



TE TAI ŌHANGA
THE TREASURY

7 May 2024

MEDIA STATEMENT

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Jayne Winfield, Chief Government Accountant

Interim Financial Statements of the Government of New Zealand for the nine months ended 31 March 2024

The interim Financial Statements of the Government of New Zealand for the nine months ended 31 March 2024 were released by the Treasury today.

The March results are reported against forecasts based on the *Half Year Economic and Fiscal Update 2023 (HYEFU 2023)*, published on 20 December 2023 and the results for the same period for the previous year. The results from April will be reported against the *Budget Economic and Fiscal Update (BEFU 2024)* which will be published by the Treasury on 30 May 2024.

	Year to date				Full Year
	March	March	Variance ²	Variance	June
	2024	2024			2024
	Actual ¹	HYEFU 2023 Forecast ¹	HYEFU 2023	HYEFU 2023	HYEFU 2023 Forecast ³
	\$m	\$m	\$m	%	\$m
Core Crown tax revenue	88,522	89,728	(1,206)	(1.3)	122,025
Core Crown revenue	98,149	99,778	(1,629)	(1.6)	135,740
Core Crown expenses	100,905	102,280	1,375	1.3	140,286
Core Crown residual cash	(17,587)	(16,966)	(621)	(3.7)	(25,831)
Net core Crown debt ⁴	173,684	174,330	646	0.4	182,755
<i>as a percentage of GDP</i>	42.9%	43.0%			43.5%
Gross debt	170,309	167,722	(2,588)	(1.5)	166,640
<i>as a percentage of GDP</i>	42.0%	41.4%			39.7%
Operating balance before gains and losses	(5,039)	(4,420)	(619)	(14.0)	(9,319)
Operating balance (excluding minority interests)	1,740	(3,381)	5,121	151.5	(6,873)
Net worth attributable to the Crown	185,537	180,647	4,890	2.7	177,160
<i>as a percentage of GDP</i>	45.8%	44.6%			42.2%

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

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

3 Using HYEFU 2023 forecast GDP for the year ending 30 June 2024 of \$419,982 million (Source: The Treasury).

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

Core Crown tax revenue, at \$88.5 billion, was \$1.2 billion (1.3%) below forecast. The variance was largely owing to corporate tax and net other individuals' taxes being below forecast by \$1.7 billion and \$0.3 billion, respectively. This was due to reduced taxable profits on both filed and estimated tax assessments as a result of economic conditions. In contrast, revenue from other direct taxes was \$1.0 billion (31.5%) above the forecast.

Core Crown revenue at \$98.1 billion was \$1.6 billion lower than forecast. This was largely due to core Crown tax revenue, as discussed above, and lower-than-expected revenue from the Emissions Trading Scheme due to a drop in the price of New Zealand Units from \$70.00 to \$58.35 compared to forecast.

Core Crown expenses at \$100.9 billion was lower than forecast by \$1.4 billion. The variance was distributed across several areas and is mostly timing in nature.

The operating balance before gains and losses (**OBEGAL**) deficit of \$5.0 billion was \$0.6 billion weaker than forecast. Although the Crown entity results were \$0.4 billion better than anticipated, these were offset by weaker results from the core Crown and State-Owned Enterprises (SOEs), which were \$0.3 billion and \$0.8 billion weaker, respectively.

The **operating balance** surplus of \$1.7 billion was \$5.1 billion stronger than expected. This improvement was driven by favourable valuation movements in financial instruments of \$9.0 billion, partially offset by unfavourable valuation movements on non-financial instruments of \$3.1 billion.

The **core Crown residual cash deficit** of \$17.6 billion was higher than the forecast deficit by \$0.6 billion. This was largely a result of net operating cash outflows being \$1.4 billion higher than forecast (unfavourable), mainly because of weaker tax receipts but this was partly offset by net capital cash outflows being \$0.8 billion lower than forecast.

Net core Crown debt at \$173.7 billion (42.9% of GDP) was lower than forecast by \$0.6 billion. Although the residual cash deficit was weaker than expected, this was more than offset by valuation movements, the timing of net interest payments, and the additional issuance of circulating currency.

Gross debt at \$170.3 billion (42.0% of GDP) was \$2.6 billion higher than forecast, primarily due to additional borrowings aimed at addressing the Crown's short-term liquidity requirements.

Net worth attributable to the Crown was \$185.5 billion (45.8% of GDP) which was \$4.9 billion higher than forecast. This was largely driven by the variance in the operating balance result.

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Interim Financial Statements of the Government of New Zealand

For the nine months ended
31 March 2024



Prepared by the Treasury
7 May 2024

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 31 March 2024, and the financial results of operations and cash flows for the period ended on that date.

The March results are reported against forecasts based on the *Half Year Economic and Fiscal Update 2023* (HYEFU 2023), published on 20 December 2023 and the results against the same period for the previous year.

Comparison against forecast

Table 1 – Key indicators for the nine months ended 31 March 2024 compared to HYEFU 2023

	Year to date				Full Year
	March	March	Variance ²	Variance	June
	2024	2024			HYEFU 2023
	Actual ¹	Forecast ¹	HYEFU 2023	HYEFU 2023	Forecast ³
	\$m	\$m	\$m	%	\$m
Core Crown tax revenue	88,522	89,728	(1,206)	(1.3)	122,025
Core Crown revenue	98,149	99,778	(1,629)	(1.6)	135,740
Core Crown expenses	100,905	102,280	1,375	1.3	140,286
Core Crown residual cash	(17,587)	(16,966)	(621)	(3.7)	(25,831)
Net core Crown debt ⁴	173,684	174,330	646	0.4	182,755
<i>as a percentage of GDP</i>	42.9%	43.0%			43.5%
Gross debt	170,309	167,722	(2,588)	(1.5)	166,640
<i>as a percentage of GDP</i>	42.0%	41.4%			39.7%
Operating balance before gains and losses	(5,039)	(4,420)	(619)	(14.0)	(9,319)
Operating balance (excluding minority interests)	1,740	(3,381)	5,121	151.5	(6,873)
Net worth attributable to the Crown	185,537	180,647	4,890	2.7	177,160
<i>as a percentage of GDP</i>	45.8%	44.6%			42.2%

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

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

3 Using HYEFU 2023 forecast GDP for the year ending 30 June 2024 of \$419,982 million (Source: The Treasury).

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

Core Crown tax revenue, at \$88.5 billion, was \$1.2 billion (1.3%) below forecast. The main variances related to:

- Corporate tax revenue and other individuals tax revenue were \$1.7 billion and \$0.2 billion below forecast, respectively. Actual tax returns filed for the 2023 tax year and estimated income tax revenue for the 2024 tax year are both lower than forecast, owing to weaker-than-forecast taxable profits.
- GST revenue, was \$0.3 billion below forecast, indicating some weakness in consumption for the March quarter. It is possible that this weakness relative to forecast could continue through to the end of the fiscal year.
- In contrast, revenue from other direct taxes was \$1.0 billion (31.5%) above the forecast. This increase was due to continued strength in resident withholding tax (RWT) on interest and dividends in March.

Core Crown revenue was \$1.6 billion lower than forecast, primarily due to the weaker core Crown tax revenue discussed above. Furthermore, revenue from the Emissions Trading Scheme (ETS) was lower than expected due to the spot price of New Zealand emission units (NZUs) decreasing from the forecasted price.

Core Crown expenses were \$100.9 billion, lower than forecast by \$1.4 billion (1.3%). Excluding the top-down adjustment and finance costs, core Crown expenditure was \$3.0 billion lower than forecast. Notable variances included:

- **Core Government Services (\$0.7 billion lower):** The lower spending on core government services was driven by various factors. Notably, spending on North Island weather events recovery grants were \$0.3 billion lower than expected. Similarly, the procurement for the SouthPAN project saw a delay of \$0.1 billion because of the rescheduling of satellite contractual milestones.

- **Economic and industrial services (\$0.6 billion lower):** this variance was mainly due to regional grant contracts managed by the Ministry of Business, Innovation and Employment. Expenses are recognised upon recipients meeting pre-agreed deliverables which have been delayed.
- **Housing and community development (\$0.5 billion lower):** the lower-than-forecast expenditure was spread across several agencies. The largest delays were attributable to lower costs associated with work on the water services entities, various programmes, and transitional housing.
- **Environmental protection (\$0.4 billion lower):** this variance was spread across various departments, with the largest component of \$0.2 billion due to the price drop in the NZUs compared to forecast, as mentioned earlier.

The operating balance before gains and losses (**OBEGAL**) deficit of \$5.0 billion, was \$0.6 billion weaker than forecast. Although results from Crown entities were \$0.4 billion better than anticipated, these were offset by weaker results from both the core Crown and State-owned Enterprises (SOEs), which were \$0.3 billion and \$0.8 billion weaker, respectively. The weaker core Crown results were as a result of the factors mentioned above, while the weaker SOE result was primarily due to write-downs associated with KiwiRail's Inter-island Resilient Connection (iReX) project.

The **operating balance** was a surplus of \$1.7 billion, which was \$5.1 billion favourable to forecast. Given the weaker than expected OBEGAL deficit (as discussed above), valuation changes were the key driver behind the improvement in the operating. Overall, net gains on financial and non-financial instruments were \$5.9 billion higher than forecast due to:

- Net gains on financial instruments of \$9.4 billion were stronger than the forecast gain of \$0.4 billion. This was primarily due to higher returns on listed equities and gains on derivatives, including those from the New Zealand Superannuation Fund (NZS Fund) and interest rate swaps held by Accident Compensation Corporation (ACC), due to the high level of volatility in the period.
- Net losses on non-financial instruments of \$2.4 billion were \$3.1 billion weaker than the expected gain of \$0.7 billion. The losses were mainly due to an increase in the ACC's outstanding claims liability, which reflects changes in discount rates used for estimating future costs. However, this was partially offset by losses on the ETS liability being \$1.7 billion less than forecast due to the price drop of NZUs.

