

8 November 2022



MEDIA STATEMENT

**Embargoed until 10.00am, Tuesday 8 November 2022**

Jayne Winfield, Chief Government Accountant

**Interim Financial Statements of the Government of New Zealand for the three months ended 30 September 2022**

The interim *Financial Statements of the Government of New Zealand* for the three months ended 30 September 2022 (the financial statements) were released by the Treasury today.

The September results are reported against forecasts based on the *Budget Economic and Fiscal Update 2022 (BEFU 2022)*, published on 19 May 2022.

	Year to date				Full Year
	September	September	Variance <sup>2</sup>	Variance	June
	2022	2022	BEFU 2022	BEFU 2022	2023
	Actual <sup>1</sup>	BEFU 2022 Forecast <sup>1</sup>			BEFU 2022 Forecast <sup>3</sup>
	\$m	\$m	\$m	%	\$m
Core Crown tax revenue	26,667	26,800	(133)	(0.5)	116,098
Core Crown revenue	29,498	29,215	283	1.0	125,700
Core Crown expenses	31,155	30,912	(243)	(0.8)	127,051
Core Crown residual cash	(8,672)	(8,799)	127	1.4	(29,280)
Net debt <sup>4</sup>	71,038	66,314	(4,724)	(7.1)	74,972
<i>as a percentage of GDP</i>	19.8%	18.4%			18.7%
Gross debt	130,271	120,409	(9,862)	(8.2)	130,219
<i>as a percentage of GDP</i>	36.2%	33.5%			32.4%
Operating balance before gains and losses	(2,606)	(2,553)	(53)	(2.1)	(6,634)
Operating balance (excluding minority interests)	(2,873)	(1,557)	(1,316)	(84.5)	(1,632)
Total borrowings	219,232	209,291	(9,941)	(4.7)	230,618
Net worth attributable to the Crown	164,385	122,406	41,979	34.3	122,401
<i>as a percentage of GDP</i>	45.7%	34.1%			30.5%

1 Using the most recently published GDP (for the year ended 30 June 2022) of \$359,476 million (Source: Stats NZ).

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

3 Using BEFU 2022 forecast GDP for the year ending 30 June 2023 of \$401,466 million (Source: The Treasury).

4 The net debt indicator includes core Crown advances, Crown entity borrowings and the financial assets and borrowings of the New Zealand Super Fund (NZS Fund). Net core Crown debt (the previous headline indicator) was \$138.1 billion (38.4% of GDP) at 30 September 2022, the forecast at 30 September 2022 was \$143.1 billion (39.8% of GDP) and the forecast for 30 June 2023 is \$163.7 billion (40.8% of GDP)

**Core Crown tax revenue** for the three months ended 30 September 2022 was close to forecast at \$26.7 billion. Continued strength in the labour market has resulted in source deductions being higher the forecast by \$0.5 billion, however this was offset by lower than forecast revenue from GST, fuel excise duties and road user charges.

A higher-than-expected interest rate track has meant that overall core Crown revenue were above forecast by \$0.3 billion.

**Core Crown expenses** at \$31.2 billion were \$0.2 billion (0.8%) above forecast. This was largely driven by higher finance costs and health-related expenses, partially offset by lower than forecast expenditure on housing and economic and industrial services.

The **operating balance before gains and losses** (OBEGAL) deficit of \$2.6 billion was largely in line with forecast. When total gains and losses are added to the OBEGAL result, the **operating balance** deficit was \$2.9 billion, \$1.3 billion greater than the deficit forecast, largely reflecting changes in market conditions.

The **core Crown residual cash** deficit of \$8.7 billion was broadly in line with the deficit forecast. Net operating cash flows were \$0.4 billion weaker than forecast, spread across a number of areas. While net capital cash flows were lower than forecast by \$0.5 billion, largely timing in nature.

As at 30 September 2022, **net debt** was \$71.0 billion (19.8% of GDP), \$4.7 billion higher than forecast. The variance is primarily a result of market movements impacting on financial instruments since the completion of the *BEFU 2022* forecasts. The stronger residual cash position reported at 30 June 2022 has partly offset the impact from market movements.

Both **gross debt** (\$130.3 billion or 36.2% of GDP) and **total borrowing** (\$219.2 billion), were \$9.9 billion higher than forecast due to a range of factors, including derivative liabilities being higher than forecast and higher than expected issuance of borrowings.

**Net worth attributable to the Crown** at \$164.4 billion was \$42.0 billion higher than forecast, predominately owing to the stronger starting position, reflecting the results reported at 30 June 2022.

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# Interim Financial Statements of the Government of New Zealand

For the Three Months Ended  
30 September 2022



Prepared by the Treasury  
8 November 2022

This document is available on the New Zealand Treasury's website at:  
<https://treasury.govt.nz/publications/financial-statements-government>



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# Commentary

## COMMENTARY

These financial statements reflect the financial position (service potential and financial capacity) as at 30 September 2022, and the financial results of operations and cash flows for the period ended on that date.

The September results are reported against forecasts based on the *Budget Economic and Fiscal Update 2022* (BEFU 2022), published on 19 May 2022 and the results against the same period for the previous year.

### Comparison against forecast

Overall, most operating fiscal indicators were close to forecast, the only exception was the operating balance deficit which was larger than the forecast largely driven by market movements impacting on the valuation of financial instruments and non-financial instruments.

Net debt was higher than forecast also primarily a result of market movements since the BEFU 2022 forecasts. The stronger residual cash position reported at 30 June 2022 has partly offset the impact from market movements on net debt. Unlike the previous debt measure (net core Crown debt), the movement in the new measure is influenced by a wider range of factors than residual cash.

The 30 September 2022 results factor in a stronger than expected starting position from the financial year 2021/22 which resulted in net worth being \$42.0 billion higher than forecast.

**Table 1** – Key indicators for the three months ended 30 September 2022 compared to BEFU 2022

	Year to date				Full Year
	September	September	Variance <sup>2</sup>	Variance	June
	2022	2022			BEFU 2022
	Actual <sup>1</sup>	BEFU 2022 Forecast <sup>1</sup>	BEFU 2022	BEFU 2022	BEFU 2022 Forecast <sup>3</sup>
\$m	\$m	\$m	%	\$m	
Core Crown tax revenue	26,667	26,800	(133)	(0.5)	116,098
Core Crown revenue	29,498	29,215	283	1.0	125,700
Core Crown expenses	31,155	30,912	(243)	(0.8)	127,051
Core Crown residual cash	(8,672)	(8,799)	127	1.4	(29,280)
Net debt <sup>4</sup>	71,038	66,314	(4,724)	(7.1)	74,972
<i>as a percentage of GDP</i>	19.8%	18.4%			18.7%
Gross debt	130,271	120,409	(9,862)	(8.2)	130,219
<i>as a percentage of GDP</i>	36.2%	33.5%			32.4%
Operating balance before gains and losses	(2,606)	(2,553)	(53)	(2.1)	(6,634)
Operating balance (excluding minority interests)	(2,873)	(1,557)	(1,316)	(84.5)	(1,632)
Total borrowings	219,232	209,291	(9,941)	(4.7)	230,618
Net worth attributable to the Crown	164,385	122,406	41,979	34.3	122,401
<i>as a percentage of GDP</i>	45.7%	34.1%			30.5%

1 Using the most recently published GDP (for the year ended 30 June 2022) of \$359,476 million (Source: Stats NZ).

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

3 Using BEFU 2022 forecast GDP for the year ending 30 June 2023 of \$401,466 million (Source: The Treasury).

4 The net debt indicator includes core Crown advances, Crown entity borrowings and the financial assets and borrowings of the New Zealand Super Fund (NZS Fund). A reconciliation between net debt and net core Crown debt can be found in Table 2 on page 4



**Core Crown tax revenue** for the three months ended 30 September 2022 was close to forecast at \$26.7 billion. Within the different tax types there were some largely offsetting variances:

- *Source deductions* revenue was \$0.5 billion (4.4%) above forecast, owing to continued strength in the labour market. This trend will likely continue in the coming months as employment indicators published by Statistics New Zealand for the month of September continued to show both the number of people in employment and average hourly earnings are higher than forecast.
- *GST revenue* was \$0.3 billion (3.8%) below forecast. The 3.1% drop in private consumption in the June quarter signalled some weakness in general consumer sentiment, and this has likely continued into the September quarter.
- *Other indirect taxes* were \$0.2 billion (24.2%) below forecast, mainly owing to below forecast fuel excise levies and road user charges (RUC), reflecting the Government's decision in July 2022 to extend the temporary reduction for these levies.

**Core Crown revenue** was \$29.5 billion, \$0.3 billion (1.0%) above forecast. With core Crown tax revenue close to forecast most of this variance was driven from higher interest revenue owing to a higher-than-expected interest rate track.

**Core Crown expenses** were \$31.2 billion, \$0.2 billion (0.8%) above forecast. This variance was spread across a few areas, the largest include:

- *Health expenses* were higher than forecast by \$0.3 billion largely due to timing factors with COVID-19 related vaccine spending that was forecast to be spent in 2021/22 being spent in the current year and hospital and specialist related spending ahead of forecast in September, with the variance expected to reduce over the year.
- *Finance costs* were higher than forecast by \$0.3 billion, with the key driver being interest costs on settlement deposits (which are floating rate debt) held at the Reserve Bank resulting from increases in the official cash rate being more than anticipated.
- *Housing and community development expenses* were lower than forecast by \$0.2 billion, as a result of market conditions delaying some housing expenditure.
- *Economic and industrial services expenses* were \$0.2 billion less than forecast with grant expenditure and some COVID-19 response costs being below forecast.

The **OBEGAL** deficit of \$2.6 billion was largely in line with forecast, as the above-mentioned variances in core Crown revenue and core Crown expenses broadly offset. In addition, the overall results of SOE's were weaker than forecast owing to the impairment of some physical assets. However, this has been offset by Crown entity results being stronger, primarily from ACC recording higher than forecast revenue and lower than forecast costs.

The **operating balance** was a deficit of \$2.9 billion, \$1.3 billion more than the deficit forecast largely due to:

- Net losses on financial instruments of \$3.2 billion were \$4.1 billion more than the forecast gain. The losses largely reflect weaker investment returns from the Crown's investment portfolios (New Zealand Superannuation Fund and ACC) and losses on derivative instruments.
- Partially offsetting the losses on financial instruments were net gains on non-financial instruments which were \$2.9 billion more than forecast mainly from actuarial gains on the ACC liability. This was primarily driven by the change in discount rate assumptions partially offset by an adjustment in inflation assumptions since the *BEFU 2022* forecasts were prepared.

The **core Crown residual cash** deficit of \$8.7 billion, was \$0.1 billion less than the deficit forecast. Operating receipts were close to forecast, while operating payments were \$0.4 billion more than forecast as a result of higher interest, personnel and operating costs. Capital cash flows were lower than forecast by \$0.5 billion, largely driven by timing differences in investments.

As at 30 September 2022, **net debt** was \$71.0 billion (19.8% of GDP), \$4.7 billion higher than forecast. This variance is primarily a result of market movements since the *BEFU 2022* forecasts, with losses on financial instruments being higher than forecast and Crown entity borrowings also being higher than forecast as a result of losses on their derivatives. The stronger than expected residual cash result reported in the 30 June 2022 year has partially offset the impact from market movements. Looking through the new items that are now included in the net debt indicator, which are more susceptible to valuation movements, the previous headline indicator of net core Crown debt was around \$5.0 billion lower than forecast. A reconciliation between the new and previous net debt indication is outlined in Table 2.

