

7 November 2012

MEDIA STATEMENT

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Fergus Welsh
Chief Financial Officer
The Treasury

Financial Statements of the Government of New Zealand for the Three Months Ended 30 September 2012

The *Financial Statements of the Government of New Zealand* for the three months ended 30 September 2012 were released by the Treasury today.

These financial statements are the first for the 2012/2013 financial year and are compared against monthly forecast tracks based on the 2012 *Budget Economic and Fiscal Update (BEFU)* released on 24 May 2012.

In the three months to 30 September the **operating balance before gains and losses (OBEGAL) deficit**, at \$2.1 billion, was \$449 million higher than forecast. Core Crown tax and interest revenue were both lower than expected, partially offset by lower core Crown expenses.

Core Crown tax revenue of \$13.5 billion was \$295 million or 2.1% lower than expected. Most major types of tax revenue were below forecast, the exception being other individuals' tax revenue, which was higher than expected. In summary:

- wage growth and private consumption below forecast led to lower than forecast source deductions and GST of \$166 million for each of these tax types
- lower than forecast provisional tax resulted in \$103 million lower than forecast corporate tax, and
- other individuals' tax was \$329 million higher than expected, reflecting an increase in the effective tax rate paid by non-incorporated businesses.

Other **core Crown revenue** was slightly higher than forecast, with dividend revenue from SOEs \$248 million higher than forecast, primarily due to dividends received earlier than forecast. This revenue source is within the Crown so is not included in the total Crown OBEGAL result. Offsetting the increased dividends, interest revenue was \$147 million lower than forecast primarily due to lower interest rates compared to those at the time of the forecast.

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Core Crown expenditure of \$17.3 billion was \$201 million or 1.1% lower than forecast. The most significant under-spending was in welfare, education and finance costs (\$86 million, \$63 million and \$45 million respectively). Offsetting these under-spends were earthquake expenses (which were \$114 million higher than forecast) due to the recent land zoning decisions that were announced subsequent to the forecast being finalised.

While the OBEGAL deficit was higher than forecast, for the three months to September 2012, gains on New Zealand Superannuation Fund and ACC's investment portfolios were greater than expected (\$1.1 billion and \$0.6 billion respectively), leading to an **operating balance surplus** of almost \$0.1 billion, \$1.2 billion higher than the forecast operating deficit.

Gross debt at \$79.3 billion, or 38.8% of GDP was lower than forecast, reflecting government stock repurchased on the secondary market which reduced the amount held by parties outside the core Crown.

Net debt was close to forecast at \$54.9 billion or 26.9% of GDP.

	Year to date				Full Year
	September 2012	September 2012 BEFU Forecast ¹	Variance to BEFU \$m	Variance to BEFU %	June 2013 BEFU Forecast ²
\$ million	Actual				
Core Crown					
Core Crown tax revenue	13,528	13,823	(295)	(2.1)	58,251
Core Crown revenue	14,911	15,126	(215)	(1.4)	64,191
Core Crown expenses	17,320	17,521	201	1.1	73,732
Core Crown residual cash	(3,728)	(4,102)	374	9.1	(9,671)
Gross debt ³	79,294	81,860	2,565	3.1	79,972
as a percentage of GDP	38.8%	40.0%			36.7%
Net debt ⁴	54,928	55,205	277	0.5	61,265
as a percentage of GDP	26.9%	27.0%			28.1%
Total Crown					
Operating balance before gains and losses	(2,117)	(1,668)	(449)	(26.9)	(7,897)
Operating balance	90	(1,107)	1,197	108.1	(5,699)
Net worth	59,830	58,611	1,219	2.1	66,208

1 Using GDP for the year ended 30 June 2012 of \$204,551 million (Source: Statistics New Zealand)

2 Using forecast GDP for the year ended 30 June 2013 of \$217,870 million (Source: Treasury)

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

4 Net core Crown debt excluding student loans and other advances

ENDS

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Financial Statements of the Government of New Zealand

For the Three Months Ended
30 September 2012



Prepared by the Treasury
7 November 2012

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New Zealand Government

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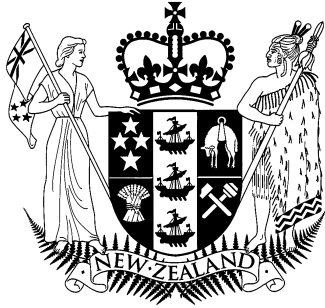
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COMMENTARY

S U M M A R Y

The Financial Statements of the Government provide a record of the Government's financial performance over the three months ended 30 September 2012 and its financial position as at that date.

The September results are reported against forecasts based on the *2012 Budget Economic and Fiscal Update (BEFU)*, published on 24 May 2012.

At a Glance

Table 1 – Key indicators for the three months ended 30 September 2012 compared to BEFU

\$ million	Year to date				Full Year
	September	September	Variance to BEFU	Variance to BEFU	June
	2012	2012 BEFU			2013 BEFU
	Actual ¹	Forecast ¹	\$m	%	Forecast ²
Core Crown					
Core Crown tax revenue	13,528	13,823	(295)	(2.1)	58,251
Core Crown revenue	14,911	15,126	(215)	(1.4)	64,191
Core Crown expenses	17,320	17,521	201	1.1	73,732
Core Crown residual cash	(3,728)	(4,102)	374	9.1	(9,671)
Gross debt ³	79,294	81,860	2,565	3.1	79,972
as a percentage of GDP	38.8%	40.0%			36.7%
Net debt ⁴	54,928	55,205	277	0.5	61,265
as a percentage of GDP	26.9%	27.0%			28.1%
Total Crown					
Operating balance before gains and losses	(2,117)	(1,668)	(449)	(26.9)	(7,897)
Operating balance	90	(1,107)	1,197	108.1	(5,699)
Net worth	59,830	58,611	1,219	2.1	66,208

1 Using GDP for the year ended 30 June 2012 of \$204,551 million (Source: Statistics New Zealand)

2 Using forecast GDP for the year ended 30 June 2013 of \$217,870 million (Source: Treasury)

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

4 Net core Crown debt excluding student loans and other advances

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

Results for the three months ended 30 September 2012

In the three months to 30 September the **operating balance before gains and losses (OBEGAL) deficit**, at \$2.1 billion, was \$449 million higher than forecast. Core Crown tax and interest revenue were both lower than expected, partially offset by lower core Crown expenses.

Core Crown tax revenue of \$13.5 billion was \$295 million or 2.1% lower than expected. Most major types of tax revenue were below forecast, the exception being other individuals' tax revenue, which was higher than expected. In summary:

- weaker wage growth and weaker private consumption led to lower than forecast source deductions and GST of \$166 million for each of these tax types
- weaker than forecast provisional tax resulted in \$103 million lower than forecast corporate tax, and
- other individuals' tax was \$329 million higher than expected, reflecting an increase in the effective tax rate paid by non-incorporated businesses.

Other **core Crown revenue** was slightly higher than forecast, with dividend revenue from SOEs \$248 million higher than forecast, primarily due to dividends received earlier than forecast. This revenue source is within the Crown so does not flow through to the total Crown OBEGAL result. Offsetting the increased dividends, interest revenue was \$147 million lower than forecast primarily due to lower interest rates compared to those at the time of the forecast.

Core Crown expenditure of \$17.3 billion was \$201 million or 1.1% lower than forecast. The most significant under-spending was in welfare, education and finance costs (\$86 million, \$63 million and \$45 million respectively). Offsetting these under-spends were earthquake expenses (which were \$114 million higher than forecast) due to the recent land zoning decisions that were announced subsequent to the forecast being finalised.

While the OBEGAL deficit was higher than forecast, for the three months to September 2012, gains on New Zealand Superannuation Fund and ACC's investment portfolios were greater than expected (\$1.1 billion and \$0.6 billion respectively), leading to an **operating balance surplus** of almost \$0.1 billion, \$1.2 billion higher than the forecast operating deficit.

Gross debt at \$79.3 billion, or 38.8% of GDP was lower than forecast, reflecting government stock repurchased on the secondary market which reduced the amount held by parties outside the core Crown.

Net debt was close to forecast at \$54.9 billion or 26.9% of GDP.

Further analysis of the September results follows.