The **core Crown residual cash** deficit of \$17.6 billion was higher than the forecast deficit by \$0.6 billion. This was largely a result of net core Crown operating cash outflows being \$1.4 billion higher than forecast (unfavourable), mainly owing to weaker tax receipts. This was partially offset by net capital cash outflows which were \$0.8 billion lower than forecast, largely attributable to the net purchase of investments being less than anticipated.

Net core Crown debt at \$173.7 billion (42.9% of GDP) was below forecast by \$0.6 billion. Although the residual cash result was weaker than expected, this was more than offset by favourable variances in gains on financial instruments held by the Reserve Bank of New Zealand (RBNZ) as a result of foreign exchange rate movements, an increase in the issuance of circulating currency, and the timing of net interest payments.

Gross debt at \$170.3 billion (42.0% of GDP), was \$2.6 billion more than forecast due to additional borrowings to manage the Crown's short-term liquidity requirements. Short term borrowings were \$6.2 billion above forecast, with Euro Commercial Paper being \$7.0 billion higher than forecast offset by Treasury Bills which were \$0.8 billion lower. This was partly offset by the issuance of NZGS/IIB Bonds were lower than forecast by \$4.0 billion.

Net worth attributable to the Crown was \$185.6 billion which was \$4.9 billion higher than forecast, largely driven by the variance in the operating balance result.

Comparison against the prior year actuals

Table 2 – 31 March 2024 results compared to 31 March 2023 actuals

	Year to date			Full Year	
	March 2024	March 2023	Variance ³ to 2023	Variance to 2023	June 2023
	Actual ¹ \$m	Prior Year Actual ² \$m	\$m	%	Prior Year Actual ⁴ \$m
Core Crown tax revenue	88,522	83,615	4,907	5.9	112,358
Core Crown revenue	98,149	91,737	6,412	7.0	123,398
Core Crown expenses	100,905	92,520	(8,385)	(9.1)	127,574
Core Crown residual cash	(17,587)	(22,756)	5,169	22.7	(25,648)
Net core Crown debt ⁵	173,684	152,690	(20,994)	(13.7)	155,273
<i>as a percentage of GDP</i>	42.9%	40.1%			39.3%
Gross debt	170,309	143,351	(26,958)	(18.8)	135,789
<i>as a percentage of GDP</i>	42.0%	37.6%			34.3%
Operating balance before gains and losses	(5,039)	(3,388)	(1,651)	(48.7)	(9,446)
Operating balance (excluding minority interests)	1,740	4,470	(2,730)	(61.1)	5,321
Net worth attributable to the Crown	185,537	172,218	13,319	7.7	183,514
<i>as a percentage of GDP</i>	45.8%	45.2%			46.4%

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

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

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

4 Using published GDP (revised) (for the year ended 30 June 2023) of \$395,582 million (Source: Stats NZ).

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

Core Crown tax revenue increased by \$4.9 billion (5.9%) compared to the prior year, with the largest movements as follows:

- Source deduction revenue was up \$3.9 billion (11.2%) owing to a strong labour market, characterised by strong wage growth.
- Other direct tax revenue was up \$2.1 billion (100.0%) mainly owing to increases in deposit interest rates and dividend distributions.
- GST revenue was up \$1.0 billion (4.9%), owing to year-on-year growth in nominal consumption. However, the rate of increase in GST is lower than CPI inflation, indicating that consumers have cut back their real spending in response to mortgage interest rate and price increases.
- In contrast, other individuals tax revenue was down \$0.7 billion (10.1%) and corporate tax revenue was down \$1.9 billion (14.1%), mainly owing to a decline in the value of income tax assessments filed, consistent with a decline in taxable profits.

Core Crown tax receipts for the nine months to March 2024 were \$4.9 billion (6.0%) up on the prior year. The largest movements came from:

- Source deduction receipts were up \$3.9 billion (11.2%), other direct tax receipts were up \$1.5 billion (75.7%), GST receipts were up \$0.7 billion (3.5%), and other indirect tax receipts were up \$0.4 billion (22.7%), for reasons similar to the corresponding revenue movements.
- Corporate tax receipts were down \$1.2 billion (8.6%) owing to a decline in provisional tax receipts (\$1.4 billion), somewhat offset by an increase in PIE tax receipts (\$0.2 billion) and receipts of non-resident withholding tax (\$0.1 billion).

In addition, core Crown interest revenue was higher than the same time last year (\$1.8 billion). This was mainly driven by RBNZ and relates to both an increase in the OCR which was 4.75% in March 2023 and is now 5.5%, and higher deposit balances.

Due to the increases in core Crown tax revenue and interest revenue noted above, **core Crown revenue** was \$6.4 billion (7.0%) above the same period last year.

Core Crown expenses at \$100.9 billion were \$8.4 billion (9.1%) higher than the same period last year, with the most notable changes including:

- Social security welfare costs rose by \$2.3 billion compared to last year, mainly driven by increased NZ Superannuation payments (\$1.6 billion) due to rising entitlement rates (6.9% since April 2023) which occurred from April 2023 alongside the impact from the indexation of the other main benefit types. Other benefits such as Jobseeker Support and Emergency Benefit (\$0.4 billion) and addressing Whaikaha price and volume cost pressures (\$0.2 billion). This was partially offset by the end of the cost-of-living payment.
- Finance costs were up by \$2.1 billion on last year as a result of increases to interest rates and a higher level of debt.
- Education costs were up \$1.4 billion on last year. This was mainly the result of salary rate changes and lump sum payments made in relation to the primary and secondary collective agreements as well as increased depreciation costs associated with the revaluation of the school property portfolio as at 30 June 2023.
- Core government services were up \$0.8 billion on last year. This was mostly due to the North Island Weather Events response, particularly cost sharing arrangements agreed with local authorities (\$0.6 billion) and higher spending on International Development Cooperation (\$0.2 billion).

The **OBEGAL** deficit has increased by \$1.7 billion compared to the same time last year, primarily due to the weaker results from both the core Crown and SOEs.

The **operating balance** at a surplus of \$1.7 billion compared to a surplus of \$4.5 billion at the same time last year was mainly due to:

- Net losses of \$2.4 billion on non-financial instruments in the current year compared to a \$3.2 billion gain last year. The gain in 2022/23 was due to NZU prices decreasing, while the loss in 2023/24 was mainly due to NZU prices increasing.
- Offsetting this variance were gains on financial instruments, which were \$4.8 billion higher than the gain of \$4.6 billion last year, largely due to favourable market conditions.

The **core Crown residual cash** deficit of \$17.6 billion decreased by \$5.2 billion compared to the deficit for the same period last year. This was mostly driven by capital cash flows, which decreased by \$7.0 billion, mainly due to the Funding for Lending Programme (FLP). Repayments of \$1.3 billion have been received so far this year; in contrast, loans issued from the FLP totalled \$6.4 billion at the same time last year. In addition, the net purchase of investments has decreased by \$1.8 billion, mainly as a result of the acquisition of Kiwi Group Holdings Limited by Kiwi Group Capital Limited. The Crown provided funding of \$2.1 billion to purchase shares.

Net core Crown debt was \$21.0 billion higher than the same time last year, and as a share of the economy, net core Crown debt increased to 42.9% (compared to 40.1% of GDP a year earlier). This reflects the accumulated residual cash deficits of \$20.5 billion since March 2023.

Net worth attributable to the Crown was \$185.5 billion (45.8% of GDP), \$13.3 billion higher than the same time last year. Of this, \$9.5 billion was attributable to increased valuations of property, plant and equipment and \$3.2 billion represented the change in accumulated taxpayer funds.



Unaudited Interim Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE

For the nine months ended 31 March 2024

Year to 30 June 2023	9 months to 31 Mar 2023		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
		Revenue						
111,712	83,082	Taxation revenue	2	87,933	89,295	(1,362)	(1.5)	121,419
8,407	6,539	Other sovereign revenue	2	7,075	7,639	(564)	(7.4)	10,757
120,119	89,621	Total sovereign revenue		95,008	96,934	(1,926)	(2.0)	132,176
21,954	16,335	Sales of goods and services		18,185	17,992	193	1.1	23,985
6,355	3,911	Interest revenue and dividends	3	6,243	5,642	601	10.7	7,385
4,583	3,065	Other revenue		2,817	2,695	122	4.5	3,784
32,892	23,311	Total revenue earned through operations		27,245	26,329	916	3.5	35,154
153,011	112,932	Total revenue (excluding gains)		122,253	123,263	(1,010)	(0.8)	167,330
		Expenses						
38,803	28,217	Transfer payments and subsidies	4	30,618	30,766	148	0.5	42,201
36,052	25,467	Personnel expenses		28,569	28,813	244	0.8	38,031
6,601	4,852	Depreciation		5,496	5,455	(41)	(0.8)	7,358
64,134	46,710	Other operating expenses		48,507	50,486	1,979	3.9	71,479
7,448	5,085	Interest expenses	5	7,680	7,145	(535)	(7.5)	9,963
8,784	5,534	Insurance expenses	6	6,148	6,059	(89)	(1.5)	9,553
-	-	Forecast new operating spending	7	-	-	-	-	1,920
-	-	Top-down expense adjustment	7	-	(1,436)	(1,436)	(100.0)	(4,350)
161,822	115,865	Total expenses (excluding losses)		127,018	127,288	270	0.2	176,155
		Gains/(losses)						
7,711	4,598	Net gains/(losses) on financial instruments		9,361	400	8,961	-	1,822
6,947	3,247	Net gains/(losses) on non-financial instruments	8	(2,438)	669	(3,107)	(464.4)	709
14,658	7,845	Total gains/(losses)		6,923	1,069	5,854	-	2,531
		Other interests						
29	23	Net surplus/(deficit) from associates and joint ventures		(22)	22	(44)	(200.0)	(27)
(555)	(465)	Less minority interests' share of operating balance		(396)	(447)	51	11.4	(552)
5,321	4,470	Operating balance (excluding minority interests)		1,740	(3,381)	5,121	151.5	(6,873)
555	465	Minority interests' share of operating balance		396	447	(51)	(11.4)	552
5,876	4,935	Operating balance (including minority interests)		2,136	(2,934)	5,070	172.8	(6,321)