**Gross debt** at \$130.3 billion (36.2% of GDP), was \$9.9 billion higher than forecast due to a range of factors, including derivative liabilities being greater than forecast, borrowings by the Reserve Bank for operational purposes and other borrowings by the Treasury being higher than forecast.

**Total borrowings** were \$219.2 billion, \$9.9 billion higher than forecast. In addition to the variance in gross debt, derivatives liabilities outside of the core Crown were \$6.8 billion greater than forecast offset by Reserve Bank settlement deposits which were \$5.1 billion less than forecast and borrowings outside of the core Crown also being less than forecast.

**Total assets** at \$505.4 billion were \$42.7 billion above forecast. This was primarily owing to property, plant and equipment being greater than forecast by \$26.7 billion as a result of revaluations at 30 June 2022. In addition, financial assets were \$12.6 billion higher than forecast.

**Total liabilities** at \$333.7 billion were close to forecast with total borrowings being \$9.9 billion higher (as discussed above) offset by lower than forecast other liabilities, mainly the ACC outstanding claims liability reflecting changes in interest rates.

**Net worth attributable to the Crown** was \$164.4 billion at 30 September 2022, \$42.0 billion higher than forecast. This was largely owing to the results at 30 June 2022; the operating balance deficit was \$10.9 billion less than the forecast deficit and physical asset valuations were \$30.7 billion higher than forecast. This led to the starting net worth position for the three months ended 30 September 2022 being \$44.0 billion stronger than forecast.

**Table 2** – Reconciliation between net debt and net core Crown debt

	<i>Year to date</i>				<i>Full Year</i>
	September 2022	September 2022	<i>Variance</i>	<i>Variance</i>	June 2023
	Actual \$m	<i>BEFU 2022</i> Forecast \$m	<i>BEFU 2022</i> \$m	<i>BEFU 2022</i> %	<i>BEFU 2022</i> Forecast \$m
<b>Net core Crown debt</b>	<b>138,120</b>	<b>143,130</b>	<b>5,010</b>	<b>3.5</b>	<b>163,683</b>
<i>Include</i>					
Core Crown advances	(28,491)	(28,699)	(208)	(0.7)	(38,545)
Net NZSF financial assets and borrowings	(53,861)	(61,967)	(8,106)	(13.1)	(66,677)
Crown entity borrowings	15,270	13,850	(1,420)	(10.3)	16,511
<b>Net Debt</b>	<b>71,038</b>	<b>66,314</b>	<b>(4,724)</b>	<b>(7.1)</b>	<b>74,972</b>
%of GDP					
Net core Crown debt	38.4%	39.8%			40.8%
<b>Net debt</b>	<b>19.8%</b>	<b>18.4%</b>			<b>18.7%</b>

## Comparison against the prior year actuals

**Table 3** – Key indicators for the three months ended 30 September 2022 compared to prior year actuals

	Year to date				Full Year
	September 2022 Actual <sup>1</sup> \$m	September 2021 Prior Year Actual <sup>2</sup> \$m	Variance <sup>3</sup> to 2021 \$m	Variance to 2021 %	June 2022 Prior Year Actual <sup>4</sup> \$m
Core Crown tax revenue	26,667	23,990	2,677	11.2	108,458
Core Crown revenue	29,498	25,930	3,568	13.8	117,516
Core Crown expenses	31,155	31,022	(133)	(0.4)	125,641
Core Crown residual cash	(8,672)	(9,926)	1,254	12.6	(27,043)
Net debt <sup>5</sup>	71,038	44,896	(26,142)	(58.2)	61,850
<i>as a percentage of GDP</i>	19.8%	13.1%			17.2%
Gross debt	130,271	112,177	(18,094)	(16.1)	118,950
<i>as a percentage of GDP</i>	36.2%	32.8%			33.1%
Operating balance before gains and losses	(2,606)	(5,352)	2,746	51.3	(9,691)
Operating balance (excluding minority interests)	(2,873)	(11,556)	8,683	75.1	(16,932)
Total Borrowings	219,232	179,429	(39,803)	(22.2)	203,965
Net worth attributable to the Crown	164,385	139,264	25,121	18.0	167,036
<i>as a percentage of GDP</i>	45.7%	40.7%			46.5%

1 Using the most recently published GDP (for the year ended 30 June 2022) of \$359,476 million (Source: Stats NZ).

2 Using prior year published GDP (for the year ended 30 June 2021) of \$341,978 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 (for the year ended 30 June 2022) of \$359,476 million (Source: Stats NZ).

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

**Core Crown tax revenue** for the three months ended September 2022 was \$2.7 billion (11.2%) above the same period last year. The largest movements came from:

- Source deduction revenue was up \$1.3 billion (12.5%) on last year, owing to a stronger labour market, characterised by strong wage growth.
- Corporate tax revenue was \$0.8 billion (21.6%) higher than last year owing to growth in provisional tax revenue estimates (\$0.6 billion) and terminal tax revenue (\$0.2 billion).
- GST revenue was up \$0.5 billion (8.5%), owing to year-on-year growth in nominal consumption that is in part being driven by higher inflation levels.

The drivers of the stronger tax revenue mentioned above also impacted **core Crown tax receipts** which were \$2.4 billion (10.0%) up on the corresponding period last year.

In addition, revenue from the Emission Trading Scheme and on interest bearing investments were more than the same time last year, driven by an increase in the price of New Zealand Units and interest rates. This has contributed to **core Crown revenue** being \$3.6 billion above the same period last year.

**Core Crown expenses** at \$31.2 billion were similar to the same period last year. However, the composition of expenses has changed significantly since last year, with the most notable changes include:

- Spending on COVID-19 business support measures like the wage subsidy scheme and resurgence support payments have not been required in the first quarter of the 2022/23 fiscal year leading to expenses being around \$3.7 billion lower than the same period last year.
- Health expenditure was \$1.0 billion higher than last year, reflecting additional funding provided at Budget 2022 and additional cost for the public health response to COVID-19.
- Finance costs are up by \$0.8 billion on last year, mainly reflecting the increase in interest rates since September 2021.

- The introduction of the Cost of Living Payment and funding to compensate the National Land Transport Fund from the temporary reduction in fuel excise levies and RUC have increased expense by around \$0.6 billion since the same period last year.
- New Zealand Superannuation payments are up by \$0.4 billion, reflecting an increase in the number of recipients and payment rates (which are indexed to wage growth).

Both the **OBEGAL** and **operation balance** deficits were smaller than the same time last year. The changes noted above in core Crown revenue and core Crown expenses are the key reason for the smaller OBEGAL deficit. In addition, net losses were not as much as last year, primarily driven by a higher interest rate track, which has contributed to the operating balance deficit being \$8.7 billion smaller than the deficit reported at 30 September 2021.

The **core Crown residual cash** deficit was \$8.7 billion, \$1.3 billion less than the cash deficit for 30 September 2021. Operating cashflows were \$0.9 billion lower than the previous year, while net capital payments were \$0.4 billion lower than the same period last year.

**Net debt** was \$26.1 billion higher than for the same time last year and as a share of the economy, net debt increased to 19.8% of GDP from 13.5% of GDP a year earlier. The increase in net debt was driven by funding needed to cover some of the residual cash deficit since September 2021, an increase in Crown entity borrowings and losses on financial instruments, particular from the investment portfolio managed by the New Zealand Superannuation Fund.

**Net worth attributable to the Crown** was \$164.4 billion (45.7% of GDP) at 30 September 2022, \$25.1 billion higher than at 30 September 2021. This variance was mostly driven by an increase in the property revaluations of \$30.8 billion and decreases in the valuation of \$1.6 billion from the defined benefit retirement plan liability, offset by a \$8.1 billion reduction in taxpayer funds due to the operating balance deficits last year.



# Unaudited Interim Financial Statements

# STATEMENT OF FINANCIAL PERFORMANCE

For the three months ended 30 September 2022

Year to 30 June 2022	3 months to 30 Sep 2021		Current Year Actual vs Forecast				Annual BEFU Forecast \$m	
			Actual \$m	Forecast \$m	Variance \$m	%		
			Note	Actual \$m	Forecast \$m	Variance \$m	%	Annual BEFU Forecast \$m
		<b>Revenue</b>						
107,873	23,923	Taxation revenue	2	26,448	26,641	(193)	(0.7)	115,509
8,894	1,978	Other sovereign revenue	2	2,468	2,292	176	7.7	9,297
<b>116,767</b>	<b>25,901</b>	<b>Total sovereign revenue</b>		<b>28,916</b>	<b>28,933</b>	<b>(17)</b>	<b>(0.1)</b>	<b>124,806</b>
17,442	4,388	Sales of goods and services		5,053	4,858	195	4.0	19,441
3,540	809	Interest revenue and dividends	3	1,303	1,013	290	28.6	4,005
3,878	764	Other revenue		923	983	(60)	(6.1)	3,902
<b>24,860</b>	<b>5,961</b>	<b>Total revenue earned through operations</b>		<b>7,279</b>	<b>6,854</b>	<b>425</b>	<b>6.2</b>	<b>27,348</b>
<b>141,627</b>	<b>31,862</b>	<b>Total revenue (excluding gains)</b>		<b>36,195</b>	<b>35,787</b>	<b>408</b>	<b>1.1</b>	<b>152,154</b>
		<b>Expenses</b>						
44,087	12,543	Transfer payments and subsidies	4	9,833	10,107	274	2.7	39,444
32,648	7,627	Personnel expenses		8,383	8,266	(117)	(1.4)	32,998
6,152	1,506	Depreciation		1,584	1,618	34	2.1	6,613
58,273	13,863	Other operating expenses		15,969	15,694	(275)	(1.8)	61,968
3,349	557	Interest expenses	5	1,445	1,153	(292)	(25.3)	5,233
6,447	1,083	Insurance expenses	6	1,466	1,612	146	9.1	9,368
-	-	Forecast new operating spending	7	-	-	-	-	4,904
-	-	Top-down expense adjustment	7	-	(200)	(200)	(100.0)	(2,000)
<b>150,956</b>	<b>37,179</b>	<b>Total expenses (excluding losses)</b>		<b>38,680</b>	<b>38,250</b>	<b>(430)</b>	<b>(1.1)</b>	<b>158,528</b>
		<b>Gains/(losses)</b>						
(9,687)	(381)	Net gains/(losses) on financial instruments		(3,175)	965	(4,140)	(429.0)	4,894
2,965	(5,588)	Net gains/(losses) on non-financial instruments	8	2,883	2	2,881	-	(49)
<b>(6,722)</b>	<b>(5,969)</b>	<b>Total gains/(losses)</b>		<b>(292)</b>	<b>967</b>	<b>(1,259)</b>	<b>(130.2)</b>	<b>4,845</b>
		<b>Other interests</b>						
(126)	(29)	Net surplus/(deficit) from associates and joint ventures		35	33	2	6.1	149
(755)	(241)	Less minority interests' share of operating balance		(131)	(94)	(37)	(39.4)	(252)
<b>(16,932)</b>	<b>(11,556)</b>	<b>Operating balance (excluding minority interests)</b>		<b>(2,873)</b>	<b>(1,557)</b>	<b>(1,316)</b>	<b>(84.5)</b>	<b>(1,632)</b>
755	241	Minority interests' share of operating balance		131	94	37	39.4	252
<b>(16,177)</b>	<b>(11,315)</b>	<b>Operating balance (including minority interests)</b>		<b>(2,742)</b>	<b>(1,463)</b>	<b>(1,279)</b>	<b>(87.4)</b>	<b>(1,380)</b>

