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TE TAI ŌHANGA
THE TREASURY

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 2022

The interim *Financial Statements of the Government of New Zealand* for the nine months ended 31 March 2022 (the financial statements) were released by the Treasury today.

The March results are the last to be reported against forecasts based on the *Half Year Economic and Fiscal Update 2021 (HYEFU 2021)*, published on 15 December 2021. The April results will be compared against the monthly forecast track based off the *2022 Budget Economic and Fiscal Update (BEFU 2022)*, due to be released on 19 May 2022.

| | Year to date | | | | Full Year |
|--|---------------------|-------------------------------------|-----------------------|------------|-------------------------------------|
| | March 2022 | March 2022 | Variance ² | Variance | June 2022 |
| | Actual ¹ | HYEFU 2021 Forecast ¹ | HYEFU 2021 | HYEFU 2021 | HYEFU 2021 Forecast ³ |
| | \$m | \$m | \$m | % | \$m |
| Core Crown | | | | | |
| Core Crown tax revenue | 78,620 | 75,941 | 2,679 | 3.5 | 102,561 |
| Core Crown revenue | 85,159 | 81,937 | 3,222 | 3.9 | 110,733 |
| Core Crown expenses | 92,596 | 92,732 | 136 | 0.1 | 128,028 |
| Core Crown residual cash | (24,698) | (24,857) | 159 | 0.6 | (34,100) |
| Net core Crown debt ⁴ | 127,170 | 127,325 | 155 | 0.1 | 136,305 |
| as a percentage of GDP | 36.3% | 36.4% | | | 37.6% |
| Gross debt ⁵ | 117,622 | 114,683 | (2,939) | (2.6) | 113,973 |
| as a percentage of GDP | 33.6% | 32.8% | | | 31.4% |
| Total Crown | | | | | |
| Operating balance before gains and losses | (8,111) | (12,205) | 4,094 | 33.5 | (20,844) |
| Operating balance (excluding minority interests) | (15,586) | (16,314) | 728 | 4.5 | (23,826) |
| Total borrowings | 197,057 | 189,497 | (7,560) | (4.0) | 200,357 |
| Net worth attributable to the Crown | 136,414 | 135,024 | 1,390 | 1.0 | 127,282 |
| as a percentage of GDP | 39.0% | 38.6% | | | 35.1% |

1 Using the most recently published GDP (for the year ended 31 December 2021) of \$350,083 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 2021 forecast GDP for the year ending 30 June 2022 of \$362,788 million (Source: The Treasury).

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

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

The Minister of Finance, on Tuesday 3 May 2022 announced the new measure for net debt. This will be first reported against the results for the period ended 30 April 2022.

Core Crown tax revenue for the nine months to 31 March 2022 was \$2.7 billion (3.5%) above forecast, at \$78.6 billion. The key drivers were positive variances in corporate tax (\$1.8 billion), net other individuals' tax (\$1.0 billion) and source deductions (\$0.8 billion). This was slightly offset by GST revenue and customs and excise duties being \$0.6 billion and \$0.3 billion below forecast respectively.

Core Crown tax receipts, however, are in line with forecast.

The main driver between the difference in the receipts and revenue variance is a revenue estimation uplift factor of close to 10% used for the 2022 tax year, whereas taxpayers' payments will generally be using a 5% uplift. It is expected that the variance will be closer by the end of the fiscal year, however, there remains a risk that some payments may fall into the 2022/23 fiscal year, when terminal tax is due.

Core Crown expenses at \$92.6 billion, were close to forecast.

The **operating balance before gains and losses** (OBEGAL) deficit of \$8.1 billion was \$4.1 billion better than forecast, mainly reflecting the core Crown results discussed above. The results of Crown entities and State-owned Enterprises were also stronger than expected.

When total gains and losses are added to the OBEGAL result, the **operating balance** was an \$15.6 billion deficit, and the variance narrows to \$0.7 billion. The key drivers of the net gains and losses variance were:

- Net losses on financial instruments were \$4.1 billion lower than the gains forecast, largely due to returns on the Crown's investment portfolios (New Zealand Superannuation Fund and ACC).
- Net losses on non-financial instruments were \$1.0 billion lower than the losses forecast, primarily due to the ACC outstanding claims liability valuation loss being \$2.4 billion less than forecast due to changes in the actuarial assumptions used to calculate the claims liability. This is partially offset by the losses on the Emissions Trading Scheme liability being \$1.6 billion higher than the loss forecast due to changes in the carbon price.