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

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the nine months ended 31 March 2024

Year to 30 June 2023 Actual \$m	9 months to 31 Mar 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
5,876	4,935	Operating balance (including minority interest)	2,136	(2,934)	5,070	172.8	(6,321)
		Other comprehensive revenue and expense					
10,870	1,108	Revaluation of physical assets	143	(240)	383	159.6	(240)
354	118	Revaluation of defined benefit retirement plan schemes	380	756	(376)	(49.7)	754
173	-	- Revaluation of veterans' disability entitlements	-	-	-	-	-
417	41	Transfers into/(out of) cash flow hedge reserve	(416)	(47)	(369)	-	(23)
(22)	15	Transfers into/(out of) reserves	59	78	(19)	(24.4)	105
(230)	(68)	(Gains)/losses transferred to the statement of financial performance	25	-	25	-	-
(3)	(2)	Foreign currency translation differences on foreign operations	-	-	-	-	-
76	(65)	Other movements	112	(6)	118	-	(36)
11,635	1,147	Total other comprehensive revenue and expense	303	541	(238)	(44.0)	560
17,511	6,082	Total comprehensive revenue and expense	2,439	(2,393)	4,832	201.9	(5,761)
		Attributable to:					
1,033	900	- minority interests	416	474	(58)	(12.2)	593
16,478	5,182	- the Crown	2,023	(2,867)	4,890	170.6	(6,354)
17,511	6,082	Total comprehensive revenue and expense	2,439	(2,393)	4,832	201.9	(5,761)

STATEMENT OF CHANGES IN NET WORTH

For the nine months ended 31 March 2024

Year to 30 June 2023 Actual \$m	9 months to 31 Mar 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
174,319	174,319	Opening net worth	191,472	191,472	-	-	191,472
5,876	4,935	Operating balance (including minority interest)	2,136	(2,934)	5,070	172.8	(6,321)
10,870	1,108	Revaluations of physical assets	143	(240)	383	159.6	(240)
354	118	Revaluations of defined benefit retirement plan schemes	380	756	(376)	(49.7)	754
173	-	- Revaluations of veterans' disability entitlements	-	-	-	-	-
417	41	Transfers into/(out of) cash flow hedge reserve	(416)	(47)	(369)	-	(23)
(22)	15	Transfers into/(out of) other reserves	59	78	(19)	(24.4)	105
(230)	(68)	(Gains)/losses transferred to the statement of financial performance	25	-	25	-	-
(3)	(2)	Foreign currency translation differences on foreign operations	-	-	-	-	-
76	(65)	Other movements	112	(6)	118	-	(36)
17,511	6,082	Total comprehensive revenue and expense	2,439	(2,393)	4,832	201.9	(5,761)
66	42	Increase in minority interest from equity issues	69	51	18	35.3	373
(424)	(394)	Transactions with minority interests	(543)	(489)	(54)	(11.0)	(603)
191,472	180,049	Closing net worth	193,437	188,641	4,796	2.5	185,481

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

STATEMENT OF CASH FLOWS

For the nine months ended 31 March 2024

Year to 30 June 2023 Actual \$m	9 months to 31 Mar 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m	
			Note	Actual \$m	Forecast \$m	Variance \$m		%
		Cash flows from operations						
		Cash was provided from						
110,787	79,872	Taxation receipts		84,712	86,222	(1,510)	(1.8)	115,240
7,631	5,889	Other sovereign receipts		5,899	5,738	161	2.8	7,667
22,284	16,206	Sales of goods and services		17,778	17,463	315	1.8	23,364
3,611	2,240	Interest receipts		3,492	3,278	214	6.5	4,332
4,922	4,416	Other operating receipts		4,034	3,867	167	4.3	5,353
149,235	108,623	Total cash provided from operations		115,915	116,568	(653)	(0.6)	155,956
		Cash was disbursed to						
39,170	29,126	Transfer payments and subsidies		31,576	31,695	119	0.4	42,163
99,414	75,440	Personnel and operating payments		83,021	85,210	2,189	2.6	115,399
6,126	3,457	Interest payments		5,475	4,922	(553)	(11.2)	8,005
-	-	Forecast new operating spending	7	-	-	-	-	1,920
-	-	Top-down expense adjustment	7	-	(1,436)	(1,436)	(100.0)	(4,350)
144,710	108,023	Total cash disbursed to operations		120,072	120,391	319	0.3	163,137
4,525	600	Net cash flows from operations		(4,157)	(3,823)	(334)	(8.7)	(7,181)
		Cash flows from investing activities						
		Cash was provided from/(disbursed to)						
(14,271)	(10,069)	Net (purchase)/sale of physical assets		(12,921)	(15,108)	2,187	14.5	(21,668)
(4,906)	(1,396)	Net (purchase)/sale of shares and other securities		(9,932)	(8,756)	(1,176)	(13.4)	4,487
(868)	(747)	Net (purchase)/sale of intangible assets		(525)	(610)	85	13.9	(849)
(8,215)	(8,207)	Net (issue)/repayment of advances		(512)	(532)	20	3.8	1,175
(202)	(152)	Net acquisition of investments in associates		(349)	(349)	-	-	(479)
-	-	Forecast new capital spending	7	-	-	-	-	(995)
-	-	Top-down capital adjustment	7	-	510	(510)	(100.0)	1,700
(28,462)	(20,571)	Net cash flows from investing activities		(24,239)	(24,845)	606	2.4	(16,629)
(23,937)	(19,971)	Net cash flows from operating and investing activities		(28,396)	(28,668)	272	0.9	(23,810)
		Cash Flows from financing activities						
		Cash was provided from/(disbursed to)						
(59)	157	Issues of circulating currency		163	72	91	126.4	65
15,744	18,106	Net issue/(repayment) of Government bonds		21,870	26,548	(4,678)	(17.6)	26,006
(113)	(1,394)	Net issue/(repayment) of foreign currency borrowing		664	(1,952)	2,616	134.0	(2,567)
9,298	8,258	Net issue/(repayment) of other New Zealand dollar borrowing		3,642	6,685	(3,043)	(45.5)	3,659
(372)	(355)	Dividends paid to minority interests		(537)	(431)	(106)	(24.6)	(220)
24,498	24,772	Net cash flows from financing activities		25,802	30,922	(5,120)	(16.6)	26,943
561	4,801	Net movement in cash		(2,594)	2,254	(4,848)	(215.1)	3,133
17,835	17,835	Opening cash balance		18,791	18,791	-	-	18,791
395	(449)	Foreign-exchange gains/(losses) on opening cash		307	207	100	48.3	184
18,791	22,187	Closing cash balance		16,504	21,252	(4,748)	(22.3)	22,108

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

STATEMENT OF CASH FLOWS (CONTINUED)

For the nine months ended 31 March 2024

Year to 30 June 2023 Actual \$m	9 months to 31 Mar 2023 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					
4,525	600	Net cash flows from operations	(4,157)	(3,823)	(334)	(8.7)	(7,181)
		Gains/(losses) and other interests					
7,711	4,598	Net gains/(losses) on financial instruments	9,361	400	8,961	-	1,822
6,947	3,247	Net gains/(losses) on non-financial instruments	(2,438)	669	(3,107)	(464.4)	709
29	23	Net surplus from associates and joint ventures	(22)	22	(44)	(200.0)	(27)
14,687	7,868	Total gains/(losses) and other interests	6,901	1,091	5,810	-	2,504
		Other non-cash items in operating balance					
(6,601)	(4,852)	Depreciation	(5,496)	(5,455)	(41)	(0.8)	(7,358)
(734)	(1,074)	Amortisation and net impairment of non-financial assets	(929)	(667)	(262)	(39.3)	(904)
(738)	(617)	Cost of concessionary lending	(563)	(586)	23	3.9	(726)
(97)	(77)	Impairment of financial assets (excl receivables)	(91)	(134)	43	32.1	(56)
(3,525)	979	Decrease/(increase) in insurance liabilities	1,549	1,709	(160)	(9.4)	(2,909)
61	(135)	Change in accumulating pension expenses	(56)	(39)	(17)	(43.6)	(52)
395	324	Emissions trading scheme revenue and expense	642	1,231	(589)	(47.8)	2,048
(11,239)	(5,452)	Total other non-cash items	(4,944)	(3,941)	(1,003)	(25.5)	(9,957)
		Movements in working capital					
1,155	1,917	Increase/(decrease) in receivables	797	(112)	909	-	5,572
183	(806)	Increase/(decrease) in accrued interest	(314)	(999)	685	68.6	(438)
(27)	236	Increase/(decrease) in inventories	253	107	146	136.4	(17)
113	503	Increase/(decrease) in prepayments	849	788	61	7.7	324
(244)	(187)	Decrease/(increase) in deferred revenue	260	413	(153)	(37.0)	397
(3,277)	256	Decrease/(increase) in payables/provisions	2,491	3,542	(1,051)	(29.7)	2,475
(2,097)	1,919	Total movements in working capital	4,336	3,739	597	16.0	8,313
5,876	4,935	Operating balance (including minority interests)	2,136	(2,934)	5,070	172.8	(6,321)