ANALYSIS

Table 2 – Key indicator variances for the three months ended 30 September 2012 compared to *BEFU*

Item/indicator	Variance ¹	Key drivers
Core Crown		
Core Crown revenue	-\$215 million (lower than forecast)	<p>Core Crown tax revenue was \$295m or 2.1% lower than forecast. The following tax types were lower than forecast:</p> <ul style="list-style-type: none"> • Source deductions, at \$166m (3.0%) due to weaker than forecast wage growth which resulted in lower PAYE. • GST, at \$166m (4.4%) due to some weakness in private consumption. The CPI data release for the September quarter supported this weaker than forecast result. • Corporate tax, at \$103m (5.5%) owing to slightly weaker than forecast provisional tax. <p>Offsetting these weaker results, other individuals' tax was \$329m (54.9%) above forecast. An increase in the effective tax rate paid by non-incorporated business may in part be due to tighter collection and enforcement policies by IRD.</p> <p>In addition to the tax revenue result, core Crown interest income was \$147m lower than forecast mainly due to interest rates being lower than those used in the forecast.</p> <p>Also impacting the core Crown result was dividend income from SOEs. This was \$248m higher than forecast mainly due to the timing of payments being earlier than was forecast with a dividend from Transpower of \$205m received that was not forecast until later in the year. This revenue is within the Crown so does not flow through to the total Crown OBEGAL result.</p>
Core Crown expenses	\$201 million (lower than forecast)	<p>Core Crown expenses were 1.1% lower than forecast at \$17,320m. Included within the \$201m lower than forecast variance were the following:</p> <ul style="list-style-type: none"> • Social assistance benefits were \$86m lower than forecast across a number of benefit types. This was mainly due to fewer than expected benefit recipients. • Education expenses were \$63m lower than forecast. This related to lower departmental expenses and lower expenditure spread across a number of school programmes. Lower than forecast full-time equivalent student numbers have also contributed in part to some of this underspend. • Finance costs were \$45m lower than forecast as a result of lower interest rates than at the time of the forecast. • The remainder of the lower than forecast spending (\$121m), was spread across a number of departments. <p>Offsetting the "underspends", CERA had higher than forecast expenses of \$114m due to four land zoning decisions that were announced after the forecast was finalised.</p>

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

Item/indicator	Variance ¹	Key drivers
Core Crown residual cash deficit	\$374 million (lower than forecast)	At \$3,728m, the core Crown residual cash deficit was \$374m smaller than forecast. The difference was due to both capital and net operating payments being less than forecast (\$110m and \$264m respectively). Core Crown tax receipts (lower by \$213m) and interest and dividends payment (higher by \$169m), follow a similar trend to the corresponding revenues mentioned above. Personnel and operating payments were \$297m lower than forecast across a number of departments.
Gross debt	\$2,565 million (lower than forecast)	Gross debt at \$79,294m was 3.1% lower than forecast. This was mainly due to the Reserve Bank repurchasing \$2,413m of government stock on the secondary market reducing the amount of government stock held by parties outside the core Crown. In addition, new inflation-indexed bonds of \$500m were forecast to be issued by September, but initial issuance did not occur until October.
Net Debt	\$277 million (lower than forecast)	Net debt at \$54,928m was close to forecast at 0.5% lower than expected consistent with the smaller than expected residual cash deficit.
Total Crown		
Operating balance before gains and losses deficit	-\$449 million (higher than forecast)	The OBEGAL deficit at \$2,117m was \$449m higher than forecast. Core Crown tax revenue and core Crown interest revenue were \$295m and \$147m lower than expected respectively, partially offset by core Crown expenses at \$201m lower than forecast. SOEs and Crown entities contributed to the remainder of the difference with variances from forecast spread across entities.
Operating balance deficit	\$1,197 million (lower than forecast)	Including net gains, which were \$1,646m greater than expected, the operating balance deficit was \$1,197m lower than forecast. Gains to date on NZSF and ACC investment portfolios totalled \$1,703m (\$1,109m and \$594m respectively) and were \$1,333m higher than forecast.
Net worth	\$1,219 million (higher than forecast)	Net worth was higher than forecast, reflecting the higher than forecast operating balance, as detailed above.

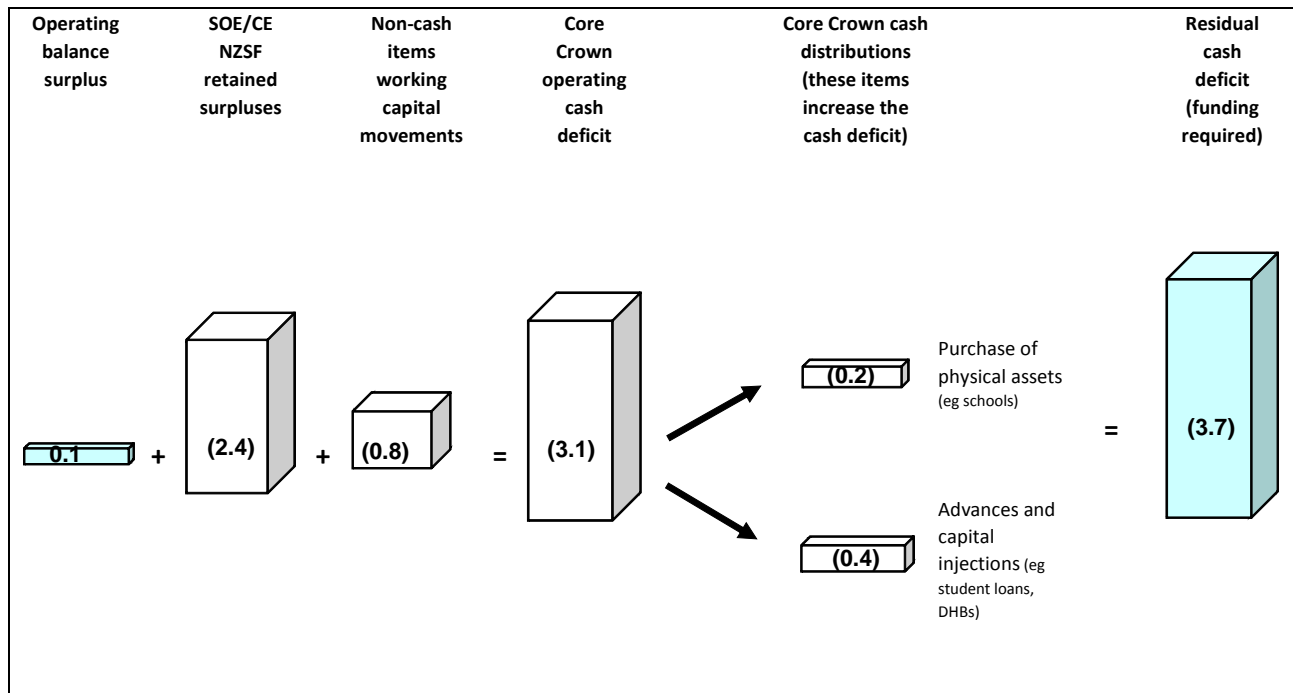
Table 3 – Fiscal Strategy and financial results

Fiscal Strategy		Financial Results		Ref	30 Sept 2012 Actual \$m	30 Sept 2012 Forecast \$m	Variance \$m	Variance %	Annual Forecast \$m
Operating revenue Ensure sufficient operating revenue to meet the operating balance objective	Taxation as a % of GDP	1	26.5%	27.0%					26.7%
	Core Crown taxation revenue ...		13,528	13,823	(295)	(2.1)			58,251
	... combined with other core Crown revenue ...		1,383	1,303	80	6.1			5,940
Operating expenses To control the growth in spending so that over time, core Crown expenses are reduced to below 30% of GDP	... fund core Crown expenses...		(17,320)	(17,521)	201	1.1			(73,732)
	... and with SOE and Crown entity results and core Crown gains and losses...		2,499	1,288	1,211	94.0			3,842
Operating balance Return to an operating surplus sufficient to meet the Government's net capital requirements, including contributions to the New Zealand Superannuation Fund, and ensure consistency with the debt objective	... result in an operating surplus or deficit...		90	(1,107)	1,197	108.1			(5,699)
	...with income in SOEs, CEs and the NZS Fund retained...		(2,340)	(1,294)	(1,046)	(80.8)			(3,864)
	... and some items do not impact cash ...		(839)	(952)	113	11.9			2,849
	... leaving operating cash flows to ...		(3,089)	(3,353)	264	7.9			(6,714)
	... meet the capital expenditure budget ...		(237)	(292)	55	18.8			(2,093)
Debt Manage total debt at prudent levels ensuring net debt remains consistently below 35% of GDP and then brought back to a level no higher than 20% of GDP by 2020	... and make advances (e.g. to students and DHBs)		(402)	(457)	55	12.1			(864)
	With the residual cash ...		(3,728)	(4,102)	374	9.1			(9,671)
	... when combined with opening net debt ...		50,671	50,671	-	-			50,671
	... and fair value movements and other changes in financial assets and financial liabilities ...		529	432	(97)	(22.5)			923
	... results in a closing net debt ...		54,928	55,205	277	0.5			61,265
	... and as a % of GDP		26.9%	27.0%					28.1%

¹ GDP for the three months ended 30 September 2012 (actual and forecast) is the actual data for the year ended 30 June 2012 (Source: Statistics New Zealand) pro-rated for three months.

Figure 1 – Application of core Crown cash flows (\$billions)

This diagram shows how the Operating Balance translates into cash available to the core Crown and how this cash was spent.