The **core Crown residual cash** deficit of \$24.7 billion was close to forecast reflecting the operating results and difference between tax revenue and receipts discussed above.

Net core Crown debt was \$127.2 billion (36.3% of GDP) at 31 March 2022, also in line with forecast reflecting the core Crown residual cash variance described above.

Gross debt at \$117.6 billion (33.6% of GDP) was \$2.9 billion higher than forecast. This is owing to repurchases of government stock being \$1.2 billion below forecast and the issuance of \$1.8 billion of euro-commercial paper (which was not forecast).

Total borrowings were \$197.1 billion, higher than forecast by \$7.6 billion. The increase is largely owing to the variance in gross debt above and the higher level of settlement deposits held with the Reserve Bank (\$6.1 billion).

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Interim Financial Statements of the Government of New Zealand

For the Nine Months Ended
31 March 2022



Prepared by the Treasury
5 May 2022

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

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Commentary

COMMENTARY

These financial statements reflect the financial position (service potential and financial capacity) as at 31 March 2022, 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 2021 (HYEFU 2021)*, published on 15 December 2021 and the results against the same period for the previous year.

These are the final financial results to be compared against the *HYEFU 2021* forecast. The financial results for the month ended 30 April 2022 will be compared against the monthly forecast tracks based off the *2022 Budget Economic and Fiscal Update (BEFU 2022)* forecast due to be released on 19 May 2022.

Comparison against forecast

The March 2022 Interim Financial Statements of the Government show all key operating indicators are favourable to the forecast at *HYEFU 2021* except for gross debt and total Crown borrowings.

Core Crown revenue was \$3.2 billion higher than forecasts driven mainly by core Crown tax revenue, while core Crown expenses were \$0.1 billion lower than forecast.

The year-to-date results continue to show a stronger than expected operating balance before gains and losses (OBEGAL) deficit of \$8.1 billion, \$4.1 billion stronger than the deficit forecast.

Indicators impacted by the Governments cash position are in line with expectations, being the core Crown residual cash deficit, \$24.7 billion, and the net core Crown debt of \$127.2 billion, both \$0.2 billion favourable to forecast.

Gross debt and total borrowings are both greater than forecast reflecting repurchases of government stock being \$1.2 billion below forecast and the issuance of \$1.8 billion of euro-commercial paper (which was not forecast).

Table 1 – Key indicators for the nine months ended 31 March 2022 compared to *HYEFU 2021*

| | Year to date | | | | Full Year |
|--|---------------------|-------------------------------------|-----------------------|------------|-------------------------------------|
| | March | March | Variance ² | Variance | June |
| | 2022 | 2022 | | | 2022 |
| | Actual ¹ | HYEFU 2021 Forecast ¹ | HYEFU 2021 | HYEFU 2021 | HYEFU 2021 Forecast ³ |
| | \$m | \$m | \$m | % | \$m |
| Core Crown | | | | | |
| Core Crown tax revenue | 78,620 | 75,941 | 2,679 | 3.5 | 102,561 |
| Core Crown revenue | 85,159 | 81,937 | 3,222 | 3.9 | 110,733 |
| Core Crown expenses | 92,596 | 92,732 | 136 | 0.1 | 128,028 |
| Core Crown residual cash | (24,698) | (24,857) | 159 | 0.6 | (34,100) |
| Net core Crown debt ⁴ | 127,170 | 127,325 | 155 | 0.1 | 136,305 |
| as a percentage of GDP | 36.3% | 36.4% | | | 37.6% |
| Gross debt ⁵ | 117,622 | 114,683 | (2,939) | (2.6) | 113,973 |
| as a percentage of GDP | 33.6% | 32.8% | | | 31.4% |
| Total Crown | | | | | |
| Operating balance before gains and losses | (8,111) | (12,205) | 4,094 | 33.5 | (20,844) |
| Operating balance (excluding minority interests) | (15,586) | (16,314) | 728 | 4.5 | (23,826) |
| Total borrowings | 197,057 | 189,497 | (7,560) | (4.0) | 200,357 |
| Net worth attributable to the Crown | 136,414 | 135,024 | 1,390 | 1.0 | 127,282 |
| as a percentage of GDP | 39.0% | 38.6% | | | 35.1% |