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

As at 30 June 2023 Actual \$m	As at 31 Mar 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m	
			Note	Actual \$m	Forecast \$m	Variance \$m		%
		Assets						
18,791	22,187	Cash and cash equivalents	9	16,504	21,252	(4,748)	(22.3)	22,108
33,548	33,618	Receivables	9	35,075	34,728	347	1.0	40,459
		Marketable securities, deposits and derivatives in gain	9	75,425	74,496	929	1.2	60,703
66,490	65,234	Share investments	9	52,813	49,160	3,653	7.4	50,082
48,046	44,371	Advances	9	68,741	66,786	1,955	2.9	66,681
66,489	64,641	Investments in controlled enterprises	9	7,690	6,779	911	13.4	6,895
7,317	6,714	Inventory		3,294	3,148	146	4.6	3,024
3,041	3,304	Other assets		5,530	4,866	664	13.6	4,394
4,612	4,687	Property, plant and equipment	10	274,314	276,844	(2,530)	(0.9)	281,842
267,390	255,118	Equity accounted investments ¹		17,287	17,304	(17)	(0.1)	17,336
17,034	16,581	Intangible assets and goodwill		3,989	3,733	256	6.9	3,816
3,908	3,886	Forecast for new capital spending	7	-	-	-	-	995
-	-	Top-down capital adjustment	7	-	(510)	510	100.0	(1,700)
-	-							
536,666	520,341	Total assets		560,662	558,586	2,076	0.4	556,635
		Liabilities						
9,002	9,218	Issued currency		9,164	9,074	(90)	(1.0)	9,066
18,726	17,314	Payables	11	17,957	18,540	583	3.1	21,092
3,610	3,555	Deferred revenue		3,350	3,196	(154)	(4.8)	3,213
226,755	225,242	Borrowings	12	250,825	258,214	7,389	2.9	253,847
6,125	8,281	New Zealand Emissions Trading Scheme	13	8,089	9,228	1,139	12.3	8,656
57,511	54,781	Insurance liabilities	14	55,876	50,957	(4,919)	(9.7)	55,486
8,039	8,358	Retirement plan liabilities		7,467	7,084	(383)	(5.4)	7,035
15,426	13,543	Provisions	15	14,497	13,652	(845)	(6.2)	12,759
345,194	340,292	Total liabilities		367,225	369,945	2,720	0.7	371,154
191,472	180,049	Total assets less total liabilities		193,437	188,641	4,796	2.5	185,481
		Net worth						
8,380	7,194	Taxpayers' funds	16	10,408	5,008	5,400	107.8	1,511
		Property, plant and equipment revaluation reserve	16	174,492	174,320	172	0.1	174,335
174,575	164,992	Defined benefit retirement plan revaluation reserve	16	788	1,164	(376)	(32.3)	1,163
409	173	Veterans' disability entitlements reserve	16	(392)	(392)	-	-	(392)
(392)	(566)	Other reserves	16	241	547	(306)	(55.9)	543
542	425							
183,514	172,218	Total net worth attributable to the Crown		185,537	180,647	4,890	2.7	177,160
7,958	7,831	Net worth attributable to minority interest	16	7,900	7,994	(94)	(1.2)	8,321
191,472	180,049	Total net worth		193,437	188,641	4,796	2.5	185,481

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 nine months ended 31 March 2024

	Current Year Actual vs Forecast									
	Core Crown		Crown entities		State-owned Enterprises		Inter-segment eliminations		Total Crown	
	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m
Revenue										
Taxation revenue	88,522	89,728	-	-	-	-	(589)	(433)	87,933	89,295
Other sovereign revenue	2,896	3,517	5,975	5,897	-	-	(1,796)	(1,775)	7,075	7,639
Revenue from core Crown funding	-	-	35,582	36,665	530	700	(36,112)	(37,365)	-	-
Sales of goods and services	1,369	1,382	2,187	2,153	15,221	14,995	(592)	(538)	18,185	17,992
Interest and dividend revenue	4,545	4,296	3,029	2,597	172	127	(1,503)	(1,378)	6,243	5,642
Other revenue	817	855	2,794	2,967	588	574	(1,382)	(1,701)	2,817	2,895
Total Revenue (excluding gains)	98,149	99,778	49,567	50,279	16,511	16,396	(41,974)	(43,190)	122,253	123,263
Expenses										
Transfer payments and subsidies	31,560	31,736	-	-	-	-	(942)	(970)	30,618	30,766
Personnel expenses	8,257	8,415	17,734	17,921	2,620	2,520	(42)	(43)	28,569	28,813
Other operating expenses	54,413	57,065	26,156	27,548	13,176	12,279	(39,742)	(40,951)	54,003	55,941
Interest expenses	6,671	6,498	1,378	982	418	409	(787)	(744)	7,680	7,145
Insurance expenses	4	2	6,136	6,048	8	9	-	-	6,148	6,059
Top-down adjustment	-	(1,436)	-	-	-	-	-	-	-	(1,436)
Total Expenses (excluding losses)	100,905	102,280	51,404	52,499	16,222	15,217	(41,513)	(42,708)	127,018	127,288
Gains/(losses) and other items	4,760	(4,026)	2,221	3,969	(228)	(374)	(248)	1,075	6,505	644
Operating Balance (excluding minority interests)	2,004	(6,528)	384	1,749	61	805	(709)	593	1,740	(3,381)
Assets										
Financial assets	154,862	153,438	96,139	92,773	4,363	3,777	(34,191)	(31,515)	221,173	218,473
Receivables	30,083	29,620	4,336	4,564	2,899	2,853	(2,243)	(2,309)	35,075	34,728
Property, plant and equipment	64,262	64,794	155,955	156,796	54,099	55,253	(2)	1	274,314	276,844
Investments in associates, CEs and SOEs	67,901	69,264	14,630	14,680	449	462	(65,693)	(67,102)	17,287	17,304
Other assets	6,571	5,985	3,692	3,295	3,049	2,950	(499)	(483)	12,813	11,747
Top-down capital adjustments	-	(510)	-	-	-	-	-	-	-	(510)
Total Assets	323,679	322,591	274,752	272,108	64,859	65,295	(102,628)	(101,408)	560,662	558,586
Liabilities										
Borrowings	216,757	222,260	54,334	54,713	11,788	11,466	(32,054)	(30,225)	250,825	258,214
Other liabilities	45,315	46,963	69,884	64,272	11,478	11,294	(10,277)	(10,798)	116,400	111,731
Total Liabilities	262,072	269,223	124,218	118,985	23,266	22,760	(42,331)	(41,023)	367,225	369,945
Net Worth	61,607	53,368	150,534	153,123	41,593	42,535	(60,297)	(60,385)	193,437	188,641
Cost of Acquisition of Physical Assets (Cash)	3,415	3,320	7,080	8,359	2,518	3,482	-	-	13,012	15,161

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

STATEMENT OF COMMITMENTS

As at 31 March 2024

	As at 31 Mar 2024 \$m	As at 30 Jun 2023 \$m	As at 31 Mar 2023 \$m
Capital Commitments			
State highways	2,481	2,437	1,929
Specialist military equipment	523	1,129	1,531
Land and buildings	8,556	9,343	8,569
Other property, plant and equipment	5,511	5,429	5,346
Other capital commitments	1,196	1,222	724
Universities and Wānanga	635	635	763
Total capital commitments	18,902	20,195	18,862
Operating Commitments			
Non-cancellable accommodation leases	5,563	6,010	5,626
Other non-cancellable leases	4,380	4,308	3,218
Universities and Wānanga	1,293	1,288	1,279
Total operating commitments	11,236	11,606	10,123
Total commitments	30,138	31,801	28,985
Total Commitments by Segment			
Core Crown	10,930	11,970	10,842
Crown entities	11,876	12,651	11,147
State-owned Enterprises	7,709	7,576	7,319
Inter-segment eliminations	(378)	(396)	(323)
Total commitments	30,138	31,801	28,985

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

As at 31 March 2024

	As at 31 Mar 2024 \$m	As at 30 Jun 2023 \$m	As at 31 Mar 2023 \$m
Quantifiable Contingent Liabilities			
Uncalled capital	9,679	9,468	9,125
Guarantees and indemnities	282	281	324
Legal proceedings and disputes	922	690	732
Other contingent liabilities	1,146	1,006	685
Total quantifiable contingent liabilities	12,029	11,445	10,866
Total Quantifiable Contingent Liabilities by Segment			
Core Crown	12,053	11,662	10,084
Crown entities	777	529	637
State-owned Enterprises	149	239	180
Inter-segment eliminations	(950)	(985)	(35)
Total quantifiable contingent liabilities	12,029	11,445	10,866
Quantifiable Contingent Assets			
Core Crown	36	62	49
Crown entities	34	34	28
State-owned Enterprises	80	41	41
Inter-segment eliminations	-	-	-
Total quantifiable contingent assets	150	137	118

For further detail a list of unquantifiable contingent liabilities and their descriptions is included on the Treasury's website as part of the HYEUFU 2023, pages 84 to 95.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting Policies

Reporting Entity

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

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

Basis of combination

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

Core Crown entities

- Ministers of the Crown
- Government departments
- Offices of Parliament
- New Zealand Superannuation Fund
- Reserve Bank of New Zealand

Other entities

- State-owned Enterprises
- Crown entities (excluding Universities and Wānanga)
- Air New Zealand Limited
- Elevate NZ Venture Fund
- Māori Health Authority
- Organisations listed in Schedule 4 and 4A (non-listed companies in which the Crown is majority or sole shareholder) of the Public Finance Act 1989
- Organisations listed in Schedule 5 (mixed ownership model companies) of the Public Finance Act 1989
- Legal entities listed in Schedule 6 (legal entities created by Treaty of Waitangi Settlement Acts) of the Public Finance Act 1989

Government departments are defined by the Public Finance Act 1989 and include departments (as defined in the Public Service Act 2020), departmental agencies, interdepartmental executive boards, interdepartmental ventures, the New Zealand Defence Force, the New Zealand Police, the Parliamentary Counsel Office, the Office of the Clerk of the House of Representatives and the Parliamentary Service.