YEAR - ON - YEAR PERSPECTIVE

Table 4 – Comparison with previous year

	September 2012 Actual \$m	September 2011 Actual \$m	Change ¹ \$m	Change %
Statement of Financial Performance				
Core Crown revenue				
Taxation revenue	13,528	13,026	502	3.9
Other revenue	1,383	1,090	293	26.9
Total Core Crown Revenue	14,911	14,116	795	5.6
Core Crown expenses				
Social security and welfare	5,652	5,512	140	2.5
GSF pension expenses	78	50	28	56.0
Health	3,591	3,494	97	2.8
Education	3,102	3,129	(27)	(0.9)
Core government services	1,088	978	110	11.2
Law and order	836	854	(18)	(2.1)
Defence	433	453	(20)	(4.4)
Transport and communications	453	455	(2)	(0.4)
Economic and industrial services	529	573	(44)	(7.7)
Primary services	140	150	(10)	(6.7)
Heritage, culture and recreation	318	422	(104)	(24.6)
Housing and community development	110	124	(14)	(11.3)
Other	92	117	(25)	(21.4)
Finance costs	898	956	(58)	(6.1)
Total Core Crown Expenses	17,320	17,267	53	0.3
Net surplus of SOE/CE's (and inter-segment eliminations)	292	671	(379)	(56.5)
OBEGAL	(2,117)	(2,480)	363	14.6
Total gains/(losses)	2,147	(4,576)	6,723	146.9
Other operating items	60	60	-	-
Operating Balance	90	(6,996)	7,086	101.3
Core Crown residual cash	(3,728)	(4,491)	763	17.0
Debt indicators				
Gross debt²	79,294	76,278	3,017	4.0
Net debt³	54,928	45,247	9,681	21.4

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

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

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

Revenue and Expenses

Core Crown taxation revenue for the three months ended 30 September 2012 increased by \$0.5 billion (3.9%) on the same period last year. Other individuals' tax, source deductions and GST were the largest contributors, up \$371 million (66.6%), \$202 million (3.8%) and \$121 million (3.5%) respectively, as profitability, wages and salaries, and household spending were higher than a year ago. Corporate tax was \$153 million (7.9%) lower due to a decline in terminal tax assessments as companies made more use of tax pooling and were more accurate with their provisional tax estimates in the 2012 tax year.

Total **core Crown expenses** decreased by \$0.1 million (0.3%) on the same period last year. The significant movements in core Crown functional expenses were as follows:

Functional expense	Movement from previous year	Main drivers of the change
Increases:		
Core Government services	+ \$110 million	• Higher expenses relating to the Canterbury earthquakes
Social security and welfare	+ \$140 million	• Indexation of welfare benefits.
Decreases:		
Heritage, culture and recreation	- \$104 million	• Reductions in the carbon price over the last 12 months have reduced the cost of units allocated under the ETS.
Other functional classes	- \$199 million	
Total	- \$53 million	

The **surplus of SOE/CE's** was \$292 million for the first three months of this year, compared to \$671 million in the first three months of the 2011/12 financial year. The change from last year is partly due to lower interest revenue earned on the Crown entity financial assets.

Total gains were \$2,147 million in the three months to September 2012 due to strong returns on the Crown's investment portfolios. In contrast, weak global equity markets in the first three months of the 2011/12 financial year plus increases in the valuation of the Crown's long-term liabilities (eg, ACC and GSF) resulted in total losses of \$4,576 million to 30 September 2011.

Debt

Both **net** and **gross debt** have increased as a result of the issuance of debt (primarily government stock) and the reduction in financial assets to meet cash deficits.



FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES

1 Reporting Entity

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

- Ministers of the Crown
- Offices of Parliament
- New Zealand Superannuation Fund
- State-Owned Enterprises (SOEs)
- Departments
- Reserve Bank of New Zealand
- Crown Entities
- Air New Zealand Limited

A schedule of the entities that are included in the Government reporting entity was set out on pages 182 and 183 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2012* released on 10 October 2012.

With the exception of the 30 June 2012 comparative figures, all actual, forecast and comparative figures presented in these financial statements are unaudited.

2 General Accounting Policies

These financial statements comply with generally accepted accounting practice and with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as applicable for public benefit entities. The measurement base applied is historical cost adjusted for revaluations of property, plant and equipment (where appropriate), commercial forests; and marketable securities, deposits and equity investments held for trading purposes. The accrual basis of accounting has been used unless otherwise stated.

These financial statements have been prepared on a going concern basis. All other policies have been applied consistently throughout the period.

3 Specific Accounting Policies

The specific accounting policies of the Crown are detailed on the Treasury's internet site:

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

4 Forecasts

The forecasts in these financial statements have been derived from the forecasts released in the *BEFU*, on 24 May 2012.

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

<http://www.treasury.govt.nz/budget/forecasts/befu2012>

STATEMENT OF ACCOUNTING POLICIES (*CONTINUED*)

5 Comparative Figures

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

6 Variance Percentages

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

7 Judgements and Estimates

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

A second area of uncertainty relates to the immature nature of the claims experience available to assist in estimating the claims and provisions arising from the Canterbury earthquakes. Actuarial valuations of these liabilities using the best available information have been used, however it is common in such cases for adjustments to be required as the claims experience develops.

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.

STATEMENT OF FINANCIAL PERFORMANCE

for the three months ended 30 September 2012

Year to 30 Jun 2012	3 months to 30 Sept 2011		Current Year Actual vs Forecast					
Actual \$m	Actual \$m		Note	Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
Revenue								
54,665	12,888	Taxation revenue	1	13,372	13,675	(303)	(2.2)	57,663
5,130	1,181	Other sovereign revenue	1	1,292	1,311	(19)	(1.4)	5,446
59,795	14,069	Total Revenue Levied through the Crown's Sovereign Power		14,664	14,986	(322)	(2.1)	63,109
16,785	4,310	Sales of goods and services		4,190	4,454	(264)	(5.9)	16,337
2,763	690	Interest revenue and dividends	2	691	854	(163)	(19.1)	3,376
4,140	791	Other revenue		845	863	(18)	(2.1)	3,481
23,688	5,791	Total revenue earned through the Crown's operations		5,726	6,171	(445)	(7.2)	23,194
83,483	19,860	Total revenue (excluding gains)		20,390	21,157	(767)	(3.6)	86,303
Expenses								
22,354	5,589	Social assistance and official development assistance	3	5,643	5,810	167	2.9	23,218
19,475	4,819	Personnel expenses	4	4,936	4,923	(13)	(0.3)	19,676
6,350	1,106	Depreciation and amortisation	5	1,063	1,055	(8)	(0.8)	4,687
35,678	8,918	Other operating expenses	5	8,979	9,209	230	2.5	38,929
4,290	1,100	Interest expenses	6	1,068	1,154	86	7.5	4,663
4,576	808	Insurance expenses	7	818	734	(84)	(11.4)	3,289
-	-	Forecast new operating spending	5	-	-	-	-	348
-	-	Top-down expense adjustment	5	-	(60)	(60)	(100.0)	(700)
92,723	22,340	Total expenses (excluding losses)		22,507	22,825	318	1.4	94,110
-	-	Forgone profits from partial share sales		-	-	-	-	(90)
(9,240)	(2,480)	Operating balance before gains/(losses)		(2,117)	(1,668)	(449)	(26.9)	(7,897)
692	(2,704)	Net gains/(losses) on financial instruments	8	2,000	417	1,583	379.6	1,735
(6,526)	(1,872)	Net gains/(losses) on non-financial instruments	9	147	82	65	79.3	201
(5,834)	(4,576)	Total gains/(losses)		2,147	499	1,648	330.3	1,936
233	60	Net surplus/(deficit) from associates and joint ventures		56	62	(6)	(9.7)	262
(14,841)	(6,996)	Operating balance from continuing activities		86	(1,107)	1,193	107.8	(5,699)
-	-	Gain/(loss) from discontinued operations		4	-	4	-	-
(56)	-	Attributable to minority interests		-	-	-	-	-
(14,897)	(6,996)	Operating balance	10	90	(1,107)	1,197	108.1	(5,699)

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

STATEMENT OF COMPREHENSIVE INCOME

for the three months ended 30 September 2012

Year to 30 Jun 2012 Actual \$m	3 months to 30 Sept 2011 Actual \$m	Current Year Actual vs Forecast				
		Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
(14,841)	(6,996)	Operating Balance (including minority interest)				
		90	(1,107)	1,197	108.1	(5,609)
		Other comprehensive income				
(6,461)	(42)	Revaluation of physical assets				
		(9)	(13)	4	30.8	-
108	65	Effective portion of changes in value of cash flow hedges				
		(98)	(61)	(37)	(60.7)	(3)
54	1	Net change in fair value of cash flow hedges transferred to operating balance				
		-	-	-	-	-
(19)	(11)	Net change in fair value of cash flow hedges transferred to the hedged item				
		(2)	4	(6)	(150.0)	-
(2)	(2)	Foreign currency translation differences for foreign operations				
		62	16	46	287.5	55
13	15	Valuation gains/(losses) on investments available for sale taken to reserves				
		6	16	(10)	(62.5)	10
1	(2)	Other movements				
		1	(24)	25	104.2	2
(6,306)	24	Total other comprehensive income				
		(40)	(62)	22	35.5	64
(21,147)	(6,972)	Total comprehensive income				
		50	(1,169)	1,219	104.3	(5,545)
		Attributable to:				
84	-	- minority interest				
		-	-	-	-	90
(21,231)	(6,972)	- the Crown				
		50	(1,169)	1,219	104.3	(5,635)
(21,147)	(6,972)	Total comprehensive income				
		50	(1,169)	1,219	104.3	(5,545)