1 Using the most recently published GDP (for the year ended 31 December 2021) of \$350,083 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 2021 forecast GDP for the year ending 30 June 2022 of \$362,788 million (Source: The Treasury).

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

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

Core Crown tax revenue for the nine months to 31 March 2022 was \$2.7 billion (3.5%) above forecast. The largest contributors to the variance were:

- Corporate tax revenue was \$1.8 billion (14.7%) above forecast, and net other individuals' tax revenue was \$1.0 billion (16.8%) above forecast. For both tax types, terminal tax revenue for the 2021 tax year and provisional tax revenue for the 2022 tax year are both above forecast.
- Source deductions revenue was \$0.8 billion (2.5%) above forecast, indicating that the labour market continues to remain strong, following the positive December 2021 quarter labour markets statistics.
- GST revenue was \$0.6 billion (2.9%) below forecast. The December quarter GDP data showed that the main economic drivers of GST, consumption and residential investment, were both below forecast.

Core Crown tax receipts, however, are in line with forecast.

The main driver between the difference in the receipts and revenue variance is that Inland Revenue uses a revenue estimation uplift factor of close to 10% for the 2022 tax year, whereas taxpayers will mostly still be paying using a 5% uplift factor. It should be noted that there are major payment due dates for terminal tax and provisional tax in both April and May, and it is expected that the corporate tax receipts variance (currently \$0.6 billion) will be closer to the revenue variance by the end of the fiscal year. However, there is a risk that some payments from taxpayers may fall into the 2022/23 fiscal year, when terminal tax is due.

Driven mainly by core Crown tax revenue, **core Crown revenue** was \$3.2 billion above forecast. In addition to core Crown tax revenue, Emissions Trading Scheme (ETS) revenue was higher than forecast by \$0.4 billion due to an increase in the New Zealand Unit (NZU) price to \$75.90 as at 31 March 2022 from the forecast \$64.50.

Core Crown expenses were \$92.6 billion, in line with expectations, a small variance to forecast of \$0.1 billion (0.1%). Expenses at a functional classification level show previously reported timing delays in spending from Government departments, however, these are expected to unwind through to the end of the financial year through the phasing of the top-down adjustment. The largest variances noted include:

- social security and welfare expenses being below forecast by \$0.7 billion as a result of COVID-19 business support subsidies being below forecast
- core government services being below forecast by \$0.5 billion which is spread across a range of programmes and agencies, and
- health expenditure being less than forecast by \$0.4 billion with the COVID-19 response impacting spending profiles.

These variances are partially offset by overspends in both economic and industrial services (\$0.2 billion) and housing and community development (\$0.1 billion) expense types and the top-down adjustment of \$1.8 billion.

The **OBEGAL** deficit of \$8.1 billion was \$4.1 billion better than the forecast deficit of \$12.2 billion. This variance mainly reflects the core Crown results discussed above. In addition, the results of Crown entities (CEs) and State-owned Enterprises (SOEs), were both stronger than forecast.

The **operating balance** was a deficit of \$15.6 billion, \$0.7 billion favourable to the deficit forecast as the variance in the OBEGAL result more than offsets the variance in net losses. The main driver is net losses on financial and non-financial instruments, specifically:

- Net losses on financial instruments were weaker than forecast by \$4.1 billion. This result was largely due to changes in market conditions resulting in the returns on the NZSF and ACC's investment portfolios being below forecast.
- While net losses on non-financial instruments were \$1.0 billion lower than the losses forecast for the period. This is primarily due to the ACC outstanding claims liability valuation loss being \$2.4 billion less than forecast due to changes in the actuarial assumptions used to calculate the claims liability partially offset by the losses on the ETS liability being \$1.6 billion higher than the loss forecast due to changes in the carbon price.