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

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the three months ended 30 September 2022

Year to 30 June 2022 Actual \$m	3 months to 30 Sep 2021 Actual \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
(16,177)	(11,315)	Operating balance (including minority interest)	(2,742)	(1,463)	(1,279)	(87.4)	(1,380)
		<b>Other comprehensive revenue and expense</b>					
30,920	(326)	Revaluation of physical assets	106	22	84	381.8	-
		Revaluation of defined benefit retirement					
1,615	59	plan schemes	23	40	(17)	(42.5)	162
93	-	Revaluation of veterans' disability entitlements	-	-	-	-	-
697	227	Transfers into/(out of) cash flow hedge reserve	165	(8)	173	-	-
(23)	(22)	Transfers into/(out of) reserves	3	3	-	-	(12)
		(Gains)/losses transferred to the					
(12)	(58)	statement of financial performance	(36)	(4)	(32)	-	(10)
		Foreign currency translation differences on					
39	(68)	foreign operations	-	-	-	-	-
(385)	(456)	Other movements	(27)	57	(84)	(147.4)	44
<b>32,944</b>	<b>(644)</b>	<b>Total other comprehensive revenue and expense</b>	<b>234</b>	<b>110</b>	<b>124</b>	<b>112.7</b>	<b>184</b>
<b>16,767</b>	<b>(11,959)</b>	<b>Total comprehensive revenue and expense</b>	<b>(2,508)</b>	<b>(1,353)</b>	<b>(1,155)</b>	<b>(85.4)</b>	<b>(1,196)</b>
		<b>Attributable to:</b>					
999	246	- minority interests	143	94	49	52.1	256
15,768	(12,205)	- the Crown	(2,651)	(1,447)	(1,204)	(83.2)	(1,452)
<b>16,767</b>	<b>(11,959)</b>	<b>Total comprehensive revenue and expense</b>	<b>(2,508)</b>	<b>(1,353)</b>	<b>(1,155)</b>	<b>(85.4)</b>	<b>(1,196)</b>

# STATEMENT OF CHANGES IN NET WORTH

For the three months ended 30 September 2022

## STATEMENT OF CHANGES IN NET WORTH for the three months ended 30 September 2022

Year to 30 June 2022 Actual \$m	3 months to 30 Sep 2021 Actual \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>156,992</b>	<b>157,193</b>	<b>Opening net worth</b>	<b>174,319</b>	<b>130,368</b>	<b>43,951</b>	<b>33.7</b>	<b>130,368</b>
(16,177)	(11,315)	Operating balance (including minority interest)	(2,742)	(1,463)	(1,279)	(87.4)	(1,380)
30,920	(326)	Revaluations	106	22	84	381.8	-
		Revaluations of defined benefit retirement					
1,615	59	plan schemes	23	40	(17)	(42.5)	162
93	-	Revaluations of veterans' disability entitlements	-	-	-	-	-
697	227	Transfers into/(out of) cash flow hedge reserve	165	(8)	173	-	-
(23)	(22)	Transfers into/(out of) other reserves	3	3	-	-	(12)
		(Gains)/losses transferred to the					
(12)	(58)	statement of financial performance	(36)	(4)	(32)	-	(10)
		Foreign currency translation differences on					
39	(68)	foreign operations	-	-	-	-	-
(385)	(456)	Other movements	(27)	57	(84)	(147.4)	44
<b>16,767</b>	<b>(11,959)</b>	<b>Total comprehensive revenue and expense</b>	<b>(2,508)</b>	<b>(1,353)</b>	<b>(1,155)</b>	<b>(85.4)</b>	<b>(1,196)</b>
949	-	Increase in minority interest from equity issues	32	-	32	-	-
(389)	(62)	Transactions with minority interests	(189)	(10)	(179)	-	(318)
<b>174,319</b>	<b>145,172</b>	<b>Closing net worth</b>	<b>171,654</b>	<b>129,005</b>	<b>42,649</b>	<b>33.1</b>	<b>128,854</b>

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

# STATEMENT OF CASH FLOWS

For the three months ended 30 September 2022

Year to 30 June 2022 Actual \$m	3 months to 30 Sep 2021 Actual \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m	
			Note	Actual \$m	Forecast \$m	Variance \$m		%
		<b>Cash flows from operations</b>						
		<b>Cash was provided from</b>						
102,712	23,417	Taxation receipts		25,666	25,810	(144)	(0.6)	113,567
7,803	2,286	Other sovereign receipts		2,205	2,143	62	2.9	7,275
17,834	4,666	Sales of goods and services		5,615	4,812	803	16.7	19,353
1,961	413	Interest receipts		627	559	68	12.2	2,199
4,802	844	Other operating receipts		1,402	1,184	218	18.4	4,867
<b>135,112</b>	<b>31,626</b>	<b>Total cash provided from operations</b>		<b>35,515</b>	<b>34,508</b>	<b>1,007</b>	<b>2.9</b>	<b>147,261</b>
		<b>Cash was disbursed to</b>						
44,273	13,643	Transfer payments and subsidies		10,991	11,282	291	2.6	39,777
92,965	23,583	Personnel and operating payments		25,651	25,109	(542)	(2.2)	99,046
3,251	154	Interest payments		575	505	(70)	(13.9)	4,558
-	-	Forecast new operating spending	7	-	-	-	-	4,904
-	-	Top-down expense adjustment	7	-	(200)	(200)	(100.0)	(2,000)
<b>140,489</b>	<b>37,380</b>	<b>Total cash disbursed to operations</b>		<b>37,217</b>	<b>36,696</b>	<b>(521)</b>	<b>(1.4)</b>	<b>146,285</b>
<b>(5,377)</b>	<b>(5,754)</b>	<b>Net cash flows from operations</b>		<b>(1,702)</b>	<b>(2,188)</b>	<b>486</b>	<b>22.2</b>	<b>976</b>
		<b>Cash flows from investing activities</b>						
		<b>Cash was provided from/(disbursed to)</b>						
(10,572)	(2,415)	Net (purchase)/sale of physical assets		(3,387)	(3,672)	285	7.8	(16,388)
(4,986)	(2,343)	Net (purchase)/sale of shares and other securities		(5,924)	2,768	(8,692)	(314.0)	13,498
(709)	(279)	Net (purchase)/sale of intangible assets		(167)	(247)	80	32.4	(1,383)
(12,958)	(3,511)	Net (issue)/repayment of advances		(2,548)	(3,053)	505	16.5	(14,154)
(449)	(245)	Net acquisition of investments in associates		(137)	(144)	7	4.9	(584)
-	-	Forecast new capital spending	7	-	-	-	-	(1,311)
-	-	Top-down capital adjustment	7	-	106	(106)	(100.0)	1,060
<b>(29,674)</b>	<b>(8,793)</b>	<b>Net cash flows from investing activities</b>		<b>(12,163)</b>	<b>(4,242)</b>	<b>(7,921)</b>	<b>(186.7)</b>	<b>(19,262)</b>
<b>(35,051)</b>	<b>(14,547)</b>	<b>Net cash flows from operating and investing activities</b>		<b>(13,865)</b>	<b>(6,430)</b>	<b>(7,435)</b>	<b>(115.6)</b>	<b>(18,286)</b>
		<b>Cash Flows from financing activities</b>						
		<b>Cash was provided from/(disbursed to)</b>						
805	324	Issues of circulating currency		(55)	23	(78)	(339.1)	-
18,373	8,521	Net issue/(repayment) of Government bonds		5,519	4,870	649	13.3	15,360
2,259	(91)	Net issue/(repayment) of foreign currency borrowing		(238)	(231)	(7)	(3.0)	(1,159)
11,879	4,498	Net issue/(repayment) of other New Zealand dollar borrowing		5,151	2,790	2,361	84.6	4,722
898	-	Net issue/(purchase) of equity		-	93	(93)	(100.0)	-
(304)	(59)	Dividends paid to minority interests		(189)	(63)	(126)	(200.0)	(269)
<b>33,910</b>	<b>13,193</b>	<b>Net cash flows from financing activities</b>		<b>10,188</b>	<b>7,482</b>	<b>2,706</b>	<b>36.2</b>	<b>18,654</b>
<b>(1,141)</b>	<b>(1,354)</b>	<b>Net movement in cash</b>		<b>(3,677)</b>	<b>1,052</b>	<b>(4,729)</b>	<b>(449.5)</b>	<b>368</b>
18,755	18,755	<b>Opening cash balance</b>		17,835	17,317	518	3.0	17,317
221	(354)	Foreign-exchange gains/(losses) on opening cash		182	18	164	-	28
<b>17,835</b>	<b>17,047</b>	<b>Closing cash balance</b>		<b>14,340</b>	<b>18,387</b>	<b>(4,047)</b>	<b>(22.0)</b>	<b>17,713</b>

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



# STATEMENT OF CASH FLOWS (CONTINUED)

For the three months ended 30 September 2022

Year to 30 June 2022 Actual \$m	3 months to 30 Sep 2021 Actual \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>Reconciliation between the net cash flows from operations and the operating balance</b>							
(5,377)	(5,754)	<b>Net cash flows from operations</b>	(1,702)	(2,188)	486	22.2	976
<b>Gains/(losses) and other interests</b>							
(9,687)	(381)	Net gains/(losses) on financial instruments	(3,175)	965	(4,140)	(429.0)	4,894
2,965	(5,588)	Net gains/(losses) on non-financial instruments	2,883	2	2,881	-	(49)
(126)	(29)	Net surplus from associates and joint ventures	35	33	2	6.1	149
(755)	(241)	Minority interests share of operating balance	(131)	(94)	(37)	(39.4)	(252)
<b>(7,603)</b>	<b>(6,239)</b>	<b>Total gains/(losses) and other interests</b>	<b>(388)</b>	<b>906</b>	<b>(1,294)</b>	<b>(142.8)</b>	<b>4,742</b>
<b>Other non-cash items in operating balance</b>							
(5,928)	(1,711)	Depreciation and amortisation	(2,168)	(1,828)	(340)	(18.6)	(7,577)
(858)	(142)	Cost of concessionary lending	(154)	(275)	121	44.0	(1,097)
(38)	(8)	Impairment of financial assets (excluding receivables)	(18)	(6)	(12)	(200.0)	(89)
(1,696)	1,059	Decrease/(increase) in insurance liabilities	639	673	(34)	(5.1)	(3,642)
790	230	Change in accumulating pension expenses	(65)	197	(262)	(133.0)	761
45	241	Other	-	-	-	-	-
<b>(7,685)</b>	<b>(331)</b>	<b>Total other non-cash items</b>	<b>(1,766)</b>	<b>(1,239)</b>	<b>(527)</b>	<b>(42.5)</b>	<b>(11,644)</b>
<b>Movements in working capital</b>							
5,027	(785)	Increase/(decrease) in receivables	169	433	(264)	(61.0)	2,017
197	(290)	Increase/(decrease) in accrued interest	(649)	(496)	(153)	(30.8)	(114)
874	91	Increase/(decrease) in inventories	71	(87)	158	181.6	292
303	272	Increase/(decrease) in prepayments	191	193	(2)	(1.0)	(27)
(819)	(107)	Decrease/(increase) in deferred revenue	(148)	(3)	(145)	-	(122)
(1,849)	1,587	Decrease/(increase) in payables/provisions	1,349	924	425	46.0	2,248
<b>3,733</b>	<b>768</b>	<b>Total movements in working capital</b>	<b>983</b>	<b>964</b>	<b>19</b>	<b>2.0</b>	<b>4,294</b>
<b>(16,932)</b>	<b>(11,556)</b>	<b>Operating balance (excluding minority interests)</b>	<b>(2,873)</b>	<b>(1,557)</b>	<b>(1,316)</b>	<b>(84.5)</b>	<b>(1,632)</b>