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

ANALYSIS OF EXPENSES BY FUNCTIONAL CLASSIFICATION

for the three months ended 30 September 2012

Year to 30 Jun 2012 Actual \$m	3 months to 30 Sept 2011 Actual \$m		Current Year Actual vs Forecast				
			Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
Total Crown expenses							
25,457	6,310	Social security and welfare	6,496	6,564	68	1.0	26,912
197	54	GSF pension expenses	80	80	-	-	340
13,650	3,391	Health	3,581	3,483	(98)	(2.8)	14,013
12,407	3,324	Education	3,301	3,371	70	2.1	13,164
5,305	926	Core government services	1,095	1,027	(68)	(6.6)	6,459
3,592	893	Law and order	862	885	23	2.6	3,779
1,693	439	Defence	424	439	15	3.4	1,973
10,259	2,068	Transport and communications	2,111	2,072	(39)	(1.9)	8,801
10,018	2,179	Economic and industrial services	2,006	2,219	213	9.6	7,900
1,588	432	Primary services	366	456	90	19.7	1,830
3,215	785	Heritage, culture and recreation	722	718	(4)	(0.6)	3,022
627	322	Housing and community development	303	322	19	5.9	1,115
425	117	Other	92	95	3	3.2	491
4,290	1,100	Finance costs	1,068	1,154	86	7.5	4,663
-	-	Forecast new operating spending	-	-	-	-	348
-	-	Top-down expense adjustment	-	(60)	(60)	(100.0)	(700)
92,723	22,340	Total Crown expenses excluding losses	22,507	22,825	318	1.4	94,110

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

Year to 30 Jun 2012 Actual \$m	3 months to 30 Sept 2011 Actual \$m		Current Year Actual vs Forecast				
			Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
Core Crown expenses							
22,028	5,512	Social security and welfare	5,652	5,738	86	1.5	23,239
192	50	GSF pension expenses	78	78	-	-	329
14,160	3,494	Health	3,591	3,632	41	1.1	14,745
11,654	3,129	Education	3,102	3,165	63	2.0	12,387
5,428	978	Core government services	1,088	1,001	(87)	(8.7)	6,537
3,403	854	Law and order	836	854	18	2.1	3,558
1,736	453	Defence	433	450	17	3.8	2,016
2,232	455	Transport and communications	453	454	1	0.2	2,174
2,157	573	Economic and industrial services	529	545	16	2.9	2,134
648	150	Primary services	140	178	38	21.3	832
1,632	422	Heritage, culture and recreation	318	324	6	1.9	1,548
(130)	124	Housing and community development	110	124	14	11.3	328
425	117	Other	92	95	3	3.2	491
3,511	956	Finance costs	898	943	45	4.8	3,766
-	-	Forecast new operating spending	-	-	-	-	348
-	-	Top-down expense adjustment	-	(60)	(60)	(100.0)	(700)
69,076	17,267	Core Crown expenses excluding losses	17,320	17,521	201	1.1	73,732

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

STATEMENT OF CASH FLOWS

for the three months ended 30 September 2012

Year to 30 Jun 2012 Actual \$m	3 months to 30 Sept 2011 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
Cash Flows From Operations							
Cash was provided from							
53,582	12,014	Taxation receipts	12,628	12,899	(271)	(2.1)	56,856
4,890	1,150	Other sovereign receipts	1,352	1,107	245	22.1	4,729
16,812	4,254	Sales of goods and services	4,501	4,632	(131)	(2.8)	16,369
2,603	651	Interest and dividends	654	837	(183)	(21.9)	3,106
4,395	1,095	Other operating receipts	1,283	1,693	(410)	(24.2)	7,172
82,282	19,164	Total cash provided from operations	20,418	21,168	(750)	(3.5)	88,232
Cash was disbursed to							
22,840	6,554	Social assistance and official development assistance	6,295	6,366	71	1.1	23,284
59,107	15,521	Personnel and operating payments	15,327	16,062	735	4.6	62,535
3,954	515	Interest payments	541	622	81	13.0	4,797
-	-	Forecast new operating spending	-	-	-	-	348
-	-	Top-down expense adjustment	-	(60)	(60)	(100.0)	(700)
85,901	22,590	Total cash disbursed to operations	22,163	22,990	827	3.6	90,264
(3,619)	(3,426)	Net cash flows from operations	(1,745)	(1,822)	77	4.2	(2,032)
Cash Flows From Investing Activities							
Cash was provided from/(disbursed to)							
(5,766)	(1,356)	Net purchase of physical assets	(1,240)	(1,383)	143	10.3	(7,039)
424	2,548	Net purchase of shares and other securities	3,314	2,440	874	35.8	7,692
(567)	(109)	Net purchase of intangible assets	(112)	(153)	41	26.8	(515)
(1,284)	(365)	Net (issue)/repayment of advances	(358)	(172)	(186)	(108.1)	(1,840)
(115)	24	Net acquisition of investments in associates	59	4	55	-	1,510
-	-	Forecast new capital spending	-	-	-	-	(194)
-	-	Top-down capital adjustment	-	8	(8)	(100.0)	100
(7,308)	742	Net cash flows from investing activities	1,663	744	919	123.5	(286)
(10,927)	(2,684)	Net cash flows from operating and investing activities	(82)	(1,078)	996	92.4	(2,318)
Cash Flows From Financing Activities							
Cash was provided from/(disbursed to)							
203	140	Issues of circulating currency	33	10	23	230.0	144
7,554	3,486	Net issue/(repayment) of Government stock	3,624	4,078	(454)	(11.1)	3,709
(6,422)	(2,317)	Net issue/(repayment) of foreign currency borrowing	43	(222)	265	119.4	(623)
10,353	4,999	Net issue/(repayment) of other New Zealand dollar borrowing	(730)	(2,068)	1,338	64.7	(1,434)
(7)	-	Dividends paid to minority interests	-	-	-	-	(50)
11,681	6,308	Net cash flows from financing activities	2,970	1,798	1,172	65.2	1,746
754	3,624	Net movement in cash	2,888	720	2,168	301.1	(572)
9,801	9,801	Opening Cash Balance	10,686	10,686	-	-	14,899
131	315	Foreign-exchange gains/(losses) on opening cash	(158)	2,791	(2,949)	(105.7)	-
10,686	13,740	Closing Cash Balance	13,416	14,197	(781)	(5.5)	14,327

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 2012

Year to 30 Jun 2012 Actual \$m	3 months to 30 Sept 2011 Actual \$m		Current Year Actual vs Forecast				
			Actual \$m	Forecast \$m	Variance \$m	Annual Forecast %	Forecast \$m
Reconciliation Between the Net Cash Flows from Operations and the Operating Balance							
(3,619)	(3,426)	Net Cash Flows from Operations	(1,745)	(1,822)	77	4.2	(2,032)
		Items included in the operating balance but not in net cash flows from operations					
		Gains/(losses)					
692	(2,704)	Gains/(losses) on financial instruments	2,000	417	1,583	379.6	1,735
(6,526)	(1,872)	Gains/(losses) on non-financial instruments	147	82	65	79.3	201
(5,834)	(4,576)	Total gains/(losses)	2,147	499	1,648	330.3	1,936
Other Non-cash Items in Operating Balance							
(6,350)	(1,106)	Depreciation and amortisation	(1,063)	(1,055)	(8)	(0.8)	(4,687)
(850)	(147)	Write-down on initial recognition of financial assets	(145)	(167)	22	13.2	(748)
248	14	Impairment of financial assets (excluding receivables)	1	8	(7)	(87.5)	181
512	85	Non-cash movement in defined benefit retirement plan liabilities	68	76	(8)	(10.5)	405
1,070	929	Non-cash movement in insurance liabilities	399	832	(433)	(52.0)	2,985
232	60	Other	51	63	(12)	(19.0)	262
(5,138)	(165)	Total other non-cash Items	(689)	(243)	(446)	(183.5)	(1,602)
Movements in Working Capital							
(242)	(951)	Increase/(decrease) in receivables	(670)	(1,654)	984	59.5	(3,767)
(175)	(546)	Increase/(decrease) in accrued interest	(491)	(516)	25	4.8	404
(74)	16	Increase/(decrease) in inventories	13	28	(15)	(53.6)	59
32	157	Increase/(decrease) in prepayments	139	36	103	286.1	(44)
(38)	56	Decrease/(increase) in deferred revenue	6	48	(42)	(87.5)	32
191	2,439	Decrease/(increase) in payables/provisions	1,380	2,517	(1,137)	(45.2)	(685)
(306)	1,171	Total movements in working capital	377	459	(82)	(17.9)	(4,001)
(14,897)	(6,996)	Operating Balance	90	(1,107)	1,197	108.1	(5,699)

STATEMENT OF CHANGES IN NET WORTH

for the three months ended 30 September 2012

Year to 30 Jun 2012 Actual \$m	3 months to 30 Sept 2011 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
80,887	80,887	Opening net worth	59,780	59,780	-	-	70,303
(14,841)	(6,996)	Operating balance (including minority interest)	90	(1,107)	1,197	108.1	(5,699)
(6,461)	(42)	Net revaluations	(9)	(13)	4	30.8	-
80	80	Transfers to/(from) reserves	(94)	(46)	(48)	(104.3)	(1)
		(Gains)/losses transferred to the					
83	-	statement of financial performance	1	-	1	-	-
(8)	(13)	Other movements	62	(3)	65	-	65
(21,147)	(6,971)	Total comprehensive income	50	(1,169)	1,219	104.3	(5,635)
-	-	Partial share sales in SOEs	-	-	-	-	200
40	-	Transactions with minority interests	-	-	-	-	1,340
59,780	73,916	Closing net worth	59,830	58,611	1,219	2.1	66,208