The Crown has a full residual interest in all the above entities with the exception of Air New Zealand Limited, Tāmaki Redevelopment Company Limited and City Rail Link Limited (listed in Schedule 4A of the Public Finance Act 1989) and the mixed ownership model companies (listed in Schedule 5 of the Public Finance Act 1989).

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

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

For further detail a schedule of the entities that are included in the Government reporting entity was set out on pages 58 to 60 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2023* published on 5 October 2023.

The 30 June 2023 results are audited, all other figures are unaudited.

Basis of Preparation and General Accounting Policies

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

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

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

Specific Accounting Policies

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

Forecasts

The annual forecasts in these financial statements are for the year to 30 June 2024, based on the *HYEFU 2023* published on 20 December 2023.

The accounting policies underlying the preparation of forecasts are the same as the specific accounting policies set out above.

Comparative Figures

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

Variance Percentages

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

Judgements and Estimates

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

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

Further detail on the judgements and estimates used can be found on pages 61 to 65 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2023* published on 5 October 2023.

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 June 2023	9 months to 31 Mar 2023		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		NOTE 2: Sovereign Revenue					
		Taxation revenue					
		Individuals					
47,386	35,077	Source deductions	39,005	38,944	61	0.2	52,125
9,904	7,400	Other persons	7,086	7,203	(117)	(1.6)	10,447
(2,182)	(1,258)	Refunds	(1,683)	(1,555)	(128)	(8.2)	(2,278)
769	581	Fringe benefit tax	637	635	2	0.3	812
55,877	41,800	Total individuals	45,045	45,227	(182)	(0.4)	61,106
		Corporate tax					
18,327	13,458	Gross companies tax	11,467	13,219	(1,752)	(13.3)	18,935
(970)	(472)	Refunds	(538)	(464)	(74)	(15.9)	(650)
621	368	Non-resident withholding tax	433	416	17	4.1	681
17,978	13,354	Total corporate tax	11,362	13,171	(1,809)	(13.7)	18,966
		Other direct income tax					
2,092	1,369	Resident withholding tax on interest income	2,644	2,395	249	10.4	3,148
1,127	693	Resident withholding tax on dividend income	1,481	742	739	99.6	1,283
3,219	2,062	Total other direct income tax	4,125	3,137	988	31.5	4,431
77,074	57,216	Total direct income tax	60,532	61,535	(1,003)	(1.6)	84,503
		Goods and services tax					
47,185	35,120	Gross goods and services tax	35,095	35,775	(680)	(1.9)	47,730
(19,055)	(14,247)	Refunds	(13,208)	(13,595)	387	2.8	(18,269)
28,130	20,873	Total goods and services tax	21,887	22,180	(293)	(1.3)	29,461
		Other indirect taxation					
1,326	1,032	Petroleum fuels excise and duty ¹	1,403	1,364	39	2.9	1,866
1,666	1,367	Tobacco excise and duty ¹	1,218	1,185	33	2.8	1,501
1,414	1,047	Road and track user charges	1,336	1,413	(77)	(5.4)	1,922
1,290	974	Alcohol excise and duty ¹	959	1,054	(95)	(9.0)	1,390
187	143	Other customs duty	144	123	21	17.1	148
625	430	Miscellaneous indirect tax	454	441	13	2.9	628
6,508	4,993	Total other indirect taxation	5,514	5,580	(66)	(1.2)	7,455
34,638	25,866	Total indirect taxation	27,401	27,760	(359)	(1.3)	36,916
111,712	83,082	Total taxation revenue	87,933	89,295	(1,362)	(1.5)	121,419
		Other sovereign revenue					
3,855	2,848	ACC levies	3,092	3,025	67	2.2	4,106
1,582	1,637	Emissions trading revenue	1,587	2,316	(729)	(31.5)	3,520
673	472	Fire Service levies	499	497	2	0.4	706
612	432	EQC levies	633	617	16	2.6	819
170	119	Clean vehicle discount	108	187	(79)	(42.2)	253
371	196	Child support and working for families penalties	191	122	69	56.6	166
120	76	Court fines	83	86	(3)	(3.5)	115
1,024	759	Other miscellaneous items	882	789	93	11.8	1,072
8,407	6,539	Total other sovereign revenue	7,075	7,639	(564)	(7.4)	10,757
120,119	89,621	Total sovereign revenue	95,008	96,934	(1,926)	(2.0)	132,176

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

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2023 Actual \$m	9 months to 31 Mar 2023 Actual \$m	Current Year Actual vs Forecast				Annual Forecast \$m	
		Actual \$m	Forecast \$m	Variance \$m	%		
NOTE 2: Sovereign Receipts (continued)							
Taxation Receipts (cash)							
Individuals							
46,929	34,633	Source deductions	38,524	38,450	74	0.2	51,843
10,685	6,253	Other persons	6,110	6,319	(209)	(3.3)	10,476
(2,703)	(1,360)	Refunds	(1,640)	(1,421)	(219)	(15.4)	(2,732)
747	533	Fringe benefit tax	590	584	6	1.0	812
55,658	40,059	Total individuals	43,584	43,932	(348)	(0.8)	60,399
Corporate Tax							
19,733	13,641	Gross companies tax	12,664	13,532	(868)	(6.4)	19,153
(1,728)	(1,051)	Refunds	(1,339)	(1,124)	(215)	(19.1)	(1,582)
601	411	Non-resident withholding tax	490	479	11	2.3	681
18,606	13,001	Total corporate tax	11,815	12,887	(1,072)	(8.3)	18,252
Other Direct Income Tax							
1,917	1,210	Resident withholding tax on interest income	2,457	2,269	188	8.3	3,148
1,165	748	Resident withholding tax on dividend income	983	771	212	27.5	1,283
3,082	1,958	Total other direct income tax	3,440	3,040	400	13.2	4,431
77,346	55,018	Total income tax	58,839	59,859	(1,020)	(1.7)	83,082
Goods and Services Tax							
45,251	33,162	Gross goods and services tax	33,448	34,202	(754)	(2.2)	42,783
(18,334)	(13,544)	Refunds	(13,126)	(13,450)	324	2.4	(18,009)
26,917	19,618	Total goods and services tax	20,322	20,752	(430)	(2.1)	24,774
Other Indirect Taxation							
1,418	1,039	Road and track user charges	1,332	1,413	(81)	(5.7)	1,922
779	568	Excise duties	592	626	(34)	(5.4)	848
3,760	3,173	Customs duty	3,113	3,097	16	0.5	3,986
566	456	Miscellaneous indirect taxation	514	475	39	8.2	628
6,523	5,236	Total other indirect taxation	5,551	5,611	(60)	(1.1)	7,384
33,440	24,854	Total indirect taxation	25,873	26,363	(490)	(1.9)	32,158
110,786	79,872	Total tax receipts collected	84,712	86,222	(1,510)	(1.8)	115,240
Other Sovereign Receipts (cash)							
3,763	2,923	ACC levies	3,169	3,107	62	2.0	4,025
832	814	Emissions trading receipts	225	261	(36)	(13.8)	488
669	509	Fire Service levies	532	525	7	1.3	692
697	495	EQC levies	656	640	16	2.5	841
170	119	Clean vehicle discount	108	187	(79)	(42.2)	253
381	273	Child support and working for families penalties	156	142	14	9.9	185
114	86	Court fines	104	94	10	10.6	115
1,004	670	Other miscellaneous items	949	783	166	21.2	1,068
7,630	5,889	Total other sovereign receipts	5,899	5,739	160	2.8	7,667
118,416	85,761	Total sovereign receipts	90,611	91,961	(1,350)	(1.5)	122,907

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

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 June 2023 Actual \$m	9 months to 31 Mar 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 3: Interest Revenue and Dividends							
5,012	3,030	Interest revenue	5,222	4,490	732	16.3	5,912
1,343	881	Dividends	1,021	1,152	(131)	(11.4)	1,473
6,355	3,911	Total interest revenue and dividends	6,243	5,642	601	10.7	7,385
NOTE 4: Transfer Payments and Subsidies							
19,517	14,319	New Zealand superannuation	15,941	15,951	10	0.1	21,610
3,473	2,566	Jobseeker support and emergency benefit	2,987	3,001	14	0.5	4,052
2,349	1,769	Accommodation assistance	1,822	1,864	42	2.3	2,492
2,311	1,700	Supported living payment	1,872	1,880	8	0.4	2,537
2,151	1,489	Family tax credit	1,621	1,597	(24)	(1.5)	2,278
1,917	1,413	Sole parent support	1,549	1,575	26	1.7	2,139
600	590	Cost of living payment	-	-	-	-	-
519	311	Winter energy payment	319	319	-	-	536
997	770	KiwiSaver subsidies	794	794	-	-	1,061
525	356	Student allowances	347	358	11	3.1	555
673	511	Hardship assistance	499	521	22	4.2	702
971	506	Official development assistance	701	748	47	6.3	1,214
476	305	Other working for families tax credits	290	298	8	2.7	487
430	319	Disability allowances	346	344	(2)	(0.6)	460
350	260	Orphan's/unsupported child's benefit	287	286	(1)	(0.3)	382
321	220	Best start	231	232	1	0.4	334
122	75	Income related rent subsidy	127	92	(35)	(38.0)	293
1,101	738	Other social assistance benefits	885	906	21	2.3	1,069
38,803	28,217	Total transfer payments and subsidies	30,618	30,766	148	0.5	42,201
NOTE 5: Finance Costs							
7,022	4,766	Interest on financial liabilities	7,229	6,704	(525)	(7.8)	9,374
426	319	Interest unwind on provisions and other interest	451	441	(10)	(2.3)	589
7,448	5,085	Total finance costs	7,680	7,145	(535)	(7.5)	9,963
NOTE 6: Insurance Expenses							
7,619	4,511	ACC	5,748	5,736	(12)	(0.2)	9,103
1,134	980	EQC	385	267	(118)	(44.2)	364
31	43	Other (incl. inter-segment eliminations)	15	56	41	73.2	86
8,784	5,534	Total insurance expenses	6,148	6,059	(89)	(1.5)	9,553