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

# STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

As at 30 June 2022 Actual \$m	As at 30 Sep 2021 Actual \$m		Note	Current Year Actual vs Forecast				Annual BEFU Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
<b>Assets</b>								
17,835	17,047	Cash and cash equivalents	9	14,340	18,387	(4,047)	(22.0)	17,713
35,135	25,901	Receivables	9	35,655	27,467	8,188	29.8	28,906
65,456	56,791	Marketable securities, deposits and derivatives in gain	9	68,722	51,505	17,217	33.4	51,202
46,261	50,993	Share investments	9	42,810	51,498	(8,688)	(16.9)	53,423
54,659	50,417	Advances	9	58,674	60,293	(1,619)	(2.7)	70,883
6,096	4,762	Investments in controlled enterprises	9	6,713	5,134	1,579	30.8	5,991
3,068	2,285	Inventory		3,139	2,529	610	24.1	2,908
4,208	3,827	Other assets		4,679	4,096	583	14.2	4,027
249,182	214,245	Property, plant and equipment	10	250,450	223,762	26,688	11.9	230,776
16,247	15,296	Equity accounted investments <sup>1</sup>		16,454	15,316	1,138	7.4	15,816
3,697	3,563	Intangible assets and goodwill		3,714	3,601	113	3.1	4,209
-	-	Forecast for new capital spending	7	-	963	(963)	(100.0)	2,274
-	-	Top-down capital adjustment	7	-	(1,856)	1,856	100.0	(2,810)
<b>501,844</b>	<b>445,127</b>	<b>Total assets</b>		<b>505,350</b>	<b>462,695</b>	<b>42,655</b>	<b>9.2</b>	<b>485,318</b>
<b>Liabilities</b>								
9,061	8,580	Issued currency		9,006	9,182	176	1.9	9,159
21,420	14,135	Payables	11	16,909	14,917	(1,992)	(13.4)	15,057
3,368	2,656	Deferred revenue		3,516	2,688	(828)	(30.8)	2,807
203,965	179,429	Borrowings	12	219,232	209,291	(9,941)	(4.7)	230,618
11,308	9,496	New Zealand Emissions Trading Scheme		11,517	11,174	(343)	(3.1)	10,694
55,301	62,302	Insurance liabilities	13	51,625	64,710	13,085	20.2	69,026
8,769	10,782	Retirement plan liabilities		8,616	9,512	896	9.4	9,061
14,333	12,575	Provisions	14	13,275	12,216	(1,059)	(8.7)	10,042
<b>327,525</b>	<b>299,955</b>	<b>Total liabilities</b>		<b>333,696</b>	<b>333,690</b>	<b>(6)</b>	<b>-</b>	<b>356,464</b>
<b>174,319</b>	<b>145,172</b>	<b>Total assets less total liabilities</b>		<b>171,654</b>	<b>129,005</b>	<b>42,649</b>	<b>33.1</b>	<b>128,854</b>
<b>Net worth</b>								
2,681	7,886	Taxpayers' funds	15	(172)	(10,171)	9,999	98.3	(10,254)
164,385	133,646	Property, plant and equipment revaluation reserve	15	164,445	134,147	30,298	22.6	134,146
55	(1,501)	Defined benefit retirement plan revaluation reserve	15	78	(808)	886	109.7	(687)
(566)	(659)	Veterans' disability entitlements reserve	15	(566)	(659)	93	14.1	(659)
481	(108)	Other reserves	15	600	(103)	703	-	(145)
<b>167,036</b>	<b>139,264</b>	<b>Total net worth attributable to the Crown</b>		<b>164,385</b>	<b>122,406</b>	<b>41,979</b>	<b>34.3</b>	<b>122,401</b>
7,283	5,908	Net worth attributable to minority interest	15	7,269	6,599	670	10.2	6,453
<b>174,319</b>	<b>145,172</b>	<b>Total net worth</b>		<b>171,654</b>	<b>129,005</b>	<b>42,649</b>	<b>33.1</b>	<b>128,854</b>

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

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

# STATEMENT OF SEGMENTS

For the three months ended 30 September 2022

	Current Year Actual vs Forecast									
	Core Crown		Crown entities		State-owned Enterprises		Inter-segment eliminations		Total Crown	
	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m
<b>Revenue</b>										
Taxation revenue	26,667	26,800	-	-	-	-	(219)	(159)	26,448	26,641
Other sovereign revenue	1,261	1,140	1,757	1,701	-	-	(550)	(549)	2,468	2,292
Revenue from core Crown funding	-	-	9,911	9,788	194	144	(10,105)	(9,932)	-	-
Sales of goods and services	386	388	735	746	4,176	4,028	(244)	(304)	5,053	4,858
Interest and dividend revenue	897	625	536	329	323	317	(453)	(258)	1,303	1,013
Other revenue	287	262	2,294	1,695	177	207	(1,835)	(1,181)	923	983
<b>Total Revenue (excluding gains)</b>	<b>29,498</b>	<b>29,215</b>	<b>15,233</b>	<b>14,259</b>	<b>4,870</b>	<b>4,696</b>	<b>(13,406)</b>	<b>(12,383)</b>	<b>36,195</b>	<b>35,787</b>
<b>Expenses</b>										
Transfer payments and subsidies	10,130	10,440	-	-	-	-	(297)	(333)	9,833	10,107
Personnel expenses	2,478	2,488	5,104	5,085	814	703	(13)	(10)	8,383	8,266
Other operating expenses	17,307	17,255	8,751	8,191	3,864	3,522	(12,369)	(11,656)	17,553	17,312
Interest expenses	1,240	929	110	111	218	237	(123)	(124)	1,445	1,153
Insurance expenses	1	-	1,463	1,614	2	(2)	-	-	1,466	1,612
Forecast new operating spending and top-down adjustment	-	(200)	-	-	-	-	-	-	-	(200)
<b>Total Expenses (excluding losses)</b>	<b>31,156</b>	<b>30,912</b>	<b>15,428</b>	<b>15,001</b>	<b>4,898</b>	<b>4,460</b>	<b>(12,802)</b>	<b>(12,123)</b>	<b>38,680</b>	<b>38,250</b>
Gains/(losses) and other items	(2,601)	756	1,822	247	(99)	(79)	490	(18)	(388)	906
<b>Operating Balance (excluding minority interests)</b>	<b>(4,259)</b>	<b>(941)</b>	<b>1,627</b>	<b>(495)</b>	<b>(127)</b>	<b>157</b>	<b>(114)</b>	<b>(278)</b>	<b>(2,873)</b>	<b>(1,557)</b>
<b>Assets</b>										
Financial assets	153,523	143,181	60,651	61,898	39,243	37,291	(26,503)	(28,087)	226,914	214,284
Property, plant and equipment	56,832	54,738	146,487	125,863	47,131	43,160	-	-	250,450	223,762
Investments in associates, CEs and SOEs	58,465	60,281	14,295	13,110	502	322	(56,808)	(58,397)	16,454	15,316
Other assets	6,194	4,938	2,794	3,144	3,162	2,637	(618)	(493)	11,532	10,226
Forecast and top-down capital adjustments	-	(893)	-	-	-	-	-	-	-	(893)
<b>Total Assets</b>	<b>275,014</b>	<b>262,245</b>	<b>224,227</b>	<b>204,015</b>	<b>90,038</b>	<b>83,410</b>	<b>(83,929)</b>	<b>(86,977)</b>	<b>505,350</b>	<b>462,695</b>
<b>Liabilities</b>										
Borrowings	184,455	175,002	15,270	13,850	41,610	42,129	(22,103)	(21,690)	219,232	209,291
Other liabilities	49,505	48,355	65,482	77,562	10,704	8,949	(11,227)	(10,467)	114,464	124,399
<b>Total Liabilities</b>	<b>233,960</b>	<b>223,357</b>	<b>80,752</b>	<b>91,412</b>	<b>52,314</b>	<b>51,078</b>	<b>(33,330)</b>	<b>(32,157)</b>	<b>333,696</b>	<b>333,690</b>
<b>Net Worth</b>	<b>41,054</b>	<b>38,888</b>	<b>143,475</b>	<b>112,603</b>	<b>37,724</b>	<b>32,332</b>	<b>(50,599)</b>	<b>(54,820)</b>	<b>171,654</b>	<b>129,005</b>
Cost of Acquisition of Physical Assets (Cash)	1,159	1,020	1,749	1,807	531	903	-	-	3,439	3,730

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

## STATEMENT OF COMMITMENTS

As at 30 September 2022

	As at 30 Sep 2022 \$m	As at 30 Jun 2022 \$m	As at 30 Sep 2021 \$m
<b>Capital Commitments</b>			
State highways	2,380	2,380	2,745
Specialist military equipment	1,902	2,169	2,440
Land and buildings	7,262	7,249	6,158
Other property, plant and equipment	5,203	5,192	4,476
Other capital commitments	917	1,045	961
Universities and Wānanga	763	763	875
<b>Total capital commitments</b>	<b>18,427</b>	<b>18,798</b>	<b>17,655</b>
<b>Operating Commitments</b>			
Non-cancellable accommodation leases	5,664	5,645	5,341
Other non-cancellable leases	3,175	3,184	3,857
Universities and Wānanga	1,279	1,279	1,137
<b>Total operating commitments</b>	<b>10,118</b>	<b>10,108</b>	<b>10,335</b>
<b>Total commitments</b>	<b>28,545</b>	<b>28,906</b>	<b>27,990</b>
<b>Total Commitments by Segment</b>			
Core Crown	11,766	11,979	12,215
Crown entities	9,953	10,107	9,107
State-owned Enterprises	7,127	7,131	6,900
Inter-segment eliminations	(301)	(311)	(232)
<b>Total commitments</b>	<b>28,545</b>	<b>28,906</b>	<b>27,990</b>

## STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

As at 30 September 2022

	As at 30 Sep 2022 \$m	As at 30 Jun 2022 \$m	As at 30 Sep 2021 \$m
<b>Quantifiable Contingent Liabilities</b>			
Uncalled capital	9,652	9,198	8,606
Guarantees and indemnities	429	387	343
Legal proceedings and disputes	508	553	314
Other contingent liabilities	813	778	579
<b>Total quantifiable contingent liabilities</b>	<b>11,402</b>	<b>10,916</b>	<b>9,842</b>
<b>Total Quantifiable Contingent Liabilities by Segment</b>			
Core Crown	10,850	10,366	9,584
Crown entities	362	392	157
State-owned Enterprises	228	206	196
Inter-segment eliminations	(38)	(48)	(95)
<b>Total quantifiable contingent liabilities</b>	<b>11,402</b>	<b>10,916</b>	<b>9,842</b>
<b>Quantifiable Contingent Assets</b>			
Core Crown	28	26	38
Crown entities	25	37	21
State-owned Enterprises	-	-	-
Inter-segment eliminations	2	-	-
<b>Total quantifiable contingent assets</b>	<b>55</b>	<b>63</b>	<b>59</b>

For further detail a list of unquantifiable contingent liabilities and their descriptions is included on the Treasury's website as part of the *Financial Statements of the Government of New Zealand* for the year ended 30 June 2022 on pages 135 to 140.