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

STATEMENT OF FINANCIAL POSITION

as at 30 September 2012

As at 30 Jun 2012 Actual \$m	As at 30 Sept 2011 Actual \$m			Current Year Actual vs Forecast				Annual Forecast \$m
			Note	Actual \$m	Forecast \$m	Variance \$m	%	
Assets								
10,686	13,740	Cash and cash equivalents	11	13,416	14,197	(781)	(5.5)	14,327
20,956	22,474	Receivables	11	20,336	19,859	477	2.4	16,799
		Marketable securities, deposits and						
48,385	44,511	derivatives in gain	11	43,376	43,050	326	0.8	36,197
14,385	13,401	Share investments	11	14,820	14,756	64	0.4	15,853
21,766	21,455	Advances	11	22,044	22,132	(88)	(0.4)	23,895
1,234	1,324	Inventory		1,247	1,262	(15)	(1.2)	1,360
2,134	2,148	Other assets		2,316	2,092	224	10.7	2,051
108,584	115,277	Property, plant & equipment	12	108,695	109,230	(535)	(0.5)	121,335
9,483	9,494	Equity accounted investments ¹		9,721	9,618	103	1.1	9,967
2,705	2,384	Intangible assets and goodwill		2,614	2,739	(125)	(4.6)	2,571
-	-	Forecast for new capital spending		-	-	-	-	282
-	-	Top-down capital adjustment		-	(8)	8	100.0	(350)
240,318	246,208	Total assets		238,585	238,927	(342)	(0.1)	244,287
Liabilities								
4,457	4,395	Issued currency		4,490	4,579	89	1.9	4,704
11,604	10,893	Payables	14	10,768	10,195	(573)	(5.6)	13,503
1,712	1,618	Deferred revenue		1,706	1,664	(42)	(2.5)	1,399
100,534	97,504	Borrowings		100,838	103,466	2,628	2.5	103,207
41,186	39,529	Insurance liabilities	15	40,297	39,904	(393)	(1.0)	36,919
13,539	10,972	Retirement plan liabilities		13,471	13,464	(7)	(0.1)	11,481
7,506	7,381	Provisions	16	7,185	7,044	(141)	(2.0)	6,866
180,538	172,292	Total liabilities		178,755	180,316	1,561	0.9	178,079
59,780	73,916	Total assets less total liabilities		59,830	58,611	1,219	2.1	66,208
Net Worth								
3,520	11,201	Taxpayer funds	17	3,634	2,395	1,239	51.7	2,144
56,001	62,638	Revaluation reserve	17	55,970	55,984	(14)	-	62,550
(173)	(231)	Other reserves	17	(206)	(200)	(6)	(3.0)	(134)
59,348	73,608	Total net worth attributable to the Crown		59,398	58,179	1,219	2.1	64,560
432	308	Net worth attributable to minority interest		432	432	-	-	1,648
59,780	73,916	Total net worth		59,830	58,611	1,219	2.1	66,208

1. Tertiary education institutions constitute most equity accounted investments.

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

STATEMENT OF BORROWINGS

as at 30 September 2012

As at 30 Jun 2012 Actual \$m	As at 30 Sept 2011 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
52,895	49,005	Government stock ¹	53,922	56,388	2,466	4.4	56,380
8,954	7,784	Treasury bills	6,951	6,246	(705)	(11.3)	4,700
229	257	Government retail stock	221	251	30	12.0	251
5,917	6,944	Settlement deposits with Reserve Bank	6,855	6,244	(611)	(9.8)	6,244
2,807	4,472	Derivatives in loss	2,578	2,541	(37)	(1.5)	2,401
1,515	1,150	Finance lease liabilities	1,448	1,482	34	2.3	1,471
28,217	27,892	Other borrowings	28,863	30,314	1,451	4.8	31,760
100,534	97,504	Total borrowings	100,838	103,466	2,628	2.5	103,207
75,701	73,814	Sovereign-guaranteed debt	76,010	78,169	2,159	2.8	76,212
24,833	23,690	Non sovereign-guaranteed debt	24,828	25,297	469	1.9	26,995
100,534	97,504	Total borrowings	100,838	103,466	2,628	2.5	103,207
		Net Debt:					
84,680	82,917	Core Crown borrowings ²	85,414	87,189	1,775	2.0	85,674
(512)	(1,206)	Add back NZS Fund holdings of sovereign- issued debt and NZS Fund borrowings	(682)	(511)	171	33.5	(884)
84,168	81,711	Gross sovereign-issued debt³	84,732	86,678	1,946	2.2	84,790
64,017	64,672	Less core Crown financial assets ⁴	61,716	62,563	(847)	(1.4)	56,569
20,151	17,039	Net core Crown debt	23,016	24,115	1,099	4.6	28,221
13,324	12,557	Core crown advances	13,167	13,407	240	1.8	13,894
33,475	29,596	Net core Crown debt (incl NZS Fund)⁵	36,183	37,522	1,339	3.6	42,115
17,196	15,651	Add back NZS Fund holdings of core Crown financial assets and NZS Fund fin assets ⁶	18,745	17,683	(1,062)	(6.0)	19,150
50,671	45,247	Net core Crown debt (excl NZS Fund and advances)⁷	54,928	55,205	277	0.5	61,265
		Gross Debt:					
84,168	81,711	Gross sovereign-issued debt ³	84,732	86,678	1,946	2.2	84,790
(6,133)	(7,033)	Less Reserve Bank settlement cash and Reserve Bank bills	(7,038)	(6,418)	619	9.7	(6,418)
1,600	1,600	Add back changes to DMO borrowing due to settlement cash ⁸	1,600	1,600	-	-	1,600
79,635	76,278	Gross sovereign-issued debt excluding Reserve Bank settlement cash and Reserve bank bills	79,294	81,860	2,565	3.1	79,972

Notes on gross and net debt:

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

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

STATEMENT OF COMMITMENTS

as at 30 September 2012

	As at 30 Sept 2012 \$m	As at 30 Jun 2012 \$m	As at 30 Sept 2011 \$m
Capital Commitments			
Specialist military equipment	255	239	402
Land and buildings	719	697	647
Other property, plant and equipment	6,278	6,001	7,026
Other capital commitments	654	572	269
Tertiary Education Institutions	255	255	413
Total capital commitments	8,161	7,764	8,757
Operating Commitments			
Non-cancellable accommodation leases	2,681	2,719	2,830
Other non-cancellable leases	3,510	3,549	3,032
Tertiary Education Institutions	282	282	328
Total operating commitments	6,473	6,550	6,190
Total commitments	14,634	14,314	14,947
Total Commitments by Segment			
Core Crown	12,101	15,685	14,551
Crown entities	6,785	7,753	8,758
State-owned Enterprises	5,435	5,300	6,658
Inter-segment eliminations	(9,687)	(14,424)	(15,020)
Total commitments	14,634	14,314	14,947

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

as at 30 September 2012

	As at 30 Sept 2012 \$m	As at 30 Jun 2012 \$m	As at 30 Sept 2011 \$m
Quantifiable Contingent Liabilities			
Guarantees and indemnities	189	430	83
Uncalled capital	6,074	6,327	4,260
Legal proceedings and disputes	409	411	444
Other contingent liabilities	629	584	2,831
Total quantifiable contingent liabilities	7,301	7,752	7,618
Total Quantifiable Contingent Liabilities by Segment			
Core Crown	7,130	7,622	7,322
Crown entities	81	40	238
State-owned Enterprises	90	90	58
Inter-segment eliminations	-	-	-
Total quantifiable contingent liabilities	7,301	7,752	7,618
Quantifiable Contingent Assets			
Core Crown	222	224	702
Crown entities	162	162	4
State owned enterprises	24	24	-
Inter-segment eliminations	-	-	-
Total quantifiable contingent assets	408	410	706

A list of unquantified contingent liabilities (such as the Canterbury earthquakes) as at 30 June 2012 is included on the Treasury's website
<http://www.treasury.govt.nz/government/financialstatements/yearend/jun12>