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 2023 and previous Budgets that has yet to be allocated to appropriations for departments.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2023 \$m	As at 31 Mar 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 8: Net Gains and Losses on Non-financial instruments							
1,315	(458)	Actuarial gains/(losses) on ACC liability	87	4,845	(4,758)	(98.2)	4,935
5,620	3,517	Gains/(losses) on the Emissions Trading Scheme	(2,381)	(4,073)	1,692	41.5	(4,091)
12	188	Other	(144)	(103)	(41)	(39.8)	(135)
6,947	3,247	Net gains/(losses) on non-financial instruments	(2,438)	669	(3,107)	(464.4)	709
NOTE 9: Financial Assets and Sovereign Receivables							
18,791	22,187	Cash and cash equivalents	16,504	21,252	(4,748)	(22.3)	22,108
20,299	23,966	Tax receivables	23,507	22,577	930	4.1	25,497
13,249	9,652	Other receivables	11,568	12,151	(583)	(4.8)	14,962
29,785	29,453	Kiwi Group loans and advances	31,625	31,485	140	0.4	32,338
9,373	9,031	Student loans	9,341	9,273	68	0.7	9,141
18,088	18,079	Funding for Lending advances	17,364	17,449	(85)	(0.5)	16,529
9,243	8,078	Other advances	10,411	8,579	1,832	21.4	8,673
48,046	44,371	Share investments	52,813	49,160	3,653	7.4	50,082
7,317	6,714	Investments in controlled enterprises	7,690	6,779	911	13.4	6,895
44,736	44,014	Other marketable securities	56,391	54,327	2,064	3.8	41,004
9,231	8,294	Long-term deposits	7,787	8,604	(817)	(9.5)	8,237
6,935	7,494	Derivatives in gain	5,639	5,909	(270)	(4.6)	5,806
5,588	5,432	IMF financial assets	5,608	5,656	(48)	(0.8)	5,656
240,681	236,765	Total financial assets and sovereign receivables	256,248	253,201	3,047	1.2	246,928
Financial assets by entity							
41,634	55,908	The Treasury	55,408	53,830	1,578	2.9	37,020
67,088	66,604	Reserve Bank of New Zealand	63,091	69,354	(6,263)	(9.0)	65,042
68,234	65,057	NZ Superannuation Fund	76,876	71,790	5,086	7.1	73,413
43,509	44,728	Other core Crown	45,288	44,847	441	1.0	46,887
(59,196)	(69,826)	Intra-segment eliminations	(55,721)	(56,763)	1,042	1.8	(47,829)
161,269	162,471	Total core Crown segment	184,942	183,058	1,884	1.0	174,533
51,773	48,815	ACC	51,063	48,273	2,790	5.8	51,556
709	645	EQC	637	593	44	7.4	517
29,785	29,453	Kiwi Group loans and advances	31,625	31,485	140	0	32,338
22,365	19,396	Other Crown entities	22,561	22,112	449	2.0	22,168
(4,863)	(4,279)	Intra-segment eliminations	(5,411)	(5,126)	(285)	(5.6)	(5,220)
99,769	94,030	Total Crown entities segment	100,475	97,337	3,138	3.2	101,359
8,187	7,923	Total State-owned Enterprises segment	7,262	6,630	632	9.5	6,601
(28,544)	(27,659)	Inter-segment eliminations	(36,431)	(33,824)	(2,607)	(7.7)	(35,565)
240,681	236,765	Total financial assets and sovereign receivables	256,248	253,201	3,047	1.2	246,928

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2023 \$m	As at 31 Mar 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 10: Property, Plant and Equipment							
Net Carrying Value¹							
By class of asset:							
79,708	84,969	Land	80,427	81,421	(994)	(1.2)	81,904
68,194	62,571	Buildings	71,430	71,739	(309)	(0.4)	74,680
59,502	52,724	State highways	60,767	60,652	115	0.2	61,716
20,052	19,832	Electricity generation assets	19,909	19,906	3	-	19,879
4,459	4,415	Electricity distribution network (cost)	4,565	4,618	(53)	(1.1)	4,427
4,562	4,346	Aircraft (excl military)	4,610	4,942	(332)	(6.7)	5,031
4,964	4,634	Specialist military equipment	5,556	5,884	(328)	(5.6)	5,954
3,401	3,270	Specified cultural and heritage assets	3,206	3,183	23	0.7	3,188
14,580	10,877	Rail network	14,915	15,416	(501)	(3.2)	15,685
7,968	7,480	Other plant and equipment (cost)	8,929	9,083	(154)	(1.7)	9,378
267,390	255,118	Total net carrying value	274,314	276,844	(2,530)	(0.9)	281,842
Land breakdown by usage							
28,921	32,860	Housing stock	29,549	30,367	(818)	(2.7)	30,643
23,134	23,474	State highway corridor land	23,132	23,134	(2)	-	23,120
8,342	7,826	Conservation estate	8,337	8,333	4	-	8,322
6,279	7,562	Schools	6,292	6,319	(27)	(0.4)	6,401
4,261	4,326	Rail network corridor land	4,299	4,294	5	0.1	4,341
1,578	1,590	Commercial (SOE) excluding rail	1,659	1,644	15	0.9	1,688
7,193	7,331	Other	7,159	7,330	(171)	(2.3)	7,389
79,708	84,969	Total land	80,427	81,421	(994)	(1.2)	81,904
Schedule of Movements							
Cost or Valuation							
268,071	268,071	Opening balance	287,777	287,777	-	-	287,777
14,881	10,025	Additions	12,801	15,088	(2,287)	(15.2)	21,977
(1,474)	(301)	Disposals	(542)	(135)	(407)	(301.5)	(216)
5,335	1,036	Net revaluations	44	2	42	-	(378)
964	(18)	Other	(67)	45	(112)	(248.9)	(37)
287,777	278,813	Total cost or valuation	300,013	302,777	(2,764)	(0.9)	309,123
Accumulated Depreciation & Impairment							
18,889	18,889	Opening balance	20,387	20,387	-	-	20,387
(1,007)	(174)	Eliminated on disposal	(381)	(22)	(359)	-	(161)
(5,540)	(203)	Eliminated on revaluation	(71)	161	(232)	(144)	(138)
220	312	Impairment losses charged to operating balance	264	-	264	-	-
6,601	4,852	Depreciation expense and impairment losses	5,496	5,455	41	0.8	7,358
1,224	19	Other	4	(48)	52	108.3	(165)
20,387	23,695	Total accumulated depreciation & impairment	25,699	25,933	(234)	(0.9)	27,281
267,390	255,118	Total property, plant and equipment	274,314	276,844	(2,530)	(0.9)	281,842

1. Using a revaluation methodology unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2023 \$m	As at 31 Mar 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 11: Payables							
12,520	11,029	Accounts payable	11,397	12,548	1,151	9.2	14,667
6,206	6,285	Taxes repayable	6,560	5,992	(568)	(9.5)	6,425
18,726	17,314	Total payables	17,957	18,540	583	3.1	21,092
NOTE 12: Borrowings							
105,162	107,026	Government bonds	125,464	131,048	5,584	4.3	129,970
24,972	25,118	Kiwi Group customer deposits	26,829	25,667	(1,162)	(4.5)	25,301
49,915	44,881	Settlement deposits	43,874	50,426	6,552	13.0	46,151
2,891	2,925	Treasury bills	4,673	5,641	968	17.2	5,941
7,311	6,375	Derivatives in loss	7,086	7,973	887	11.1	7,879
1,220	1,336	Finance lease liabilities	1,073	1,144	71	6.2	1,117
157	147	Government retail stock	161	162	1	0.6	162
35,127	37,434	Other borrowings	41,665	36,153	(5,512)	(15.2)	37,326
226,755	225,242	Total borrowings	250,825	258,214	7,389	2.9	253,847
175,791	174,075	Sovereign-guaranteed debt	197,648	204,070	6,422	3.1	198,426
50,964	51,167	Non sovereign-guaranteed debt	53,177	54,144	967	1.8	55,421
226,755	225,242	Total borrowings	250,825	258,214	7,389	2.9	253,847

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

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

NOTE 13: New Zealand Emissions Trading Scheme							
11,308	11,308	Opening liability	6,125	6,125	-	-	6,125
832	814	Units sold	225	261	36	13.8	488
1,103	1,264	Allocated units	901	1,082	181	16.7	1,495
(1,583)	(1,637)	Units surrendered	(1,587)	(2,316)	(729)	(31.5)	(3,520)
(5,620)	(3,517)	(Gains)/ losses due to revaluation in NZ Units	2,381	4,073	1,692	41.5	4,091
85	49	Other movements	44	3	(41)	-	(23)
6,125	8,281	Closing liability	8,089	9,228	1,139	12.3	8,656

The New Zealand Emissions Trading Scheme (NZ ETS) encourages emissions abatement by putting a price on emissions and rewarding carbon removal activities such as forestry. Tradeable units (NZUs) are allocated into the market through government auctions. NZUs are also allocated free-of-charge to foresters for forestry removals and to certain industrial activities that are both emission-intensive and trade-exposed (industrial allocation). NZ ETS participants must meet their emissions obligations by surrendering NZUs to the government. The NZ ETS liability represents the NZUs outstanding at the reporting date that can be used to settle these emission obligations in the future.