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

# NOTES TO THE FINANCIAL STATEMENTS

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## NOTE 1: Accounting Policies

### Reporting Entity

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

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

### Basis of combination

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

#### Core Crown entities

- Ministers of the Crown
- Government departments
- Offices of Parliament
- New Zealand Superannuation Fund
- Reserve Bank of New Zealand
- State-owned Enterprises (SOEs)
- Crown entities (excluding Universities and Wānanga)

#### Other entities

- State-owned Enterprises
- Crown entities (excluding Universities and Wānanga)
- Air New Zealand Limited
- Christ Church Cathedral Reinstatement Trust
- Kiwi Group Holdings Limited (including Kiwibank)
- Venture Capital 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 entities listed in Schedule 5 of the Public Finance Act 1989 (Mixed ownership model companies).

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

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

For further detail a schedule of the entities that are included in the Government reporting entity was set out on pages 59 to 61 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2022* published on 5 October 2022.

The 30 June 2022 results are audited, all other figures are unaudited.

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

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

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

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

### **Specific Accounting Policies**

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

### **Forecasts**

The annual forecasts in these financial statements are for the year to 30 June 2023, based on the *BEFU 2022* published on 19 May 2022.

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.

At 30 June 2022 an adjustment was made to reflect the IFRS Interpretation Committee agenda decision “Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)”. In 2022 this change resulted in previously capitalised intangible assets being recognised as an expense. This change is reflected in all periods except for the three months ended 30 September 2021. This change was not considered to be material for the comparative period.

## **Variance Percentages**

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

## **Judgements and Estimates**

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

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

Further detail on the judgements and estimates used can be found on pages 62 to 66 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2022* published on 5 October 2022.

# NOTES TO THE FINANCIAL STATEMENTS

Year to 30 June 2022 Actual \$m	3 months to 30 Sep 2021 Actual \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 2: Sovereign Revenue</b>							
<b>Taxation revenue</b>							
<b>Individuals</b>							
42,448	10,152	Source deductions	11,419	10,938	481	4.4	45,022
11,120	2,116	Other persons	2,355	2,491	(136)	(5.5)	11,265
(1,739)	(424)	Refunds	(466)	(511)	45	8.8	(2,001)
684	152	Fringe benefit tax	166	150	16	10.7	657
<b>52,513</b>	<b>11,996</b>	<b>Total individuals</b>	<b>13,474</b>	<b>13,068</b>	<b>406</b>	<b>3.1</b>	<b>54,943</b>
<b>Corporate tax</b>							
20,010	3,457	Gross companies tax	4,103	4,239	(136)	(3.2)	21,062
(630)	(101)	Refunds	(138)	(110)	(28)	(25.5)	(410)
516	79	Non-resident withholding tax	73	79	(6)	(7.6)	571
<b>19,896</b>	<b>3,435</b>	<b>Total corporate tax</b>	<b>4,038</b>	<b>4,208</b>	<b>(170)</b>	<b>(4.0)</b>	<b>21,223</b>
<b>Other direct income tax</b>							
842	164	Resident withholding tax on interest income	302	318	(16)	(5.0)	1,354
1,108	120	Resident withholding tax on dividend income	159	136	23	16.9	980
<b>1,950</b>	<b>284</b>	<b>Total other direct income tax</b>	<b>461</b>	<b>454</b>	<b>7</b>	<b>1.5</b>	<b>2,334</b>
<b>74,359</b>	<b>15,715</b>	<b>Total direct income tax</b>	<b>17,973</b>	<b>17,730</b>	<b>243</b>	<b>1.4</b>	<b>78,500</b>
<b>Goods and services tax</b>							
43,044	10,362	Gross goods and services tax	11,862	11,596	266	2.3	47,286
(16,920)	(4,060)	Refunds	(5,027)	(4,490)	(537)	(12.0)	(17,904)
<b>26,124</b>	<b>6,302</b>	<b>Total goods and services tax</b>	<b>6,835</b>	<b>7,106</b>	<b>(271)</b>	<b>(3.8)</b>	<b>29,382</b>
<b>Other indirect taxation</b>							
1,749	492	Petroleum fuels excise and duty <sup>1</sup>	354	402	(48)	(11.9)	1,890
1,866	479	Tobacco excise and duty <sup>1</sup>	451	400	51	12.8	1,705
1,840	439	Road and track user charges	320	459	(139)	(30.3)	1,874
1,241	337	Alcohol excise and duty <sup>1</sup>	339	349	(10)	(2.9)	1,400
178	46	Other customs duty	46	56	(10)	(17.9)	203
516	113	Miscellaneous indirect tax	130	139	(9)	(6.5)	555
<b>7,390</b>	<b>1,906</b>	<b>Total other indirect taxation</b>	<b>1,640</b>	<b>1,805</b>	<b>(165)</b>	<b>(9.1)</b>	<b>7,627</b>
<b>33,514</b>	<b>8,208</b>	<b>Total indirect taxation</b>	<b>8,475</b>	<b>8,911</b>	<b>(436)</b>	<b>(4.9)</b>	<b>37,009</b>
<b>107,873</b>	<b>23,923</b>	<b>Total taxation revenue</b>	<b>26,448</b>	<b>26,641</b>	<b>(193)</b>	<b>(0.7)</b>	<b>115,509</b>
<b>Other sovereign revenue</b>							
3,461	794	ACC levies	933	882	51	5.8	3,598
3,006	610	Emissions trading revenue	836	793	43	5.4	3,190
638	159	Fire Service levies	162	159	3	1.9	637
528	131	EQC levies	133	133	-	-	597
25	-	Clean vehicle discount	38	33	5	15.2	133
287	73	Child support and working for families penalties	60	57	3	5.3	217
100	29	Court fines	26	36	(10)	(27.8)	115
849	182	Other miscellaneous items	280	199	81	40.7	810
<b>8,894</b>	<b>1,978</b>	<b>Total other sovereign revenue</b>	<b>2,468</b>	<b>2,292</b>	<b>176</b>	<b>7.7</b>	<b>9,297</b>
<b>116,767</b>	<b>25,901</b>	<b>Total sovereign revenue</b>	<b>28,916</b>	<b>28,933</b>	<b>(17)</b>	<b>(0.1)</b>	<b>124,806</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2022	3 months to 30 Sep 2021	Actual \$m	Actual \$m	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 2: Sovereign Receipts (continued)</b>								
<b>Taxation Receipts (cash)</b>								
<b>Individuals</b>								
42,436	10,295			11,418	10,955	463	4.2	44,782
9,723	2,034			2,267	2,433	(166)	(6.8)	11,280
(2,423)	(648)			(639)	(674)	35	5.2	(2,467)
674	154			167	157	10	6.4	657
<b>50,410</b>	<b>11,835</b>			<b>13,213</b>	<b>12,871</b>	<b>342</b>	<b>2.7</b>	<b>54,252</b>
<b>Corporate Tax</b>								
18,343	4,201			4,951	4,689	262	5.6	21,273
(1,317)	(293)			(471)	(290)	(181)	(62.4)	(1,187)
529	127			113	105	8	7.6	571
-	-			-	-	-	-	-
<b>17,555</b>	<b>4,035</b>			<b>4,593</b>	<b>4,504</b>	<b>89</b>	<b>2.0</b>	<b>20,657</b>
<b>Other Direct Income Tax</b>								
813	163			281	309	(28)	(9.1)	1,354
1,098	192			239	193	46	23.8	980
<b>1,911</b>	<b>355</b>			<b>520</b>	<b>502</b>	<b>18</b>	<b>3.6</b>	<b>2,334</b>
<b>69,876</b>	<b>16,225</b>			<b>18,326</b>	<b>17,877</b>	<b>449</b>	<b>2.5</b>	<b>77,243</b>
<b>Goods and Services Tax</b>								
41,973	9,093			10,145	10,530	(385)	(3.7)	46,568
(16,473)	(3,761)			(4,462)	(4,278)	(184)	(4.3)	(17,744)
<b>25,500</b>	<b>5,332</b>			<b>5,683</b>	<b>6,252</b>	<b>(569)</b>	<b>(9.1)</b>	<b>28,824</b>
<b>Other Indirect Taxation</b>								
1,853	438			323	459	(136)	(29.6)	1,874
1,630	482			161	196	(35)	(17.9)	859
3,360	805			1,020	870	150	17.2	4,212
493	135			153	156	(3)	(1.9)	555
<b>7,336</b>	<b>1,860</b>			<b>1,657</b>	<b>1,681</b>	<b>(24)</b>	<b>(1.4)</b>	<b>7,500</b>
<b>32,836</b>	<b>7,192</b>			<b>7,340</b>	<b>7,933</b>	<b>(593)</b>	<b>(7.5)</b>	<b>36,324</b>
<b>102,712</b>	<b>23,417</b>			<b>25,666</b>	<b>25,810</b>	<b>(144)</b>	<b>(0.6)</b>	<b>113,567</b>
<b>Other Sovereign Receipts (cash)</b>								
3,363	1,004			1,136	1,134	2	0.2	3,476
2,075	651			415	348	67	19.3	1,388
634	187			193	190	3	1.6	634
530	148			150	150	-	-	546
25	-			38	33	5	15.2	133
212	46			56	47	9	19.1	199
110	31			30	44	(14)	(31.8)	93
854	219			187	197	(10)	(5.1)	806
<b>7,803</b>	<b>2,286</b>			<b>2,205</b>	<b>2,143</b>	<b>62</b>	<b>2.9</b>	<b>7,275</b>
<b>110,515</b>	<b>25,703</b>			<b>27,871</b>	<b>27,953</b>	<b>(82)</b>	<b>(0.3)</b>	<b>120,842</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

Year to 30 June 2022 Actual \$m	3 months to 30 Sep 2021 Actual \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 3: Interest Revenue and Dividends</b>							
2,292	484	Interest revenue	830	716	114	15.9	2,829
1,248	325	Dividends	473	297	176	59.3	1,176
<b>3,540</b>	<b>809</b>	<b>Total interest revenue and dividends</b>	<b>1,303</b>	<b>1,013</b>	<b>290</b>	<b>28.6</b>	<b>4,005</b>
<b>NOTE 4: Transfer Payments and Subsidies</b>							
17,764	4,369	New Zealand superannuation	4,776	4,785	9	0.2	19,529
3,330	833	Jobseeker support and emergency benefit	852	881	29	3.3	3,428
2,386	586	Accommodation assistance	591	589	(2)	(0.3)	2,331
2,047	507	Supported living payment	566	551	(15)	(2.7)	2,219
2,017	478	Family tax credit	515	543	28	5.2	2,375
1,704	397	Sole parent support	473	461	(12)	(2.6)	1,819
-	-	Cost of living payment	350	400	50	12.5	800
513	306	Winter energy payment	307	309	2	0.6	518
964	243	KiwiSaver subsidies	255	255	-	-	1,030
556	188	Student allowances	179	215	36	16.7	682
497	121	Hardship assistance	137	143	6	4.2	608
827	169	Official development assistance	120	231	111	48.1	1,058
519	119	Other working for families tax credits	112	129	17	13.2	562
412	104	Disability allowances	106	105	(1)	(1.0)	418
313	74	Orphan's/unsupported child's benefit	83	86	3	3.5	356
308	71	Best start	75	79	4	5.1	375
145	26	Income related rent subsidy	52	33	(19)	(57.6)	133
1,077	287	Other social assistance benefits	284	312	28	9.0	1,203
4,019	930	COVID-19 resurgence and support payment	-	-	-	-	-
4,689	2,735	Wage Subsidy Scheme	-	-	-	-	-
<b>44,087</b>	<b>12,543</b>	<b>Total transfer payments and subsidies</b>	<b>9,833</b>	<b>10,107</b>	<b>274</b>	<b>2.7</b>	<b>39,444</b>
<b>NOTE 5: Finance Costs</b>							
3,251	541	Interest on financial liabilities	1,338	1,097	(241)	(22.0)	4,970
98	16	Interest unwind on provisions and other interest	107	56	(51)	(91.1)	263
<b>3,349</b>	<b>557</b>	<b>Total finance costs</b>	<b>1,445</b>	<b>1,153</b>	<b>(292)</b>	<b>(25.3)</b>	<b>5,233</b>
<b>NOTE 6: Insurance Expenses</b>							
5,833	1,037	ACC	1,391	1,529	138	9.0	9,010
496	45	EQC	66	79	13	16.5	322
92	(5)	Southern Response	(5)	(5)	-	-	(20)
26	6	Other insurance expenses	14	9	(5)	(55.6)	56
<b>6,447</b>	<b>1,083</b>	<b>Total insurance expenses</b>	<b>1,466</b>	<b>1,612</b>	<b>146</b>	<b>9.1</b>	<b>9,368</b>

## NOTE 7: Forecast Adjustments

### Top-down adjustment

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

### Forecast for new operating and new capital spending

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

Forecast new operating spending and forecast new capital spending includes unallocated contingencies. Unallocated contingencies represent expenses or capital spending from Budget 2022 and previous Budgets that has yet to be allocated to appropriations for departments.

# NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2022 \$m	As at 30 Sep 2021 \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 8: Net Gains and Losses on Non-financial instruments</b>							
6,730	(3,026)	Actuarial gains/(losses) on ACC liability	3,038	-	3,038	-	-
(4,917)	(2,925)	Gains/(losses) on the Emissions Trading Scheme	(141)	-	(141)	-	-
1,152	363	Other	(14)	2	(16)	-	(49)
<b>2,965</b>	<b>(5,588)</b>	<b>Net gains/(losses) on non-financial instruments</b>	<b>2,883</b>	<b>2</b>	<b>2,881</b>	<b>-</b>	<b>(49)</b>

Net gains and losses on non-financial instruments represent the change in the actuarial and other assumptions to settle non-financial obligations.

At the date of the forecast, these are updated with information at the date of the forecast. As the forecasts in these financial statements were prepared in the prior financial year, there is no forecast gain or loss.

<b>NOTE 9: Financial Assets and Sovereign Receivables</b>							
17,835	17,047	Cash and cash equivalents	14,340	18,387	(4,047)	(22.0)	17,713
20,076	15,989	Tax receivables	21,202	17,375	3,827	22.0	17,321
15,059	9,912	Other receivables	14,453	10,092	4,361	43.2	11,585
27,786	26,024	Kiwibank mortgages	24,685	28,517	(3,832)	(13.4)	30,354
9,209	10,666	Student loans	9,063	9,800	(737)	(7.5)	9,679
11,277	5,212	Funding for Lending advances	13,494	12,234	1,260	10.3	20,622
6,387	8,515	Other advances	11,432	9,742	1,690	17.3	10,228
46,261	50,993	Share investments	42,810	51,498	(8,688)	(16.9)	53,423
6,096	4,762	Investments in controlled enterprises	6,713	5,134	1,579	30.8	5,991
45,045	42,926	Other marketable securities	45,090	38,337	6,753	17.6	38,424
8,444	4,822	Long-term deposits	9,107	4,734	4,373	92.4	4,711
6,643	4,012	Derivatives in gain	8,928	3,197	5,731	179.3	2,830
5,324	5,031	IMF financial assets	5,597	5,237	360	6.9	5,237
<b>225,442</b>	<b>205,911</b>	<b>Total financial assets and sovereign receivables</b>	<b>226,914</b>	<b>214,284</b>	<b>12,630</b>	<b>5.9</b>	<b>228,118</b>
<b>Financial assets by entity</b>							
54,178	60,983	The Treasury	53,342	44,629	8,713	19.5	31,714
60,590	47,390	Reserve Bank of New Zealand	67,138	60,001	7,137	11.9	59,677
65,411	60,644	NZ Superannuation Fund	62,038	65,177	(3,139)	(4.8)	69,651
42,845	34,671	Other core Crown	45,360	37,057	8,303	22.4	36,370
(73,598)	(68,931)	Intra-segment eliminations	(74,355)	(63,683)	(10,672)	(16.8)	(43,167)
<b>149,426</b>	<b>134,757</b>	<b>Total core Crown segment</b>	<b>153,523</b>	<b>143,181</b>	<b>10,342</b>	<b>7.2</b>	<b>154,245</b>
50,041	53,437	ACC	49,226	51,790	(2,564)	(5.0)	53,097
541	531	EQC	530	461	69	15.0	531
17,547	14,951	Other Crown entities	15,623	14,822	801	5.4	14,487
(4,318)	(3,593)	Intra-segment eliminations	(4,728)	(5,175)	447	8.6	(4,179)
<b>63,811</b>	<b>65,326</b>	<b>Total Crown entities segment</b>	<b>60,651</b>	<b>61,898</b>	<b>(1,247)</b>	<b>(2.0)</b>	<b>63,936</b>
<b>38,443</b>	<b>33,511</b>	<b>Total State-owned Enterprises segment</b>	<b>39,243</b>	<b>37,291</b>	<b>1,952</b>	<b>5.2</b>	<b>39,223</b>
(26,238)	(27,683)	Inter-segment eliminations	(26,503)	(28,086)	1,583	5.6	(29,286)
<b>225,442</b>	<b>205,911</b>	<b>Total financial assets and sovereign receivables</b>	<b>226,914</b>	<b>214,284</b>	<b>12,630</b>	<b>5.9</b>	<b>228,118</b>

# NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2022 \$m	As at 30 Sep 2021 \$m	Current Year Actual vs Forecast				Annual HYEFU Forecast \$m
		Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 10: Property, Plant and Equipment</b>						
<b>Net Carrying Value<sup>2</sup></b>						
<b>By class of asset:</b>						
84,744	70,165	84,523	71,075	13,448	18.9	71,458
59,781	53,829	60,034	57,133	2,901	5.1	60,665
51,915	42,931	52,054	44,432	7,622	17.2	45,856
19,027	17,871	18,679	18,158	521	2.9	18,582
4,353	4,332	4,355	4,793	(438)	(9.1)	4,392
4,220	3,643	4,160	3,661	499	13.6	3,793
4,293	3,847	4,286	4,535	(249)	(5.5)	5,183
3,254	3,093	3,272	3,179	93	2.9	3,194
10,583	7,413	10,621	7,995	2,626	32.8	8,319
7,012	7,121	8,466	8,801	(335)	(3.8)	9,334
<b>249,182</b>	<b>214,245</b>	<b>250,450</b>	<b>223,762</b>	<b>26,688</b>	<b>11.9</b>	<b>230,776</b>
<b>Land breakdown by usage</b>						
32,802	25,802	32,779	26,317	6,462	24.6	26,910
23,486	18,459	23,475	18,395	5,080	27.6	18,000
7,826	7,155	7,827	7,145	682	9.5	7,150
7,478	7,095	7,510	7,247	263	3.6	7,320
4,309	3,805	4,321	3,881	440	11.3	3,928
1,582	1,195	1,288	1,201	87	7.2	1,272
7,261	6,654	7,323	6,889	434	6.3	6,878
<b>84,744</b>	<b>70,165</b>	<b>84,523</b>	<b>71,075</b>	<b>13,448</b>	<b>18.9</b>	<b>71,458</b>
<b>Schedule of Movements</b>						
<b>Cost or Valuation</b>						
231,234	231,234	268,071	245,166	22,905	9	245,166
12,880	2,671	2,716	3,850	(1,134)	(29.5)	16,537
(2,011)	(175)	(93)	(71)	(22)	(31.0)	(1,102)
26,271	(66)	133	-	133	-	-
(303)	(40)	59	6	53	-	(79)
<b>268,071</b>	<b>233,624</b>	<b>270,886</b>	<b>248,951</b>	<b>21,935</b>	<b>8.8</b>	<b>260,522</b>
<b>Accumulated Depreciation &amp; Impairment</b>						
18,018	18,018	18,889	23,596	(4,707)	(20)	23,596
(1,039)	(141)	(52)	(3)	(49)	-	(471)
(3,377)	-	2	-	2	-	-
(851)	-	312	-	312	-	-
6,152	1,486	1,584	1,594	(10)	(0.6)	6,613
(14)	16	(299)	2	(301)	-	8
<b>18,889</b>	<b>19,379</b>	<b>20,436</b>	<b>25,189</b>	<b>(4,753)</b>	<b>(18.9)</b>	<b>29,746</b>
<b>249,182</b>	<b>214,245</b>	<b>250,450</b>	<b>223,762</b>	<b>26,688</b>	<b>11.9</b>	<b>230,776</b>

2. Using a revaluation methodology unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2022 \$m	As at 30 Sep 2021 \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		<b>NOTE 11: Payables</b>					
15,933	9,348	Accounts payable	11,697	9,992	(1,705)	(17.1)	9,649
5,487	4,787	Taxes repayable	5,212	4,925	(287)	(5.8)	5,408
<b>21,420</b>	<b>14,135</b>	<b>Total payables</b>	<b>16,909</b>	<b>14,917</b>	<b>(1,992)</b>	<b>(13.4)</b>	<b>15,057</b>
		<b>NOTE 12: Borrowings</b>					
89,489	80,653	Government bonds	94,638	94,051	(587)	(0.6)	104,281
27,174	25,729	Kiwi Group Holdings	27,284	28,321	1,037	3.7	30,130
43,521	32,434	Settlement deposits	45,797	50,854	5,057	9.9	58,297
3,487	7,739	Treasury bills	3,162	3,181	19	0.6	2,976
10,275	5,356	Derivatives in loss	15,041	4,688	(10,353)	(220.8)	4,387
1,177	1,199	Finance lease liabilities	1,179	1,207	28	2.3	1,176
152	169	Government retail stock	147	161	14	8.7	161
28,690	26,150	Other borrowings	31,984	26,828	(5,156)	(19.2)	29,210
<b>203,965</b>	<b>179,429</b>	<b>Total borrowings</b>	<b>219,232</b>	<b>209,291</b>	<b>(9,941)</b>	<b>(4.7)</b>	<b>230,618</b>
153,263	132,700	Sovereign-guaranteed debt	167,748	158,193	(9,555)	(6.0)	175,758
50,702	46,729	Non sovereign-guaranteed debt	51,484	51,098	(386)	(0.8)	54,860
<b>203,965</b>	<b>179,429</b>	<b>Total borrowings</b>	<b>219,232</b>	<b>209,291</b>	<b>(9,941)</b>	<b>(4.7)</b>	<b>230,618</b>

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

Total borrowings can be split into sovereign-guaranteed and non-sovereign-guaranteed debt. This split reflects the fact that borrowings by SOEs and Crown entities are not explicitly guaranteed by the Crown. No debt of SOEs and Crown entities is currently guaranteed by the Crown.