The **core Crown residual cash** deficit of \$24.7 billion was close to forecast reflecting the operating results and difference between tax revenue and receipts discussed above.

Net core Crown debt was \$127.2 billion (36.3% of GDP) at 31 March 2022, also is in line with forecast with the main driver being the variance in the core Crown residual cash.

Gross debt at \$117.6 billion (33.6% of GDP) was \$2.9 billion higher than forecast. This is mainly owing to repurchases of government stock being \$1.2 billion below forecast and the issuance of \$1.8 billion of euro-commercial paper (which was not forecast).

Total borrowings were \$197.1 billion, higher than forecast by \$7.6 billion. The increase is largely owing to the variance in gross debt above and the higher level of settlement deposits held with the Reserve Bank (\$6.1 billion).

Total assets at \$460.8 billion were \$11.0 billion above forecast. This was primarily owing to holdings of marketable securities, long-term deposits and derivative assets being above forecast by \$9.3 billion, along with cash and receivables being above forecast by \$3.5 billion. Share investments and property, plant and equipment were below forecast by \$1.5 billion and \$1.9 billion respectively.

Total liabilities at \$318.3 billion were \$9.3 billion higher than forecast largely owing to higher total borrowings of \$7.6 billion and increased provisions of \$2.1 billion (mainly ETS, as mentioned above).

Net worth attributable to the Crown was \$136.4 billion at 31 March 2022, \$1.4 billion higher than forecast. This is mainly driven by both the favourable operating balance variance previously mentioned and the changes in the defined benefit retirement plan and veteran's disability entitlements.

Comparison against the prior year actuals

Table 2 – Key indicators for the nine months ended 31 March 2022 compared to prior year actuals

| | Year to date | | | | Full Year |
|--|---|---|---|--------------------------|--|
| | March 2022 Actual ¹ \$m | March 2021 Prior Year Actual ² \$m | Variance ³ to 2020 \$m | Variance to 2020 % | June 2021 Prior Year Actual ⁴ \$m |
| Core Crown | | | | | |
| Core Crown tax revenue | 78,620 | 69,906 | 8,714 | 12.5 | 97,983 |
| Core Crown revenue | 85,159 | 74,806 | 10,353 | 13.8 | 104,968 |
| Core Crown expenses | 92,596 | 79,087 | (13,509) | (17.1) | 107,764 |
| Core Crown residual cash | (24,698) | (17,393) | (7,305) | (42.0) | (13,767) |
| Net core Crown debt ⁵ | 127,170 | 105,310 | (21,860) | (20.8) | 102,080 |
| as a percentage of GDP | 36.3% | 32.5% | | | 29.8% |
| Gross debt ⁶ | 117,622 | 107,648 | (9,974) | (9.3) | 102,435 |
| as a percentage of GDP | 33.6% | 33.2% | | | 29.9% |
| Total Crown | | | | | |
| Operating balance before gains and losses | (8,111) | (4,272) | (3,839) | (89.9) | (4,560) |
| Operating balance (excluding minority interests) | (15,586) | 11,271 | (26,857) | (238.3) | 16,159 |
| Total Borrowings | 197,057 | 163,995 | (33,062) | (20.2) | 162,560 |
| Net worth attributable to the Crown | 136,414 | 121,926 | 14,488 | 11.9 | 151,469 |
| as a percentage of GDP | 39.0% | 37.6% | | | 44.2% |

1 Using the most recently published GDP (for the year ended 31 December 2021) of \$350,083 million (Source: Stats NZ).

2 Using prior year published GDP (for the year ended 31 December 2020) of \$324,140 million (Source: Stats NZ).

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

4 Using published GDP for the year ended 30 June 2021 of \$342,477 million (Source: Stats NZ).

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

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

Core Crown tax revenue for the nine months ended March 2022 was \$8.7 billion (12.5%) above last year. The largest movements came from:

- Corporate tax revenue that was \$3.8 billion (37.6%) and other individuals' tax revenue that was \$1.9 billion (37.5%) up on last year, mainly owing to an increase in taxable profits through the 2021 income tax year.
- Source deduction revenue that was \$3.1 billion (10.8%) up on last year, mainly owing to growth in hours worked, employment (full-time equivalent employees) and wages. The 2022 year-to-date also includes roughly \$0.3 billion in additional revenue due to the introduction of the 39% personal income tax rate for income over \$180,000 per year.
- GST revenue that was up \$0.5 billion (2.5%) on the previous year. The varying levels of restrictions due to COVID-19 over the current and prior periods is causing variability in GST revenue when compared to the prior period.
- Other direct tax revenue that was \$0.5 billion (27.3%) below last year, owing to lower resident withholding tax on interest, partially offset by higher resident withholding tax on dividends.

The drivers of the stronger tax revenue mentioned above have also impacted core Crown tax receipts which were \$6.2 billion (9.2%) up on the corresponding period last year. The largest movements came from:

- source deduction receipts that were greater by \$3.9 billion (14.4%)
- corporate tax receipts that were \$1.4 billion higher (13.3%)
- other individuals' tax receipts that were \$0.9 billion higher (22.5%)
- GST receipts that were up \$0.2 billion (1.4%).

Core Crown expenses were \$13.5 billion (17.1%) higher than the same time last year, at \$92.6 billion. The variance was largely driven by the impacts of COVID-19:

- wage subsidy scheme payments (\$3.5 billion higher than last year)
- COVID-19 resurgence and support payments of \$3.8 billion (\$3.6 billion higher than last year), and
- increased expenses in health and tertiary education (respectively, \$3.4 billion and \$2.1 billion higher than last year) as a result of COVID-19 funding.

Core Crown residual cash was a deficit of \$24.7 billion, \$7.3 billion greater than the deficit for March 2021. The main contributor to the variance is the introduction of the FLP which is a key driver in net advance outflow increasing by \$3.4 billion. Increased net operating cashflows account for \$3.5 billion of the larger deficit, primarily driven by the factors mentioned in core Crown tax revenue and core Crown expenses above.

Net core Crown debt was \$21.9 billion higher than the same time last year and as a share of the economy, net core Crown debt increased to 36.3% (compared to 32.5% a year earlier). This increase is largely driven by the greater spending, in part due to COVID-19 fiscal support measures introduced following the COVID-19 outbreaks.

Net worth attributable to the Crown was \$136.4 billion (39.0% of GDP) at 31 March 2022, which is \$14.5 billion higher than the prior year. This variance is mostly driven by an increase in the property revaluations of \$22.0 billion, in addition to a change of \$2.8 billion from the defined benefit retirement plan and veteran's disability entitlements. The operating balance since March 2021 partially offsets this.