Further information on the emissions trading scheme, can be found on the Ministry for the Environment's website: <https://environment.govt.nz>

NOTE 14: Insurance Liabilities							
55,664	53,031	ACC liability	54,372	49,598	(4,774)	(9.6)	54,260
1,617	1,570	EQC property damage liability	1,332	1,191	(141)	(11.8)	1,063
230	180	Other insurance liabilities	172	168	(4)	(2.4)	163
57,511	54,781	Total insurance liabilities	55,876	50,957	(4,919)	(9.7)	55,486

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

NOTE 15: Provisions							
9,129	7,119	Provision for employee entitlements	8,218	7,515	(703)	(9.4)	6,712
2,651	2,822	Veterans disability entitlements	2,637	2,620	(17)	(0.6)	2,651
638	636	Provision for National Provident Fund guarantee	614	617	3	0.5	613
3,008	2,966	Other provisions	3,028	2,900	(128)	(4.4)	2,783
15,426	13,543	Total provisions	14,497	13,652	(845)	(6.2)	12,759

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2023 \$m	As at 31 Mar 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 16: Changes in Net Worth							
8,380	7,194	Taxpayers' funds	10,408	5,008	5,400	107.8	1,511
174,575	164,992	Property, plant and equipment revaluation reserve	174,492	174,320	172	0.1	174,335
409	173	Defined benefit retirement plan revaluation reserve	788	1,164	(376)	(32.3)	1,163
(392)	(566)	Veterans' disability entitlements reserve	(392)	(392)	-	-	(392)
7,958	7,831	Net worth attributable to minority interests	7,900	7,994	(94)	(1.2)	8,321
542	425	Other reserves	241	547	(306)	(55.9)	543
191,472	180,049	Total net worth	193,437	188,641	4,796	2.5	185,481
2,681	2,681	Opening taxpayers funds	8,380	8,380	-	-	8,380
5,321	4,470	Operating balance excluding minority interests	1,740	(3,381)	5,121	151.5	(6,873)
378	43	Transfers from/(to) other reserves	288	9	279	-	4
8,380	7,194	Closing taxpayers funds	10,408	5,008	5,400	107.8	1,511
164,385	164,385	Opening property, plant and equipment revaluation reserve	174,575	174,575	-	-	174,575
10,870	1,108	Net revaluations	143	(240)	383	159.6	(240)
(372)	(394)	Revaluation reserve attributable to minority interest	(49)	-	(49)	-	-
(308)	(107)	Transfers from/(to) other reserves	(177)	(15)	(162)	-	-
174,575	164,992	Closing property, plant and equipment revaluation reserve	174,492	174,320	172	0.1	174,335
7,283	7,283	Opening net worth attributable to minority interests	7,958	7,958	-	-	7,958
66	42	Increase/(decrease) in minority interest from changes in equity	69	51	18	35.3	373
555	465	Operating balance attributable to minority interests	396	447	(51)	(11.4)	552
54	41	Net movements	(523)	(462)	(61)	(13.2)	(562)
7,958	7,831	Closing net worth attributable to minority interests	7,900	7,994	(94)	(1.2)	8,321
480	481	Opening other reserves	542	542	-	-	542
62	(56)	Net movements	(301)	5	(306)	-	1
542	425	Closing other reserves	241	547	(306)	(55.9)	543

FISCAL INDICATOR ANALYSIS

For the nine months ended 31 March 2024

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

Year to 30 June 2023 Actual \$m	9 months to 31 Mar 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Operating Balance					
153,011	112,932	Total revenue	122,253	123,263	(1,010)	(0.8)	167,330
161,822	115,865	Less total expenses	127,018	127,288	270	0.2	176,155
14,658	7,845	Total gains/(losses)	6,923	1,069	5,854	-	2,531
29	23	Net surplus from associates and joint ventures	(22)	22	(44)	(200.0)	(27)
(555)	(465)	Minority interests share of operating balance	(396)	(447)	51	11.4	(552)
5,321	4,470	Operating balance	1,740	(3,381)	5,121	151.5	(6,873)
		Reconciliation Between the Operating Balance and OBEGAL					
5,321	4,470	Operating balance	1,740	(3,381)	5,121	151.5	(6,873)
		Less items excluded from OBEGAL:					
7,711	4,598	Net gains/(losses) on financial instruments	9,361	400	8,961	-	1,822
6,947	3,247	Net gains/(losses) on non-financial instruments	(2,438)	669	(3,107)	(464.4)	709
29	23	Net surplus from associates and joint ventures	(22)	22	(44)	(200.0)	(27)
80	(10)	Minority interests share of total gains/(losses)	(122)	(52)	(70)	(134.6)	(58)
(9,446)	(3,388)	OBEGAL	(5,039)	(4,420)	(619)	(14.0)	(9,319)

FISCAL INDICATOR ANALYSIS

For the nine months ended 31 March 2024

Expenses by Functional Classification

Year to 30 June 2023 Actual \$m	9 months to 31 Mar 2023 Actual \$m		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
Total Crown expenses								
48,845	34,679	Social security and welfare		38,096	38,100	4	-	53,466
29,824	21,679	Health		21,269	21,378	109	0.5	28,661
19,609	14,262	Education		15,743	15,788	45	0.3	21,695
6,663	3,912	Core government services		4,631	5,326	695	13.0	8,104
6,666	4,731	Law and order		5,069	5,120	51	1.0	7,119
14,428	10,682	Transport and communications		11,480	11,330	(150)	(1.3)	15,925
12,384	9,231	Economic and industrial services		11,021	11,208	187	1.7	14,763
2,838	1,929	Defence		2,191	2,270	79	3.5	3,128
3,417	2,474	Heritage, culture and recreation		2,557	2,538	(19)	(0.7)	3,435
2,740	1,934	Primary services		1,915	2,127	212	10.0	3,026
4,396	2,968	Housing and community development		3,368	3,963	595	15.0	5,770
2,353	2,157	Environmental protection		1,846	2,259	413	18.3	3,185
78	56	GSF pension expenses		63	66	3	4.5	71
133	86	Other		89	106	17	16.0	274
7,448	5,085	Finance costs		7,680	7,145	(535)	(7.5)	9,963
-	-	Forecast new operating spending	7	-	-	-	-	1,920
-	-	Top-down expense adjustment	7	-	(1,436)	(1,436)	(100.0)	(4,350)
161,822	115,865	Total Crown expenses excluding losses		127,018	127,288	270	0.2	176,155

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 2023 Actual \$m	9 months to 31 Mar 2023 Actual \$m		Note	Current Year Actual vs Forecast			Annual Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
Core Crown expenses								
41,514	30,403	Social security and welfare		32,664	32,658	(6)	-	44,739
28,489	21,720	Health		22,407	22,570	163	0.7	30,103
18,403	13,311	Education		14,726	14,808	82	0.6	20,526
6,806	3,973	Core government services		4,812	5,511	699	12.7	8,163
6,165	4,435	Law and order		4,742	4,761	19	0.4	6,603
5,472	3,677	Transport and communications		4,006	4,336	330	7.6	6,222
3,690	2,833	Economic and industrial services		2,908	3,463	555	16.0	4,303
2,886	1,951	Defence		2,221	2,306	85	3.7	3,174
1,537	1,120	Heritage, culture and recreation		1,131	1,167	36	3.1	1,590
1,156	766	Primary services		757	915	158	17.3	1,374
2,312	1,458	Housing and community development		1,842	2,299	457	19.9	3,530
2,381	2,164	Environmental protection		1,873	2,279	406	17.8	3,223
61	43	GSF pension expenses		56	39	(17)	(43.6)	52
133	86	Other		89	106	17	16.0	274
6,569	4,580	Finance costs		6,671	6,498	(173)	(2.7)	8,840
-	-	Forecast new operating spending	7	-	-	-	-	1,920
-	-	Top-down expense adjustment	7	-	(1,436)	(1,436)	(100.0)	(4,350)
127,574	92,520	Core Crown expenses excluding losses		100,905	102,280	1,375	1.3	140,286

