,211	-	-	5,211
3,271	2,528	Net movements	34	(55)	89	161.8	(27)
5,211	4,468	Closing minority interests	5,245	5,156	89	1.7	5,184
141	141	Opening other reserves	43	43	-	-	43
(98)	(174)	Net movements	-	(82)	82	100.0	(91)
43	(33)	Closing other reserves	43	(39)	82	210.3	(48)

1. Further information on the ETS, and the Kyoto net asset (included as an intangible asset in these financial statements) can be found on the Ministry for the Environment's climate change website www.climatechange.govt.nz

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2014 \$m	5 months to 30 Nov 2013 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 19: Core Crown residual cash							
Core Crown Cash Flows from Operations							
61,321	23,700	Tax receipts	25,741	25,657	84	0.3	65,447
747	323	Other sovereign receipts	455	335	120	35.8	788
1,627	841	Interest, profits and dividends	893	911	(18)	(2.0)	1,678
2,397	975	Sale of goods & services and other receipts	1,011	1,079	(68)	(6.3)	2,232
(23,447)	(10,080)	Transfer payments and subsidies	(9,861)	(9,817)	(44)	(0.4)	(24,015)
(41,989)	(18,714)	Personnel and operating costs	(18,484)	(18,500)	16	0.1	(43,011)
(3,642)	(1,438)	Finance costs	(1,555)	(1,563)	8	0.5	(3,906)
-	-	Forecast for future new operating spending	-	-	-	-	(123)
-	-	Top-down expense adjustment	-	143	(143)	(100.0)	950
(2,986)	(4,393)	Net core Crown operating cash flows	(1,800)	(1,755)	(45)	(2.6)	40
(1,867)	(733)	Net purchase of physical assets	(798)	(941)	143	15.2	(2,588)
(716)	(1)	Net increase in advances	(8)	(39)	32	80.6	(890)
(865)	(506)	Net purchase of investments	(637)	(553)	(84)	(15.2)	(1,661)
2,325	1,620	Net proceeds from partial share sales	-	-	-	-	628
-	-	Forecast for future new capital spending	-	-	-	-	(113)
-	-	Top-down capital adjustment	-	86	(86)	(100.0)	575
(1,123)	380	Net Core Crown capital cash flows	(1,443)	(1,447)	5	0.3	(4,049)
(4,109)	(4,013)	Residual cash deficit	(3,243)	(3,202)	(40)	(1.3)	(4,009)
The residual cash deficit is funded as follows:							
Debt programme cash flows							
Market:							
7,716	5,324	Issue of government bonds	5,450	5,527	(77)	(1.4)	8,137
(2,196)	-	Repayment of government bonds	(1,522)	(1,522)	-	-	(8,684)
(935)	(100)	Net issue/(repayment) of short-term borrowing ¹	715	715	-	-	1,180
4,585	5,224	Total market debt cash flows	4,643	4,720	(77)	(1.6)	633
Non market:							
-	-	Issue of government bonds	-	-	-	-	-
-	-	Repayment of government bonds	-	(182)	182	100.0	(760)
-	-	Net issue/(repayment) of short-term borrowing	(180)	(180)	-	-	(480)
-	-	Total non-market debt cash flows	(180)	(362)	182	50.3	(1,240)
4,585	5,224	Total debt programme cash flows	4,463	4,358	105	2.4	(607)
Other borrowing cash flows							
(674)	(654)	Net (repayment)/issue of other New Zealand dollar borrowing	430	198	232	117.2	852
1,083	239	Net (repayment)/issue of foreign currency borrowing	(649)	(996)	347	34.8	(1,523)
409	(415)	Total other borrowing cash flows	(219)	(798)	579	152.0	(671)
Investing cash flows							
(1,510)	(2,162)	Other net sale/(purchase) of marketable securities and deposits	(446)	(148)	(299)	(202.5)	4,731
274	277	Issues of circulating currency	304	102	202	198.0	130
351	1,089	Decrease/(increase) in cash	(859)	(312)	(547)	(175.3)	426
(885)	(796)	Total investing cash flows	(1,001)	(358)	(644)	(180.1)	5,287
4,109	4,013	Residual cash deficit funding	3,243	3,202	40	1.3	4,009

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