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

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2012	3 months to 30 Sept 2011		Current Year Actual vs Forecast				Annual
Actual \$m	Actual \$m		Actual \$m	Forecast \$m	Variance \$m	%	Forecast \$m
NOTE 1: Sovereign Revenue (Accrual)							
Taxation Revenue (accrual)							
Individuals							
21,237	5,255	Source deductions	5,457	5,623	(166)	(3.0)	22,563
4,232	1,018	Other persons	1,305	1,006	299	29.7	4,386
(1,736)	(575)	Refunds	(492)	(528)	36	6.8	(1,567)
462	115	Fringe benefit tax	114	121	(7)	(5.8)	458
24,195	5,813	Total individuals	6,384	6,222	162	2.6	25,840
Corporate Tax							
8,310	1,728	Gross companies tax	1,616	1,686	(70)	(4.2)	8,301
(202)	(36)	Refunds	(38)	(36)	(2)	(5.6)	(279)
500	120	Non-resident withholding tax	65	101	(36)	(35.6)	455
4	(1)	Foreign-source dividend w/holding payments	-	-	-	-	-
8,612	1,811	Total corporate tax	1,643	1,751	(108)	(6.2)	8,477
Other Income Tax							
1,679	399	Resident w/holding tax on interest income	354	399	(45)	(11.3)	1,673
292	67	Resident w/holding tax on dividend income	82	82	-	-	375
1,971	466	Total other income tax	436	481	(45)	(9.4)	2,048
34,778	8,090	Total income tax	8,463	8,454	9	0.1	36,365
Goods and Services Tax							
25,199	6,073	Gross goods and services tax	6,059	6,341	(282)	(4.4)	26,795
(10,627)	(2,574)	Refunds	(2,439)	(2,554)	115	4.5	(11,052)
14,572	3,499	Total goods and services tax	3,620	3,787	(167)	(4.4)	15,743
Other Taxation							
1,045	252	Road user charges	252	332	(80)	(24.1)	1,152
847	233	Petroleum fuels excise - domestic production	205	254	(49)	(19.3)	939
656	152	Alcohol excise - domestic production	156	168	(12)	(7.1)	698
244	53	Tobacco excise - domestic production	60	49	11	22.4	223
631	125	Petroleum fuels excise - imports ¹	177	135	42	31.1	626
241	65	Alcohol excise - imports ¹	67	68	(1)	(1.5)	249
993	250	Tobacco excise - imports ¹	210	256	(46)	(18.0)	983
173	51	Other customs duty	50	47	3	6.4	179
216	51	Gaming duties	55	59	(4)	(6.8)	231
175	44	Motor vehicle fees	44	45	(1)	(2.2)	170
58	15	Approved issuer levy and cheque duty	6	13	(7)	(53.8)	69
36	8	Energy resources levies	7	8	(1)	(12.5)	36
5,315	1,299	Total other indirect taxation	1,289	1,434	(145)	(10.1)	5,555
19,887	4,798	Total indirect taxation	4,909	5,221	(312)	(6.0)	21,298
54,665	12,888	Total taxation revenue	13,372	13,675	(303)	(2.2)	57,663
Other Sovereign Revenue (accrual)							
3,695	893	ACC levies	861	831	30	3.6	3,395
326	99	Fire Service levies	97	99	(2)	(2.0)	313
107	23	EQC levies	48	47	1	2.1	240
1,002	166	Other miscellaneous items	286	334	(48)	(14.4)	1,498
5,130	1,181	Total other sovereign revenue	1,292	1,311	(19)	(1.4)	5,446
59,795	14,069	Total sovereign revenue	14,664	14,986	(322)	(2.1)	63,109

1. Customs excise-equivalent duty

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2012	3 months to 30 Sept 2011		Current Year Actual vs Forecast				Annual Forecast
Actual \$m	Actual \$m		Actual \$m	Forecast \$m	Variance \$m	%	\$m
NOTE 1 (continued): Sovereign Receipts (Cash)							
Income Tax Receipts (cash)							
Individuals							
21,010	5,182	Source deductions	5,465	5,578	(113)	(2.0)	22,450
4,720	996	Other persons	1,096	961	135	14.0	5,062
(2,468)	(968)	Refunds	(825)	(955)	130	13.6	(2,493)
458	103	Fringe benefit tax	104	110	(6)	(5.5)	457
23,720	5,313	Total individuals	5,840	5,694	146	2.6	25,476
Corporate Tax							
8,792	2,080	Gross companies tax	2,019	2,084	(65)	(3.1)	8,737
(814)	(144)	Refunds	(140)	(150)	10	6.7	(756)
434	101	Non-resident withholding tax	70	101	(31)	(30.7)	454
4	(1)	Foreign-source dividend w/holding payments	-	-	-	-	-
8,416	2,036	Total corporate tax	1,949	2,035	(86)	(4.2)	8,435
Other Income Tax							
1,699	396	Resident w/holding tax on interest income	347	412	(65)	(15.8)	1,672
290	62	Resident w/holding tax on dividend income	84	82	2	2.4	375
1,989	458	Total other income tax	431	494	(63)	(12.8)	2,047
34,125	7,807	Total income tax	8,220	8,223	(3)	-	35,958
Goods and Services Tax							
24,574	5,563	Gross goods and services tax	5,608	5,772	(164)	(2.8)	25,895
(10,435)	(2,537)	Refunds	(2,416)	(2,471)	55	2.2	(10,552)
14,139	3,026	Total goods and services tax	3,192	3,301	(109)	(3.3)	15,343
Other Taxation							
1,048	252	Road user charges	256	332	(76)	(22.9)	1,152
845	227	Petroleum fuels excise - domestic production	222	248	(26)	(10.5)	939
654	148	Alcohol excise - domestic production	157	157	-	-	698
238	45	Tobacco excise - domestic production	50	40	10	25.0	223
2,057	393	Customs duty	419	473	(54)	(11.4)	2,037
216	54	Gaming duties	56	59	(3)	(5.1)	231
169	39	Motor vehicle fees	43	45	(2)	(4.4)	170
55	15	Approved issuer levy and cheque duty	6	13	(7)	(53.8)	69
36	8	Energy resources levies	7	8	(1)	(12.5)	36
5,318	1,181	Total other indirect taxation	1,216	1,375	(159)	(11.6)	5,555
19,457	4,207	Total indirect taxation	4,408	4,676	(268)	(5.7)	20,898
53,582	12,014	Total tax receipts collected	12,628	12,899	(271)	(2.1)	56,856
Other Sovereign Receipts (cash)							
3,693	871	ACC levies	991	742	249	33.6	3,413
326	99	Fire Service levies	97	99	(2)	(2.0)	313
134	28	EQC levies	79	73	6	8.2	270
737	152	Other miscellaneous items	185	193	(8)	(4.1)	733
4,890	1,150	Total other sovereign receipts	1,352	1,107	245	22.1	4,729
58,472	13,164	Total sovereign receipts	13,980	14,006	(26)	(0.2)	61,585

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2012	3 months to 30 Sept 2011		Current Year Actual vs Forecast				Annual Forecast
Actual \$m	Actual \$m		Actual \$m	Forecast \$m	Variance \$m	%	\$m
NOTE 2: Interest Revenue and Dividends							
<i>By type</i>							
2,293	575	Interest revenue	556	745	(189)	(25.4)	2,885
470	115	Dividends	135	109	26	23.9	491
2,763	690	Total interest revenue and dividends	691	854	(163)	(19.1)	3,376
<i>By source</i>							
1,795	425	Core Crown	618	518	100	19.3	2,397
1,181	345	Crown entities	280	284	(4)	(1.4)	1,123
858	215	State-owned Enterprises	217	210	7	3.3	905
(1,071)	(295)	Inter-segment eliminations	(424)	(158)	(266)	(168.4)	(1,049)
2,763	690	Total interest revenue and dividends	691	854	(163)	(19.1)	3,376
NOTE 3: Transfer Payments and Subsidies							
9,584	2,354	New Zealand superannuation	2,522	2,529	7	0.3	10,243
2,082	548	Family tax credit	512	549	37	6.7	2,113
1,811	454	Domestic purposes benefit	446	460	14	3.0	1,820
1,325	334	Invalids benefit	334	334	-	-	1,321
1,195	299	Accommodation supplement	296	308	12	3.9	1,243
883	214	Unemployment benefit	196	210	14	6.7	881
775	192	Sickness benefit	196	196	-	-	781
567	139	In-work tax credit	130	136	6	4.4	565
644	206	Student allowances	204	209	5	2.4	602
580	144	Income related rents	155	153	(2)	(1.3)	626
401	102	Disability allowances	98	97	(1)	(1.0)	366
1,309	373	Other social assistance benefits	331	382	51	13.4	1,470
21,156	5,359	Total social assistance grants	5,420	5,563	143	2.6	22,031
Subsidies							
688	163	KiwiSaver	174	175	1	0.6	688
Other transfer payments							
510	67	Official development assistance	49	72	23	31.9	499
22,354	5,589	Total transfer payments and subsidies	5,643	5,810	167	2.9	23,218
NOTE 4: Personnel Expenses							
5,915	1,481	Core Crown	1,479	1,504	25	1.7	6,003
10,754	2,624	Crown entities	2,718	2,729	11	0.4	10,897
2,819	717	State-owned Enterprises	741	693	(48)	(6.9)	2,786
(13)	(3)	Inter-segment eliminations	(2)	(3)	(1)	(33.3)	(10)
19,475	4,819	Total personnel expenses	4,936	4,923	(13)	(0.3)	19,676
NOTE 5: Operating Expenses							
<i>By type</i>							
6,350	1,106	Depreciation and amortisation	1,063	1,055	(8)	(0.8)	4,687
35,678	8,918	Other operating expenses	8,979	9,209	230	2.5	38,929
-	-	Forecast new operating spending	-	-	-	-	348
-	-	Top-down expense adjustment	-	(60)	(60)	(100.0)	(700)
42,028	10,024	Total operating expenses	10,042	10,204	162	1.6	43,264
<i>By source</i>							
37,278	9,237	Core Crown	9,288	9,251	(37)	(0.4)	40,689
17,897	4,488	Crown entities	4,668	4,628	(40)	(0.9)	18,062
13,174	2,862	State-owned Enterprises	2,748	3,067	319	10.4	11,173
(26,321)	(6,563)	Inter-segment eliminations	(6,662)	(6,742)	(80)	(1.2)	(26,660)
42,028	10,024	Total operating expenses	10,042	10,204	162	1.6	43,264