Unaudited Interim Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE

For the nine months ended 31 March 2022

| Year to 30 June 2021 | 9 months to 31 Mar 2021 | | Note | Current Year Actual vs Forecast | | | Annual HYEFU Forecast \$m | |
|----------------------|-------------------------|---|------|---------------------------------|-----------------|----------------|---------------------------|-----------------|
| | | | | Actual \$m | Forecast \$m | Variance \$m | | % |
| | | Revenue | | | | | | |
| 97,362 | 69,419 | Taxation revenue | 2 | 78,131 | 75,491 | 2,640 | 3.5 | 102,081 |
| 7,038 | 4,898 | Other sovereign revenue | 2 | 6,480 | 5,961 | 519 | 8.7 | 8,083 |
| 104,400 | 74,317 | Total revenue levied through the Crown's Sovereign Power | | 84,611 | 81,452 | 3,159 | 3.9 | 110,164 |
| 18,500 | 13,676 | Sales of goods and services | | 12,012 | 12,578 | (566) | (4.5) | 17,271 |
| 2,846 | 2,171 | Interest revenue and dividends | 3 | 2,415 | 2,411 | 4 | 0.2 | 3,179 |
| 3,589 | 2,632 | Other revenue | | 2,850 | 2,701 | 149 | 5.5 | 3,652 |
| 24,935 | 18,479 | Total revenue earned through the Crown's operations | | 17,277 | 17,690 | (413) | (2.3) | 24,102 |
| 129,335 | 92,796 | Total revenue (excluding gains) | | 101,888 | 99,142 | 2,746 | 2.8 | 134,266 |
| | | Expenses | | | | | | |
| 35,427 | 26,255 | Transfer payments and subsidies | 4 | 34,303 | 34,472 | 169 | 0.5 | 44,182 |
| 29,817 | 21,599 | Personnel expenses | | 23,689 | 24,072 | 383 | 1.6 | 31,700 |
| 6,764 | 5,013 | Depreciation and amortisation | | 4,971 | 5,146 | 175 | 3.4 | 7,018 |
| 52,604 | 38,472 | Other operating expenses | | 41,281 | 43,692 | 2,411 | 5.5 | 62,028 |
| 2,272 | 1,801 | Finance costs | 5 | 2,257 | 2,191 | (66) | (3.0) | 3,121 |
| 6,838 | 3,817 | Insurance expenses | 6 | 3,464 | 3,656 | 192 | 5.3 | 6,763 |
| - | - | Forecast new operating spending | 7 | - | - | - | - | 4,412 |
| - | - | Top-down expense adjustment | 7 | - | (1,841) | (1,841) | (100.0) | (4,130) |
| 133,722 | 96,957 | Total expenses (excluding losses) | | 109,965 | 111,388 | 1,423 | 1.3 | 155,094 |
| | | Gains/(losses) | | | | | | |
| (3,976) | (3,923) | Net gains/(losses) on large scale asset purchases | | (1) | (1) | - | - | (1) |
| 18,130 | 12,950 | Net gains/(losses) on financial instruments | | (2,143) | 1,943 | (4,086) | (210.3) | 3,039 |
| 6,869 | 7,268 | Net gains/(losses) on non-financial instruments | 8 | (4,921) | (5,939) | 1,018 | 17.1 | (5,939) |
| 21,023 | 16,295 | Total gains/(losses) | | (7,065) | (3,997) | (3,068) | (76.8) | (2,901) |
| | | Other interests | | | | | | |
| (360) | (612) | Net surplus/(deficit) from associates and joint ventures | | (8) | 81 | (89) | (109.9) | 106 |
| (117) | (251) | Less minority interests share of operating balance | | (436) | (152) | (284) | (186.8) | (203) |
| 16,159 | 11,271 | Operating balance (excluding minority interests) | | (15,586) | (16,314) | 728 | 4.5 | (23,826) |
| 117 | 251 | Minority interests share of operating balance | | 436 | 152 | 284 | 186.8 | 203 |
| 16,276 | 11,522 | Operating balance (including minority interests) | | (15,150) | (16,162) | 1,012 | 6.3 | (23,623) |

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 2022

| Year to 30 June 2021 Actual \$m | 9 months to 31 Mar 2021 Actual \$m | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|---|--|---|---------------------------------|-----------------|-----------------|--------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| 16,276 | 11,522 | Operating balance (including minority interest) | (15,150) | (16,162) | 1,012 | 6.3 | (23,623) |
| | | Other comprehensive revenue and expense | | | | | |
| 22,539 | (373) | Revaluation of physical assets | (62) | 140 | (202) | (144.3) | (69) |
| 2,325 | 586 | Revaluation of defined benefit retirement plan schemes | 653 | 252 | 401 | 159.1 | 332 |
| 436 | - | Revaluation of veterans' disability entitlements | - | - | - | - | - |
| (143) | 14 | Transfers to/(from) reserves (Gains)/losses transferred to the | 455 | 11 | 444 | - | (25) |
| 181 | (4) | statement of financial performance | (83) | (90) | 7 | 7.8 | (138) |
| 8 | (47) | Foreign currency translation differences on foreign operations | 23 | (14) | 37 | 264.3 | (12) |
| 15 | 43 | Other movements | (447) | (439) | (8) | (1.8) | (459) |
| 25,361 | 219 | Total other comprehensive revenue and expense | 539 | (140) | 679 | 485.0 | (371) |
| 41,637 | 11,741 | Total comprehensive revenue and expense | (14,611) | (16,302) | 1,691 | 10.4 | (23,994) |
| | | Attributable to: | | | | | |
| 488 | 135 | - minority interest | 444 | 143 | 301 | 210.5 | 193 |
| 41,149 | 11,606 | - the Crown | (15,055) | (16,445) | 1,390 | 8.5 | (24,187) |
| 41,637 | 11,741 | Total comprehensive revenue and expense | (14,611) | (16,302) | 1,691 | 10.4 | (23,994) |