FISCAL INDICATOR ANALYSIS

For the nine months ended 31 March 2024

Core Crown Residual Cash

Year to 30 June 2023 \$m	9 months to 31 Mar 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Core Crown Cash Flows from Operations							
111,292	80,180	Tax receipts	85,492	87,157	(1,665)	(1.9)	116,028
2,492	2,010	Other sovereign receipts	1,519	1,424	95	6.7	2,105
982	519	Interest receipts	1,064	1,354	(290)	(21.4)	1,825
3,954	3,165	Sale of goods & services and other receipts	2,601	2,756	(155)	(5.6)	3,631
(40,417)	(30,083)	Transfer payments and subsidies	(32,541)	(32,665)	124	0.4	(43,447)
(76,434)	(57,982)	Personnel and operating costs	(60,708)	(62,791)	2,083	3.3	(85,063)
(5,305)	(2,922)	Interest payments	(4,390)	(4,236)	(154)	(3.6)	(6,939)
-	-	Forecast for future new operating spending	-	-	-	-	(1,920)
-	-	Top-down expense adjustment	-	1,436	(1,436)	(100.0)	4,350
(3,436)	(5,113)	Net core Crown operating cash flows	(6,963)	(5,565)	(1,398)	(25.1)	(9,430)
(4,435)	(3,069)	Net purchase of physical and intangible assets	(3,631)	(3,661)	30	0.8	(4,949)
(9,159)	(7,906)	Net increase in advances	(2,811)	(2,504)	(307)	(12.3)	(2,897)
(6,060)	(4,749)	Net purchase of investments	(2,971)	(4,535)	1,564	34.5	(7,646)
(2,558)	(1,919)	Contributions to New Zealand Superannuation Fund	(1,211)	(1,211)	-	-	(1,614)
-	-	Forecast for future new capital spending	-	-	-	-	(995)
-	-	Top-down capital adjustment	-	510	(510)	(100.0)	1,700
(22,212)	(17,643)	Net core Crown capital cash flows	(10,624)	(11,401)	777	6.8	(16,401)
(25,648)	(22,756)	Core Crown residual cash surplus / (deficit)	(17,587)	(16,966)	(621)	(3.7)	(25,831)
<i>The core Crown residual cash surplus / (deficit) is funded or invested as follows:</i>							
Debt Programme Cash Flows							
Market:							
26,076	21,427	Issue of government bonds	22,735	27,126	(4,391)	(16.2)	34,652
(21,879)	(4,880)	Repayment of government bonds	(3,237)	(3,159)	(78)	(2.5)	(18,069)
(66)	(60)	Net issue/(repayment) of short-term borrowing ¹	10,088	3,843	6,245	162.5	4,143
4,131	16,487	Total market debt cash flows	29,586	27,810	1,776	6.4	20,726
Non market:							
-	-	Issue of government bonds	-	-	-	-	-
-	-	Repayment of government bonds	-	-	-	-	-
(300)	(100)	Net issue/(repayment) of short-term borrowing ¹	(120)	(200)	80	40.0	(300)
(300)	(100)	Total non-market debt cash flows	(120)	(200)	80	40.0	(300)
3,831	16,387	Total debt programme cash flows	29,466	27,610	1,856	6.7	20,426
Other Borrowing Cash Flows							
Net (repayment)/issue of other New Zealand							
19,918	8,649	dollar borrowing	1,677	5,074	(3,397)	(66.9)	8,291
(1,034)	(1,889)	Net (repayment)/issue of foreign currency borrowing	(7,228)	(3,001)	(4,227)	(140.9)	(3,772)
18,884	6,760	Total other borrowing cash flows	(5,551)	2,073	(7,624)	(207.8)	4,519
Investing Cash Flows							
Other net sale/(purchase) of marketable securities							
2,775	3,968	and deposits	(8,839)	(9,709)	870	9.0	3,980
(60)	157	Issues of circulating currency	163	72	91	126.4	65
218	(4,516)	Decrease/(increase) in cash	2,348	(3,080)	5,428	176.2	(3,159)
2,933	(391)	Total investing cash flows	(6,328)	(12,717)	6,389	50.2	886
25,648	22,756	Core Crown residual cash deficit / (surplus) funding	17,587	16,966	621	3.7	25,831

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

FISCAL INDICATOR ANALYSIS

As at 31 March 2024

Debt Indicators

As at 30 June 2023 Actual \$m	As at 31 Mar 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Net core Crown debt:					
191,029	190,574	Core Crown borrowings ¹	216,757	222,260	5,503	2.5	216,904
962	1,775	Core Crown unsettled purchases of securities ²	1,763	2,995	1,232	41.1	3,024
(3,093)	(3,233)	Less NZS Fund borrowings ³	(3,041)	(4,509)	(1,468)	(32.6)	(4,539)
188,898	189,116	Borrowings included in net core Crown debt	215,479	220,746	5,267	2.4	215,389
(135,595)	(133,374)	Core Crown financial assets ⁴	(154,862)	(153,438)	1,424	0.9	(142,004)
(2,565)	(2,217)	Core Crown unsettled sales of securities ²	(3,502)	(4,134)	(632)	(15.3)	(4,181)
67,994	64,822	Less NZS Fund financial assets	76,628	71,558	(5,070)	(7.1)	73,177
36,541	34,343	Less Advances	39,941	39,598	(343)	(0.9)	40,374
(33,625)	(36,426)	Financial assets included in net core Crown debt	(41,795)	(46,416)	(4,621)	(10.0)	(32,634)
155,273	152,690	Net core Crown debt	173,684	174,330	646	0.4	182,755
		Net debt:					
155,273	152,690	Net core Crown debt	173,684	174,330	646	0.4	182,755
48,110	46,486	Crown entity borrowings ⁵	54,334	54,713	379	0.7	57,326
(30,574)	(30,443)	Less Kiwi Group borrowings ⁶	(32,594)	(32,887)	(293)	(0.9)	(33,655)
(36,541)	(34,343)	Add back advances (incl. in financial assets for net debt)	(39,941)	(39,598)	343	0.9	(40,374)
136,268	134,390	Net debt (excl. NZS Fund)	155,483	156,558	1,075	0.7	166,052
3,093	3,233	NZS Fund borrowings ³	3,041	4,509	1,468	32.6	4,539
(67,994)	(64,822)	NZS Fund financial assets	(76,628)	(71,558)	5,070	7.1	(73,177)
71,367	72,801	Net debt	81,896	89,509	7,613	8.5	97,414
		Gross Debt:					
191,029	190,574	Core Crown borrowings	216,757	222,260	5,503	2.5	216,904
962	1,775	Core Crown unsettled purchases of securities ²	1,763	2,995	1,232	41.1	3,024
(3,093)	(3,233)	Less NZS Fund borrowings ³	(3,041)	(4,509)	(1,468)	(32.6)	(4,539)
		Less Reserve Bank settlement cash ⁷ and Reserve Bank bills	(45,170)	(53,024)	(7,855)	(14.8)	(48,749)
135,789	143,351	Gross Debt	170,309	167,722	(2,588)	(1.5)	166,640

Notes on borrowings

1. Core Crown borrowings represent the total debt obligations of the consolidated core Crown segment. This includes any government stock held by ACC and EQC and includes settlement deposits with the Reserve Bank.
2. Unsettled sales and purchases of securities are classified in the Statement of Financial Position as receivables and accounts payable, respectively.
3. The NZS Fund borrowings adjustment also reflects any government stock held by NZS Fund.
4. Core Crown financial assets includes any asset that is cash, deposits, share investments, advances, other marketable securities or a right to exchange a financial asset or liability on favourable terms (derivatives in gain).
5. Crown entity borrowings represents the total debt obligations of the consolidated Crown entities. This includes debt issued by Crown entities, such as Kāinga Ora.
6. Kiwi Group borrowings includes Kiwi Group customer deposits as disclosed in Note 12: Borrowings and other 3rd party derivative balances.
7. Includes Reserve Bank's New Zealand dollar transactional banking services for other Central Banks and the International Monetary Fund.

FISCAL INDICATOR ANALYSIS

New Zealand Superannuation Fund

30 June 2023 \$m	31 Mar 2023 \$m		Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
NZ Superannuation Fund							
1,320	928	Revenue	1,215	1,184	31	2.6	1,557
127	(72)	Less current tax expense	(1,000)	(523)	477	91.2	(802)
1,054	(945)	Less other expenses ¹	(73)	(136)	(63)	(46.3)	(206)
5,766	3,330	Add gains/(losses)	6,591	93	6,498	-	966
5,905	3,241	Operating balance	6,733	618	6,115	-	1,515
56,210	56,210	Opening net worth	64,673	64,673	-	-	64,673
2,558	1,919	Contributions from the Crown	1,211	1,211	-	-	1,614
5,905	3,241	Operating balance	6,733	618	6,115	-	1,515
-	-	Other movements in reserves	-	-	-	-	-
64,673	61,370	Closing net worth	72,617	66,502	6,115	9.2	67,802
Comprising:							
68,234	65,057	Financial assets	76,876	71,790	5,086	7.1	73,413
(3,501)	(3,589)	Financial liabilities	(4,230)	(5,206)	976	18.7	(5,518)
(60)	(98)	Net other assets	(29)	(82)	53	64.6	(93)
64,673	61,370	Closing net worth	72,617	66,502	6,115	9.2	67,802

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

FISCAL INDICATOR ANALYSIS

Reconciliation Between the Financial Statements and the Key Fiscal Indicators

Financial Results	31 Mar 2024 Actual \$m	31 Mar 2024 Forecast \$m	Variance \$m	Variance %	Annual Forecast \$m
Core Crown taxation revenue...	88,522	89,728	(1,206)	(1.3)	122,025
...combined with other core Crown revenue...	9,627	10,050	(423)	(4.2)	13,715
...funds core Crown expenses...	(100,905)	(102,280)	1,375	1.3	(140,286)
...and with SOE and CE ¹ results...	(2,283)	(1,918)	(365)	(19.0)	(4,773)
...this results in an operating balance before gains and losses (OBEGAL)...	(5,039)	(4,420)	(619)	(14.0)	(9,319)
...with gains/losses leading to an operating surplus/(deficit) ...	1,740	(3,381)	5,121	151.5	(6,873)
...with income in SOEs, CEs ¹ and the NZS Fund retained...	(6,733)	(618)	(6,115)	-	(2,257)
...and some items do not impact cash.	(1,970)	(1,566)	(404)	(25.8)	(300)
This leads to an operating residual cash surplus/(deficit)...	(6,963)	(5,565)	(1,398)	(25.1)	(9,430)
...used to make contributions to the NZS Fund...	(1,211)	(1,211)	-	-	(1,614)
...and to use for capital expenditure	(3,631)	(3,661)	30	0.8	(4,949)
...and to make advances	(2,811)	(2,504)	(307)	(12.3)	(2,897)
...and to purchase investments	(2,971)	(4,535)	1,564	34.5	(7,646)
Adjusting for forecast adjustments (top-down/new spending)...	-	510	(510)	(100.0)	705
...results in a borrowing requirement (cash deficit)/surplus	(17,587)	(16,966)	(621)	(3.7)	(25,831)
Opening net core Crown debt...	155,273	155,273	-	-	155,273
...when combined with the residual cash (surplus)/deficit...	17,587	16,966	(621)	(3.7)	25,831
...and other fair value movements in financial assets and financial liabilities...	824	2,091	1,267	60.6	1,651
...results in a closing net core Crown debt ...	173,684	174,330	646	0.4	182,755
...which as a % of GDP is	42.9%	43.0%			43.5%

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