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2012 Actual \$m	3 months to 30 Sept 2011 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 6: Interest Expenses							
<i>By type</i>							
4,223	1,075	Interest on financial liabilities	1,042	1,140	98	8.6	4,610
67	25	Interest unwind on provisions	26	14	(12)	(85.7)	53
4,290	1,100	Total interest expenses	1,068	1,154	86	7.5	4,663
<i>By source</i>							
3,511	956	Core Crown	898	943	45	4.8	3,766
246	64	Crown entities	47	61	14	23.0	247
1,268	276	State-owned Enterprises	276	289	13	4.5	1,254
(735)	(196)	Inter-segment eliminations	(153)	(139)	14	10.1	(604)
4,290	1,100	Total interest expenses	1,068	1,154	86	7.5	4,663
NOTE 7: Insurance Expenses							
<i>By entity</i>							
3,010	724	ACC	752	736	(16)	(2.2)	3,300
1,073	21	EQC	51	18	(33)	(183.3)	71
586	-	Southern Response (formerly AMI Insurance)	10	(23)	(33)	(143.5)	(93)
20	63	Other insurance expenses	5	3	(2)	(66.7)	11
(113)	-	Inter-segment eliminations	-	-	-	-	-
4,576	808	Total insurance expenses	818	734	(84)	(11.4)	3,289
NOTE 8: Gains and Losses on Financial Instruments							
<i>By source</i>							
526	(1,970)	Core Crown	1,291	427	864	202.3	1,685
930	(239)	Crown entities	589	55	534	-	288
9	(212)	State-owned Enterprises	86	(31)	117	377.4	(46)
(773)	(283)	Inter-segment eliminations	34	(34)	68	200.0	(192)
692	(2,704)	Net gains/(losses) on financial instruments	2,000	417	1,583	379.6	1,735
NOTE 9: Gains and Losses on Non-Financial Instruments							
<i>By type</i>							
(3,896)	(900)	Actuarial gains/(losses) on GSF liability	-	-	-	-	-
(2,942)	(1,144)	Actuarial gains/(losses) on ACC liability	41	-	41	-	-
312	172	Other	106	82	24	29.3	201
(6,526)	(1,872)	Net gains/(losses) on non-financial instruments	147	82	65	79.3	201
<i>By source</i>							
(3,790)	(804)	Core Crown	67	42	25	59.5	7
(2,955)	(1,145)	Crown entities	38	(4)	42	-	(11)
220	76	State-owned Enterprises	42	43	(1)	(2.3)	205
(1)	1	Inter-segment eliminations	-	1	(1)	(100.0)	-
(6,526)	(1,872)	Net gains/(losses) on non-financial instruments	147	82	65	79.3	201
NOTE 10: Operating Balance							
<i>By source</i>							
(11,671)	(5,910)	Core Crown	(1,042)	(1,907)	865	45.4	(7,774)
(641)	(719)	Crown entities	1,029	519	510	98.3	1,873
(1,423)	116	State-owned Enterprises	372	306	66	21.6	890
(1,162)	(483)	Inter-segment eliminations	(269)	(25)	(244)	-	(688)
(14,897)	(6,996)	Total operating balance	90	(1,107)	1,197	108.1	(5,699)

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2012 \$m	As at 30 Sept 2011 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 11: Financial Assets and Sovereign Receivables							
10,686	13,740	Cash and cash equivalents	13,415	14,197	(782)	(5.5)	14,327
7,257	7,548	Tax receivables	7,527	7,446	81	1.1	6,974
13,699	14,926	Trade and other receivables	12,809	12,413	396	3.2	9,825
8,291	7,539	Student loans	8,382	8,406	(24)	(0.3)	8,781
12,445	11,854	Kiwibank mortgages	12,626	12,777	(151)	(1.2)	13,830
2,422	2,118	Long-term deposits	2,342	2,079	263	12.7	1,697
2,249	2,311	IMF financial assets	2,168	2,242	(74)	(3.3)	2,445
1,030	2,062	Other advances	1,036	949	87	9.2	1,284
14,385	13,401	Share investments	14,820	14,756	64	0.4	15,853
5,032	4,289	Derivatives in gain	5,362	4,430	932	21.0	4,028
38,682	35,793	Other marketable securities	33,504	34,299	(795)	(2.3)	28,027
116,178	115,581	Total financial assets and sovereign receivables	113,991	113,994	(3)	-	107,071
Financial assets by entity							
26,062	30,066	NZDMO	23,772	23,949	(177)	(0.7)	14,820
17,573	19,484	Reserve Bank of New Zealand	18,229	17,633	596	3.4	17,631
18,815	17,326	NZ Superannuation Fund	20,596	19,093	1,503	7.9	20,445
20,455	20,052	Other core Crown	21,345	21,403	(58)	(0.3)	18,863
(7,924)	(11,078)	Intra-segment eliminations	(10,623)	(8,374)	(2,249)	(26.9)	(5,832)
74,981	75,850	Total core Crown segment	73,319	73,704	(385)	(0.5)	65,927
25,340	22,313	ACC portfolio	26,460	25,327	1,133	4	28,440
7,252	8,497	EQC portfolio	6,847	6,593	254	4	3,781
11,168	8,830	Other Crown entities	10,943	10,676	267	3	8,191
(3,685)	(3,398)	Intra-segment eliminations	(3,652)	(3,655)	3	0.1	(3,503)
40,075	36,242	Total Crown entities segment	40,598	38,941	1,657	4.3	36,909
19,186	20,984	Total State-owned enterprises segment	18,653	19,250	(597)	(3.1)	21,393
(18,064)	(17,495)	Inter-segment eliminations	(18,579)	(17,901)	(678)	(3.8)	(17,158)
116,178	115,581	Total financial assets	113,991	113,994	(3)	-	107,071

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2012 \$m	As at 30 Sept 2011 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 12: Property, Plant and Equipment							
Net Carrying Value							
By class of asset:							
33,626	35,475	Land (valuation) ¹	33,539	33,633	(94)	(0.3)	35,551
25,046	24,518	Buildings (valuation)	24,940	25,117	(177)	(0.7)	25,528
17,546	17,572	State highways (valuation) - excluding land	17,653	17,688	(35)	(0.2)	19,120
14,400	14,453	Electricity generation assets (valuation)	14,453	14,620	(167)	(1.1)	15,348
3,476	2,878	Electricity distribution network (cost)	3,579	3,597	(18)	(0.5)	3,835
3,220	3,301	Specialist military equipment (valuation)	3,190	3,218	(28)	(0.9)	3,346
2,514	2,454	Specified cultural and heritage assets (valuation)	2,515	2,516	(1)	-	2,506
2,250	1,801	Aircraft (excl military) (valuation)	2,237	2,265	(28)	(1.2)	2,222
856	7,218	Rail network (valuation) - excluding land	945	942	3	0.3	7,614
5,650	5,607	Other plant and equipment (cost)	5,644	5,634	10	0.2	6,265
108,584	115,277	Total net carrying value	108,695	109,230	(535)	(0.5)	121,335
By source:							
29,377	29,499	Core Crown	29,226	29,361	(135)	(0.5)	30,140
49,939	48,706	Crown entities	50,012	50,151	(139)	(0.3)	51,182
29,268	37,072	State-owned enterprises	29,457	29,718	(261)	(0.9)	40,013
-	-	Inter-segment eliminations	-	-	-	-	-
108,584	115,277	Total net carrying value	108,695	109,230	(535)	(0.5)	121,335
Land breakdown by usage ¹							
8,744	8,415	Housing stock	8,730	8,738	(8)	(0.1)	8,394
8,353	7,741	State highway corridor land	8,353	8,353	-	-	7,603
5,454	5,686	Conservation estate	5,423	5,425	(2)	-	5,679
3,260	5,641	Rail network corridor land	3,260	3,260	-	-	5,641
2,726	2,718	Schools	2,700	2,721	(21)	(0.8)	2,747
1,471	1,530	Commercial (SOE) excluding rail	1,463	1,472	(9)	(0.6)	1,594
3,618	3,744	Other	3,610	3,664	(54)	(1.5)	3,893
33,626	35,475	Total land	33,539	33,633	(94)	(0.3)	35,551
1. Land relating to state highways, the rail network and conservation which had previously been included within the State highways, Rail network and Specified cultural and heritage assets categories has been reclassified to the Land category.							
Schedule of movements							
Cost or valuation							
126,601	126,601	Opening balance	121,717	121,717	-	-	133,898
6,514	1,439	Additions	1,245	1,390	(145)	(10.4)	7,437
(941)	(51)	Disposals	(130)	(11)	(119)	-	(436)
(9,793)	8	Net revaluations	10	67	(57)	(85.1)	-
(664)	407	Other	(607)	(314)	(293)	(93.3)	248
121,717	128,404	Total cost or valuation	122,235	122,849	(614)	(0.5)	141,147
Accumulated depreciation and impairment							
11,747	11,747	Opening balance	13,133	13,133	-	-	15,890
(634)	(19)	Eliminated on disposal	(34)	12	(46)	(383.3)	(40)
(3,415)	-	Eliminated on revaluation	-	-	-	-	-
5,687	948	Depreciation expense and impairment losses	909	909	-	-	4,070
(252)	451	Other	(468)	(435)	(33)	(7.6)	(108)
13,133	13,127	Total accumulated depreciation and impairment	13,540	13,619	(79)	(0.6)	19,812
108,584	115,277	Total property, plant and equipment	108,695	109,230	(535)	(0.5)	121,335