		<b>NOTE 13: Insurance Liabilities</b>					
54,115	61,374	ACC liability	50,474	63,968	13,494	21.1	68,353
863	735	EQC property damage liability	805	646	(159)	(24.6)	576
284	149	Southern Response	283	33	(250)	-	33
39	44	Other insurance liabilities	63	63	-	-	64
-	-	Inter-segment eliminations	-	-	-	-	-
<b>55,301</b>	<b>62,302</b>	<b>Total insurance liabilities</b>	<b>51,625</b>	<b>64,710</b>	<b>13,085</b>	<b>20.2</b>	<b>69,026</b>

The most recent valuation of the ACC liability was as at 30 June 2022, updated monthly for changes to discount rates.

		<b>NOTE 14: Provisions</b>					
7,543	6,425	Provision for employee entitlements	6,762	6,329	(433)	(6.8)	4,503
2,843	3,013	Veterans disability entitlements	2,834	2,921	87	3.0	2,862
660	740	Provision for National Provident Fund guarantee	660	674	14	2.1	627
3,287	2,397	Other provisions	3,019	2,292	(727)	(31.7)	2,050
<b>14,333</b>	<b>12,575</b>	<b>Total provisions</b>	<b>13,275</b>	<b>12,216</b>	<b>(1,059)</b>	<b>(8.7)</b>	<b>10,042</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2022 \$m	As at 30 Sep 2021 \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>NOTE 15: Changes in Net Worth</b>							
2,681	7,886	Taxpayers' funds	(172)	(10,171)	9,999	98.3	(10,254)
164,385	133,646	Property, plant and equipment revaluation reserve	164,445	134,147	30,298	22.6	134,146
55	(1,501)	Defined benefit retirement plan revaluation reserve	78	(808)	886	109.7	(687)
(566)	(659)	Veterans' disability entitlements reserve	(566)	(659)	93	14.1	(659)
7,283	5,908	Net worth attributable to minority interests	7,269	6,599	670	10.2	6,453
481	(108)	Other reserves	600	(103)	703	-	(145)
<b>174,319</b>	<b>145,172</b>	<b>Total net worth</b>	<b>171,654</b>	<b>129,005</b>	<b>42,649</b>	<b>33.1</b>	<b>128,854</b>
19,656	19,857	Opening taxpayers funds	2,681	(8,674)	11,355	130.9	(8,674)
(16,932)	(11,556)	Operating balance excluding minority interests	(2,873)	(1,557)	(1,316)	(84.5)	(1,632)
(43)	(415)	Transfers from/(to) other reserves	20	60	(40)	(66.7)	52
<b>2,681</b>	<b>7,886</b>	<b>Closing taxpayers funds</b>	<b>(172)</b>	<b>(10,171)</b>	<b>9,999</b>	<b>98.3</b>	<b>(10,254)</b>
134,003	134,003	Opening property, plant and equipment revaluation reserve	164,385	134,125	30,260	22.6	134,146
30,920	(326)	Net revaluations	106	22	84	381.8	-
(538)	(31)	Transfers from/(to) other reserves	(46)	-	(46)	-	-
<b>164,385</b>	<b>133,646</b>	<b>Closing property, plant and equipment revaluation reserve</b>	<b>164,445</b>	<b>134,147</b>	<b>30,298</b>	<b>22.6</b>	<b>134,146</b>
5,724	5,724	Opening net worth attributable to minority interests	7,283	6,515	768	11.8	6,515
949	-	Increase/(decrease) in minority interest from changes in equity	32	-	32	-	-
610	184	Net movements	(46)	84	(130)	(154.8)	(62)
<b>7,283</b>	<b>5,908</b>	<b>Closing net worth attributable to minority interests</b>	<b>7,269</b>	<b>6,599</b>	<b>670</b>	<b>10.2</b>	<b>6,453</b>
(172)	(172)	Opening other reserves	481	(90)	571	-	(90)
653	64	Net movements	119	(13)	132	-	(55)
<b>481</b>	<b>(108)</b>	<b>Closing other reserves</b>	<b>600</b>	<b>(103)</b>	<b>703</b>	<b>-</b>	<b>(145)</b>

# FISCAL INDICATOR ANALYSIS

For the three months ended 30 September 2022

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

Year to 30 June 2022 Actual \$m	3 months to 30 Sep 2021 Actual \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		<b>Operating Balance</b>					
141,627	31,862	Total revenue	36,195	35,787	408	1.1	152,154
150,956	37,179	Less total expenses	38,680	38,250	(430)	(1.1)	158,528
(6,722)	(5,969)	Total gains/(losses)	(292)	967	(1,259)	(130.2)	4,845
(126)	(29)	Net surplus from associates and joint ventures	35	33	2	6.1	149
(755)	(241)	Minority interests share of operating balance	(131)	(94)	(37)	(39.4)	(252)
<b>(16,932)</b>	<b>(11,556)</b>	<b>Operating balance</b>	<b>(2,873)</b>	<b>(1,557)</b>	<b>(1,316)</b>	<b>(84.5)</b>	<b>(1,632)</b>
		<b>Reconciliation Between the Operating Balance and OBEGAL</b>					
<b>(16,932)</b>	<b>(11,556)</b>	<b>Operating balance</b>	<b>(2,873)</b>	<b>(1,557)</b>	<b>(1,316)</b>	<b>(84.5)</b>	<b>(1,632)</b>
		Less items excluded from OBEGAL:					
(9,687)	(381)	Net gains/(losses) on financial instruments	(3,175)	965	(4,140)	(429.0)	4,894
2,965	(5,588)	Net gains/(losses) on non-financial instruments	2,883	2	2,881	-	(49)
(126)	(29)	Net surplus from associates and joint ventures	35	33	2	6.1	149
(393)	(206)	Minority interests share of total gains/(losses)	(10)	(4)	(6)	(150.0)	8
<b>(9,691)</b>	<b>(5,352)</b>	<b>OBEGAL</b>	<b>(2,606)</b>	<b>(2,553)</b>	<b>(53)</b>	<b>(2.1)</b>	<b>(6,634)</b>

# FISCAL INDICATOR ANALYSIS

For the three months ended 30 September 2022

## Expenses by Functional Classification

Year to 30 June 2022	3 months to 30 Sep 2021		Note	Current Year Actual vs Forecast				Annual BEFU Forecast
Actual \$m	Actual \$m			Actual \$m	Forecast \$m	Variance \$m	%	Forecast \$m
<b>Total Crown expenses</b>								
48,303	13,003	Social security and welfare		11,942	12,065	123	1.0	50,226
27,658	6,113	Health		7,082	6,894	(188)	(2.7)	25,493
18,911	4,962	Education		5,166	4,989	(177)	(3.5)	19,518
5,426	1,123	Core government services		1,136	1,292	156	12.1	6,180
5,921	1,436	Law and order		1,456	1,601	145	9.1	6,403
9,528	2,397	Transport and communications		3,643	2,924	(719)	(24.6)	12,568
16,673	4,065	Economic and industrial services		2,702	3,307	605	18.3	12,598
2,803	694	Defence		727	661	(66)	(10.0)	2,906
3,260	800	Heritage, culture and recreation		809	837	28	3.3	3,414
2,302	538	Primary services		586	544	(42)	(7.7)	2,493
3,935	918	Housing and community development		1,149	1,399	250	17.9	5,318
2,535	539	Environmental protection		801	702	(99)	(14.1)	3,033
110	21	GSF pension expenses		22	20	(2)	(10.0)	78
242	13	Other		14	62	48	77.4	163
3,349	557	Finance costs		1,445	1,153	(292)	(25.3)	5,233
-	-	Forecast new operating spending	7	-	-	-	-	4,904
-	-	Top-down expense adjustment	7	-	(200)	(200)	(100.0)	(2,000)
<b>150,956</b>	<b>37,179</b>	<b>Total Crown expenses excluding losses</b>		<b>38,680</b>	<b>38,250</b>	<b>(430)</b>	<b>(1.1)</b>	<b>158,528</b>

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

Year to 30 June 2022	3 months to 30 Sep 2021		Note	Current Year Actual vs Forecast				Annual BEFU Forecast
Actual \$m	Actual \$m			Actual \$m	Forecast \$m	Variance \$m	%	Forecast \$m
<b>Core Crown expenses</b>								
42,860	12,157	Social security and welfare		10,628	10,600	(28)	(0.3)	41,552
27,781	6,356	Health		7,386	7,114	(272)	(3.8)	26,579
18,023	4,487	Education		4,583	4,651	68	1.5	18,587
5,720	1,190	Core government services		1,173	1,315	142	10.8	6,110
5,444	1,336	Law and order		1,364	1,491	127	8.5	5,966
4,657	753	Transport and communications		1,065	980	(85)	(8.7)	4,754
8,078	1,970	Economic and industrial services		931	1,110	179	16.1	4,254
2,832	699	Defence		730	666	(64)	(9.6)	2,924
1,468	371	Heritage, culture and recreation		362	387	25	6.5	1,533
949	199	Primary services		224	224	-	-	1,159
2,033	476	Housing and community development		634	844	210	24.9	3,076
2,549	540	Environmental protection		803	724	(79)	(10.9)	3,118
94	16	GSF pension expenses		18	15	(3)	(20.0)	61
269	13	Other		14	62	48	77.4	163
2,884	459	Finance costs		1,240	929	(311)	(33.5)	4,311
-	-	Forecast new operating spending	7	-	-	-	-	4,904
-	-	Top-down expense adjustment	7	-	(200)	(200)	(100.0)	(2,000)
<b>125,641</b>	<b>31,022</b>	<b>Core Crown expenses excluding losses</b>		<b>31,155</b>	<b>30,912</b>	<b>(243)</b>	<b>(0.8)</b>	<b>127,051</b>