STATEMENT OF CHANGES IN NET WORTH

For the nine months ended 31 March 2022

| Year to 30 June 2021 Actual \$m | 9 months to 31 Mar 2021 Actual \$m | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|---|--|---|---------------------------------|-----------------|-----------------|-------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| 115,943 | 115,943 | Opening net worth | 157,193 | 157,193 | - | - | 157,193 |
| 16,276 | 11,522 | Operating balance (including minority interest) | (15,150) | (16,162) | 1,012 | 6.3 | (23,623) |
| 22,539 | (373) | Net revaluations | (62) | 140 | (202) | (144.3) | (69) |
| 2,325 | 586 | Net revaluations of defined benefit retirement plan schemes | 653 | 252 | 401 | 159.1 | 332 |
| 436 | - | Net revaluations of veterans' disability entitlements | - | - | - | - | - |
| (143) | 14 | Transfers to/(from) reserves (Gains)/losses transferred to the | 455 | 11 | 444 | - | (25) |
| 181 | (4) | statement of financial performance | (83) | (90) | 7 | 7.8 | (138) |
| 8 | (47) | Foreign currency translation differences on foreign operations | 23 | (14) | 37 | 264.3 | (12) |
| 15 | 43 | Other movements | (447) | (439) | (8) | (1.8) | (459) |
| 41,637 | 11,741 | Total comprehensive revenue and expense | (14,611) | (16,302) | 1,691 | 10.4 | (23,994) |
| (387) | (305) | Transactions with minority interests | (12) | (5) | (7) | (140.0) | (369) |
| 157,193 | 127,379 | Closing net worth | 142,570 | 140,886 | 1,684 | 1.2 | 132,830 |