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2012 \$m	As at 30 Sept 2011 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 12 (continued): Property, Plant and Equipment							
Additions - by functional classification							
2,291	530	Transport and communications	372	442	(70)	(15.8)	2,299
2,036	336	Economic and industrial services	352	391	(39)	(10.0)	1,659
442	118	Education	107	117	(10)	(8.5)	931
627	94	Health	204	204	-	-	686
339	156	Defence	46	62	(16)	(25.8)	556
779	205	Other	164	174	(10)	(5.7)	1,306
6,514	1,439	Total additions	1,245	1,390	(145)	(10.4)	7,437
NOTE 13: NZ Superannuation Fund							
539	127	Revenue	146	141	5	3.5	563
160	(439)	Less current tax expense	282	105	(177)	(168.6)	419
132	19	Less other expenses ¹	29	40	11	27.5	160
(204)	(2,263)	Add gains/(losses)	1,109	332	777	234.0	1,327
43	(1,716)	Operating balance	944	328	616	187.8	1,311
18,652	18,652	Opening net worth	18,703	18,703	-	-	18,777
43	(1,716)	Operating balance	944	328	616	187.8	1,311
8	6	Other movements in reserves	(2)	8	(10)	(125.0)	32
18,703	16,942	Closing net worth	19,645	19,039	606	3.2	20,120
comprising:							
18,815	17,326	Financial assets	20,596	19,093	1,503	7.9	20,445
(1,317)	(1,541)	Financial liabilities	(2,143)	(1,273)	(870)	(68.3)	(1,620)
1,205	1,157	Net other assets	1,192	1,219	(27)	(2.2)	1,295
18,703	16,942	Closing net worth	19,645	19,039	606	3.2	20,120
Core Crown revenue (excl NZS Fund)							
60,565	14,116	Core Crown revenue	14,911	15,126	(215)	(1.4)	64,191
539	127	Less NZS Fund revenue	146	141	5	3.5	563
160	(439)	Add back NZS Fund intra-segment revenue	282	105	177	168.6	419
60,186	13,550	Core Crown revenue (excl NZS Fund)	15,047	15,090	(43)	(0.3)	64,047
OBEGAL excluding NZS Fund							
(9,240)	(2,480)	Total Crown OBEGAL	(2,117)	(1,668)	(449)	(26.9)	(7,897)
539	127	Less NZS Fund revenue	146	141	5	3.5	563
77	9	Add back NZS Fund external expenses	23	30	(7)	(23.3)	122
160	(439)	Add back NZS Fund tax	282	105	177	168.6	419
(9,542)	(3,037)	OBEGAL excluding NZS Fund	(1,958)	(1,674)	(284)	(17.0)	(7,919)

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

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2012 \$m	As at 30 Sept 2011 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 14: Payables							
8,255	8,142	Accounts payable	7,971	7,507	(464)	(6.2)	10,139
3,349	2,751	Taxes repayable	2,797	2,688	(109)	(4.1)	3,364
11,604	10,893	Total payables	10,768	10,195	(573)	(5.6)	13,503
NOTE 15: Insurance liabilities							
30,648	27,615	ACC liability	30,242	30,264	22	0.1	30,651
8,877	9,724	EQC property damage liability	8,470	8,176	(294)	(3.6)	5,210
2,062	2,132	Southern Response (formerly AMI Insurance)	1,988	1,869	(119)	(6.4)	992
48	58	Other insurance liabilities	46	44	(2)	(4.5)	78
(449)	-	Inter-segment eliminations	(449)	(449)	-	-	(12)
41,186	39,529	Total insurance liabilities	40,297	39,904	(393)	(1.0)	36,919
NOTE 16: Provisions							
375	621	Provision for ETS Credits	220	316	97	30.5	815
1,076	980	Provision for National Provident Fund guarantee	1,069	1,061	(8)	(0.8)	843
3,253	3,104	Provision for employee entitlements	3,269	3,231	(38)	(1.2)	3,133
		Provision for Canterbury Red Zone support package	1,258	1,002	(256)	(25.5)	-
745	1,032						
530	-	Provision for Infrastructure costs	530	530	-	-	-
		Provision for weathertight services					
189	567	financial assistance package	189	191	2	1.0	306
1,338	1,077	Other provisions	650	713	62	8.8	1,769
7,506	7,381	Total provisions	7,185	7,044	(141)	(2.0)	6,866

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

NOTE 17: Changes in Net Worth							
18,188	18,188	Opening taxpayers funds	3,520	3,520	-	-	7,573
(14,897)	(6,996)	Operating balance excluding minority interest	90	(1,107)	1,197	108.1	(5,699)
-	-	Partial share sales in state-owned enterprises	-	-	-	-	200
229	9	Transfers from/(to) other reserves	24	(18)	42	233.3	70
3,520	11,201	Closing taxpayers funds	3,634	2,395	1,239	51.7	2,144
62,690	62,690	Opening revaluation reserve	56,001	56,001	-	-	62,618
(6,461)	(42)	Net revaluations	(9)	(13)	4	30.8	-
(228)	(10)	Transfers from/(to) other reserves	(22)	(4)	(18)	(450.0)	(68)
56,001	62,638	Closing revaluation reserve	55,970	55,984	(14)	-	62,550
(299)	(299)	Opening other reserves	(173)	(173)	-	-	(196)
126	68	Net movements	(33)	(27)	(6)	(22.2)	62
(173)	(231)	Closing other reserves	(206)	(200)	(6)	(3.0)	(134)

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

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun	3 months to 30 Sept		Current Year Actual vs Forecast				Annual Forecast
			Actual	Forecast	Variance	%	
2012	2011		\$m	\$m	\$m	%	\$m
\$m	\$m						
NOTE 18: Core Crown residual cash							
Core Crown Cash Flows from Operations							
54,249	12,304	Tax receipts	12,926	13,139	(213)	(1.6)	57,762
670	150	Other sovereign receipts	169	176	(7)	(4.0)	653
1,431	343	Interest, profits and dividends	495	326	169	51.8	1,676
2,699	661	Sale of goods & services and other receipts	374	393	(19)	(4.8)	2,506
(22,854)	(6,557)	Transfer payments and subsidies	(6,308)	(6,379)	71	1.1	(23,334)
(40,036)	(10,110)	Personnel and operating costs	(10,422)	(10,719)	297	2.8	(42,411)
(3,369)	(287)	Finance costs	(323)	(349)	26	7.4	(3,918)
-	-	Forecast for future new operating spending	-	-	-	-	(348)
-	-	Top-down expense adjustment	-	60	(60)	(100.0)	700
(7,210)	(3,496)	Net core Crown operating cash flows	(3,089)	(3,353)	264	7.9	(6,714)
(1,262)	(348)	Net purchase of physical assets	(237)	(300)	63	21.0	(1,999)
(1,022)	(316)	Net increase in advances	206	(142)	348	245.3	(926)
(1,150)	(331)	Net purchase of investments	(608)	(315)	(293)	(93.0)	62
-	-	Forecast for future new capital spending	-	-	-	-	(194)
-	-	Top-down capital adjustment	-	8	(8)	(100.0)	100
(3,434)	(995)	Net Core Crown capital cash flows	(639)	(749)	110	14.7	(2,957)
(10,644)	(4,491)	Residual cash deficit	(3,728)	(4,102)	374	9.1	(9,671)
<i>The residual cash deficit is funded as follows:</i>							
Debt programme cash flows							
Market:							
15,146	3,498	Issue of government bonds	3,611	4,079	(468)	(11.5)	14,122
(7,602)	-	Repayment of government bonds	-	-	-	-	(9,982)
2,139	809	Net issue/(repayment) of short-term borrowing ¹	(2,139)	(2,339)	200	8.6	(3,701)
9,683	4,307	Total market debt cash flows	1,472	1,740	(268)	(15.4)	439
Non market:							
-	-	Issue of government bonds	-	-	-	-	-
(1,501)	(766)	Repayment of government bonds	-	-	-	-	(499)
430	(50)	Net issue/(repayment) of short-term borrowing	-	-	-	-	-
(1,071)	(816)	Total non-market debt cash flows	-	-	-	-	(499)
8,612	3,491	Total debt programme cash flows	1,472	1,740	(268)	(15.4)	(60)
Other borrowing cash flows							
5,880	3,389	Net (repayment)/issue of other New Zealand dollar borrowing	1,119	263	856	325.5	741
(6,030)	(2,510)	Net (repayment)/issue of foreign currency borrowing	35	(220)	255	115.9	(620)
(150)	879	Total other borrowing cash flows	1,154	43	1,111	441.4	121
Investing cashflows							
Other net sale/(purchase) of marketable securities and deposits							
2,270	4,640		3,903	3,151	752	23.9	9,465
203	140	Issues of circulating currency	33	10	23	230.0	144
(291)	(4,659)	Decrease/(increase) in cash	(2,834)	(842)	(1,992)	(236.6)	1
2,182	121	Total investing cash flows	1,102	2,319	(1,217)	(52.5)	9,610
10,644	4,491	Residual cash deficit funding	3,728	4,102	(374)	(9.1)	9,671

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