# FISCAL INDICATOR ANALYSIS

For the three months ended 30 September 2022

## Core Crown Residual Cash

Year to 30 June 2022 \$m	3 months to 30 Sep 2021 \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		<b>Core Crown Cash Flows from Operations</b>					
105,487	25,386	Tax receipts	25,579	25,986	(407)	(1.6)	115,061
3,364	921	Other sovereign receipts	756	678	78	11.5	2,656
393	46	Interest receipts	133	142	(9)	(6.3)	553
2,883	627	Sale of goods & services and other receipts	1,023	671	352	52.5	3,172
(45,440)	(13,955)	Transfer payments and subsidies	(11,381)	(11,615)	234	2.0	(41,108)
(71,980)	(17,553)	Personnel and operating costs	(19,404)	(19,102)	(302)	(1.6)	(74,403)
(2,841)	(67)	Interest payments	(431)	(277)	(154)	(55.6)	(3,587)
-	-	Forecast for future new operating spending	-	-	-	-	(4,904)
-	-	Top-down expense adjustment	-	200	(200)	(100.0)	2,000
<b>(8,134)</b>	<b>(4,595)</b>	<b>Net core Crown operating cash flows</b>	<b>(3,725)</b>	<b>(3,317)</b>	<b>(408)</b>	<b>(12.3)</b>	<b>(560)</b>
(3,474)	(940)	Net purchase of physical and intangible assets	(1,220)	(1,139)	(81)	(7.1)	(5,355)
(9,192)	(3,110)	Net increase in advances	(2,357)	(2,698)	341	12.6	(12,820)
(3,823)	(676)	Net purchase of investments	(730)	(1,111)	381	34.3	(7,736)
(2,420)	(605)	Contributions to New Zealand Superannuation Fund	(640)	(640)	-	-	(2,558)
-	-	Forecast for future new capital spending	-	-	-	-	(1,311)
-	-	Top-down capital adjustment	-	106	(106)	(100.0)	1,060
<b>(18,909)</b>	<b>(5,331)</b>	<b>Net core Crown capital cash flows</b>	<b>(4,947)</b>	<b>(5,482)</b>	<b>535</b>	<b>9.8</b>	<b>(28,720)</b>
<b>(27,043)</b>	<b>(9,926)</b>	<b>Core Crown residual cash surplus / (deficit)</b>	<b>(8,672)</b>	<b>(8,799)</b>	<b>127</b>	<b>1.4</b>	<b>(29,280)</b>
		<i>The core Crown residual cash surplus / (deficit) is funded or invested as follows:</i>					
		<b>Debt Programme Cash Flows</b>					
		Market:					
19,275	9,275	Issue of government bonds	7,395	7,507	(112)	(1.5)	25,721
-	-	Repayment of government bonds	(2,749)	(3,881)	1,132	29.2	(22,746)
(4,158)	563	Net issue/(repayment) of short-term borrowing	(516)	(391)	(125)	(32.1)	(591)
<b>15,117</b>	<b>9,838</b>	<b>Total market debt cash flows</b>	<b>4,130</b>	<b>3,235</b>	<b>895</b>	<b>27.6</b>	<b>2,384</b>
		Non market:					
-	-	Issue of government bonds	-	-	-	-	-
-	(72)	Repayment of government bonds	-	-	-	-	-
(412)	-	Net issue/(repayment) of short-term borrowing <sup>1</sup>	(412)	(412)	-	-	(400)
<b>(412)</b>	<b>(72)</b>	<b>Total non-market debt cash flows</b>	<b>(412)</b>	<b>(412)</b>	<b>-</b>	<b>-</b>	<b>(400)</b>
<b>14,705</b>	<b>9,766</b>	<b>Total debt programme cash flows</b>	<b>3,718</b>	<b>2,823</b>	<b>895</b>	<b>31.7</b>	<b>1,984</b>
		<b>Other Borrowing Cash Flows</b>					
		Net (repayment)/issue of other New Zealand dollar borrowing	6,251	2,211	4,040	182.7	12,652
1,589	(522)	Net (repayment)/issue of foreign currency borrowing	5	(43)	48	111.3	(917)
<b>13,989</b>	<b>2,148</b>	<b>Total other borrowing cash flows</b>	<b>6,256</b>	<b>2,168</b>	<b>4,088</b>	<b>294.1</b>	<b>11,735</b>
		<b>Investing Cash Flows</b>					
		Other net sale/(purchase) of marketable securities and deposits	(3,506)	2,715	(6,221)	(229.1)	15,899
805	324	Issues of circulating currency	(57)	23	(80)	(347.8)	-
(2,428)	(1,717)	Decrease/(increase) in cash	2,261	1,070	1,191	111.3	(338)
<b>(1,651)</b>	<b>(1,988)</b>	<b>Total investing cash flows</b>	<b>(1,302)</b>	<b>3,808</b>	<b>(5,110)</b>	<b>(134.2)</b>	<b>15,561</b>
<b>27,043</b>	<b>9,926</b>	<b>Core Crown residual cash deficit / (surplus) funding</b>	<b>8,672</b>	<b>8,799</b>	<b>(127)</b>	<b>(1.4)</b>	<b>29,280</b>

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

# FISCAL INDICATOR ANALYSIS

As at 30 September 2022

## Net Debt and Gross Debt

As at 30 June 2022 Actual \$m	As at 30 Sep 2021 Actual \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>Net Debt:</b>							
168,986	147,855	Core Crown borrowings <sup>1</sup>	184,455	175,002	(9,453)	(5.4)	192,255
14,345	12,430	Crown entity borrowings <sup>2</sup>	15,270	13,850	(1,420)	(10.3)	16,511
(343)	(1,332)	Net unsettled purchases/(sales) of securities <sup>3</sup>	(4,714)	(1,546)	3,168	204.9	(1,636)
(121,138)	(114,057)	Less core Crown financial assets (per net debt definition) <sup>4</sup>	(123,973)	(120,992)	2,981	2.5	(132,158)
<b>61,850</b>	<b>44,896</b>	<b>Net debt (incl. NZS Fund)</b>	<b>71,038</b>	<b>66,314</b>	<b>(4,724)</b>	<b>(7.1)</b>	<b>74,972</b>
<b>Additional net debt analysis</b>							
61,850	44,896	Net debt (incl. NZS Fund)	71,038	66,314	(4,724)	(7.1)	74,972
(5,040)	(2,194)	Less NZS Fund borrowings	(7,286)	(2,740)	4,546	165.9	(2,740)
		Less NZS Fund net unsettled purchases/(sales) of securities	3,365	1,547	(1,818)	(117.5)	1,637
235	1,052	Less NZS Fund financial assets	57,782	63,160	5,378	8.5	67,780
60,070	59,088						
<b>117,115</b>	<b>102,842</b>	<b>Net debt (excl. NZS Fund)</b>	<b>124,899</b>	<b>128,281</b>	<b>3,382</b>	<b>2.6</b>	<b>141,649</b>
<b>Gross Debt:</b>							
168,986	147,855	Core Crown borrowings	184,455	175,002	(9,453)	(5.4)	192,255
5,042	559	Unsettled purchases of securities	765	316	(449)	(142.1)	81
		Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings	(7,985)	(3,055)	4,930	161.4	(2,820)
(9,990)	(2,539)	Less Reserve Bank settlement cash and Reserve Bank bills	(46,964)	(51,854)	(4,890)	(9.4)	(59,297)
(45,088)	(33,698)						
<b>118,950</b>	<b>112,177</b>	<b>Gross Debt<sup>5</sup></b>	<b>130,271</b>	<b>120,409</b>	<b>(9,862)</b>	<b>(8.2)</b>	<b>130,219</b>

### Notes on borrowings

- Core Crown borrowings represent the total debt obligations of the consolidated core Crown segment. This includes any government stock held by ACC and EQC the includes settlement deposits with the Reserve Bank.
- Crown entity borrowings represents the total debt obligations of the consolidated Crown entities. This includes debt issued by Crown entities, such as Kāinga Ora.
- Unsettled sales and purchases of securities are classified in the Statement of Financial Position as receivables and accounts payable, respectively.
- Core Crown financial assets per the net debt definition includes any asset that is cash, deposits, share investments, advances, other marketable securities or a right to exchange a financial asset or liability on favourable terms (derivatives in gain).
- The Gross Debt balances for comparative actuals results have been restated. Previously, an adjustment to settlement cash of \$1.6 billion was made in the calculation of Gross Debt which related to the Reserve Bank using this amount of settlement cash purchase reserves that were to have been funded by government borrowing

For the three months ended 30 September 2022

## Movement in Net Debt

As at 30 June 2022 Actual \$m	As at 30 Sep 2021 Actual \$m		Current Year Actual vs Forecast				Annual BEFU Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
<b>35,921</b>	<b>35,921</b>	<b>Opening net debt</b>	<b>61,850</b>	<b>61,163</b>	<b>(687)</b>	<b>(1.1)</b>	<b>61,163</b>
27,043	9,926	Core Crown residual cash (surplus)/deficit	8,672	8,799	127	1.4	29,280
(9,192)	(3,110)	Less net increase in advances	(2,357)	(2,698)	(341)	(12.6)	(12,820)
(2,420)	(605)	Less contributions to the NZS Fund	(640)	(640)	-	-	(2,558)
(805)	(1,915)	Net increase/(decrease) in Crown Entity borrowings	925	(495)	(1,420)	(286.9)	2,166
		Other fair value movements in financial assets and financial liabilities (including NZSF)	2,588	185	(2,403)	-	(2,259)
11,303	4,679						
<b>61,850</b>	<b>44,896</b>	<b>Closing net debt</b>	<b>71,038</b>	<b>66,314</b>	<b>(4,724)</b>	<b>(7.1)</b>	<b>74,972</b>

# FISCAL INDICATOR ANALYSIS

## New Zealand Superannuation Fund

30 June 2022 \$m	30 Sep 2021 \$m		Actual \$m	Forecast \$m	Variance \$m	%	BEFU Forecast \$m
<b>NZ Superannuation Fund</b>							
1,077	237	Revenue	308	237	71	30.0	949
(35)	(31)	Less current tax expense	20	(279)	(299)	(107.2)	(1,117)
517	(39)	Less other expenses	797	(57)	(854)	-	(230)
(5,133)	(241)	Add gains/(losses)	(2,595)	992	(3,587)	(361.6)	3,969
<b>(3,574)</b>	<b>(74)</b>	<b>Operating balance</b>	<b>(1,470)</b>	<b>893</b>	<b>(2,363)</b>	<b>(264.6)</b>	<b>3,571</b>
57,365	57,365	Opening net worth	56,210	60,255	(4,045)	(6.7)	60,255
2,420	605	Contributions from the Crown	640	640	-	-	2,558
(3,574)	(74)	Operating balance	(1,470)	893	(2,363)	(264.6)	3,571
(1)	(1)	Other movements in reserves	-	(1)	1	100.0	-
<b>56,210</b>	<b>57,895</b>	<b>Closing net worth</b>	<b>55,380</b>	<b>61,787</b>	<b>(6,407)</b>	<b>(10.4)</b>	<b>66,384</b>
<b>Comprising:</b>							
65,411	60,644	Financial assets	62,038	65,321	(3,283)	(5.0)	69,651
(9,102)	(2,750)	Financial liabilities	(6,561)	(3,521)	(3,040)	(86.3)	(3,238)
(99)	1	Net other assets	(97)	(13)	(84)	-	(29)
<b>56,210</b>	<b>57,895</b>	<b>Closing net worth</b>	<b>55,380</b>	<b>61,787</b>	<b>(6,407)</b>	<b>(10.4)</b>	<b>66,384</b>

## FISCAL INDICATOR ANALYSIS

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

Financial Results	30 Sep 2022 Actual \$m	30 Sep 2022 Forecast \$m	Variance \$m	Variance %	Annual Forecast \$m
Core Crown taxation revenue...	26,667	26,800	(133)	(0.5)	116,098
...combined with other core Crown revenue...	2,831	2,415	416	17.2	9,602
...funds core Crown expenses...	(31,155)	(30,912)	(243)	(0.8)	(127,051)
...and including SOE and Crown entity revenues and expenses...	(949)	(856)	(93)	(10.9)	(5,283)
...results in an <b>OBEGAL</b> ...	(2,606)	(2,553)	(53)	(2.1)	(6,634)
...with gains/losses leading to an <b>operating surplus/(deficit)</b> ...	(2,873)	(1,557)	(1,316)	(84.5)	(1,632)
...removing net income in State-owned Enterprise's, Crown entities and the NZS Fund...	84	(277)	361	130.3	897
...and some items do not impact cash.	(936)	(1,483)	547	36.9	175
This leads to a core Crown operating residual cash surplus/(deficit)...	<b>(3,725)</b>	<b>(3,317)</b>	<b>(408)</b>	<b>(12.3)</b>	<b>(560)</b>
...used to make contributions to the NZS Fund...	(640)	(640)	-	-	(2,558)
...and to use for capital expenditure	(1,220)	(1,139)	(81)	(7.1)	(5,355)
...and to make advances (eg, to students) and investments...	(2,357)	(2,698)	341	12.6	(12,820)
...and to purchase investments	(640)	(640)	-	-	(7,736)
Adjusting for forecast adjustments (top-down/new spending)...	-	106	(106)	(100.0)	(251)
...results in a <b>borrowing requirement (cash deficit)/surplus</b>	<b>(8,672)</b>	<b>(8,799)</b>	<b>127</b>	<b>1.4</b>	<b>(29,280)</b>