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

STATEMENT OF CASH FLOWS

For the nine months ended 31 March 2022

| Year to 30 June 2021 | 9 months to 31 Mar 2021 | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m | |
|----------------------|-------------------------|---|---------------------------------|-----------------|-----------------|-----------------|---------------------------|-----------------|
| | | | Note | Actual \$m | Forecast \$m | Variance \$m | | % |
| | | Cash flows from operations | | | | | | |
| | | Cash was provided from | | | | | | |
| 95,382 | 66,587 | Taxation receipts | | 72,734 | 72,635 | 99 | 0.1 | 100,978 |
| 6,424 | 4,093 | Other sovereign receipts | | 5,952 | 5,229 | 723 | 13.8 | 6,775 |
| 17,732 | 12,990 | Sales of goods and services | | 12,491 | 13,214 | (723) | (5.5) | 17,122 |
| 1,670 | 1,224 | Interest receipts | | 1,355 | 1,251 | 104 | 8.3 | 1,671 |
| 4,814 | 3,509 | Other operating receipts | | 3,549 | 3,331 | 218 | 6.5 | 4,307 |
| 126,022 | 88,403 | Total cash provided from operations | | 96,081 | 95,660 | 421 | 0.4 | 130,853 |
| | | Cash was disbursed to | | | | | | |
| 35,515 | 27,024 | Transfer payments and subsidies | | 34,285 | 35,256 | 971 | 2.8 | 44,345 |
| 84,256 | 64,153 | Personnel and operating payments | | 69,222 | 71,350 | 2,128 | 3.0 | 96,098 |
| 3,147 | 1,837 | Interest payments | | 1,712 | 1,734 | 22 | 1.3 | 3,112 |
| - | - | Forecast new operating spending | 7 | - | - | - | - | 4,412 |
| - | - | Top-down expense adjustment | 7 | - | (1,841) | (1,841) | (100.0) | (4,130) |
| 122,918 | 93,014 | Total cash disbursed to operations | | 105,219 | 106,499 | 1,280 | 1.2 | 143,837 |
| 3,104 | (4,611) | Net cash flows from operations | | (9,138) | (10,839) | 1,701 | 15.7 | (12,984) |
| | | Cash flows from investing activities | | | | | | |
| | | Cash was provided from/(disbursed to) | | | | | | |
| (9,393) | (7,203) | Net (purchase)/sale of physical assets | | (8,046) | (10,131) | 2,085 | 20.6 | (15,607) |
| 4,189 | 4,397 | Net (purchase)/sale of shares and other securities | | (5,077) | 7,311 | (12,388) | (169.4) | 15,302 |
| (898) | (535) | Net (purchase)/sale of intangible assets | | (583) | (711) | 128 | 18.0 | (1,208) |
| (5,663) | (3,986) | Net (issue)/repayment of advances | | (8,764) | (9,020) | 256 | 2.8 | (11,260) |
| (392) | (292) | Net acquisition of investments in associates | | (467) | (391) | (76) | (19.4) | (615) |
| - | - | Forecast new capital spending | 7 | - | - | - | - | (1,745) |
| - | - | Top-down capital adjustment | 7 | - | 1,568 | (1,568) | (100.0) | 2,240 |
| (12,157) | (7,619) | Net cash flows from investing activities | | (22,937) | (11,374) | (11,563) | (101.7) | (12,893) |
| (9,053) | (12,230) | Net cash flows from operating and investing activities | | (32,075) | (22,213) | (9,862) | (44.4) | (25,877) |
| | | Cash Flows from financing activities | | | | | | |
| | | Cash was provided from/(disbursed to) | | | | | | |
| 234 | 411 | Issues of circulating currency | | 847 | 305 | 542 | 177.7 | 326 |
| 1,158 | 5,703 | Net issue/(repayment) of Government bonds | | 16,212 | 15,259 | 953 | 6.2 | 16,538 |
| 348 | 143 | Net issue/(repayment) of foreign currency borrowing | | 1,527 | (2,177) | 3,704 | 170.1 | (3,628) |
| 5,847 | (382) | Net issue/(repayment) of other New Zealand dollar borrowing | | 12,765 | 7,749 | 5,016 | 64.7 | 11,230 |
| - | - | Net issue/(purchase) of equity | | 246 | 250 | (4) | (1.6) | - |
| (373) | (311) | Dividends paid to minority interests | | (279) | (272) | (7) | (2.6) | (365) |
| 7,214 | 5,564 | Net cash flows from financing activities | | 31,318 | 21,114 | 10,204 | 48.3 | 24,101 |
| (1,839) | (6,666) | Net movement in cash | | (757) | (1,099) | 342 | 31.1 | (1,776) |
| 21,927 | 21,927 | Opening cash balance | | 18,755 | 18,755 | - | - | 18,755 |
| (1,333) | (1,178) | Foreign-exchange gains/(losses) on opening cash | | (322) | (139) | (183) | (131.7) | (163) |
| 18,755 | 14,083 | Closing cash balance | | 17,676 | 17,517 | 159 | 0.9 | 16,816 |

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 2022

| Year to 30 June 2021 | 9 months to 31 Mar 2021 | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|----------------------------|-------------------------------|--|---------------------------------|-----------------|-----------------|---------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| | | Reconciliation between the net cash flows from operations and the operating balance | | | | | |
| 3,104 | (4,611) | Net cash flows from operations | (9,138) | (10,839) | 1,701 | 15.7 | (12,984) |
| | | Gains/(losses) and other interests | | | | | |
| 18,130 | 12,950 | Net gains/(losses) on financial instruments | (2,143) | 1,943 | (4,086) | (210.3) | 3,039 |
| 6,869 | 7,268 | Net gains/(losses) on non-financial instruments | (4,921) | (5,939) | 1,018 | 17.1 | (5,939) |
| | | Net gains/(losses) on large scale asset purchases | (1) | (1) | - | - | (1) |
| (3,976) | (3,923) | Net surplus from associates and joint ventures | (8) | 81 | (89) | (109.9) | 106 |
| (360) | (612) | Minority interests share of operating balance | (436) | (152) | (284) | (186.8) | (203) |
| (117) | (251) | | | | | | |
| 20,546 | 15,432 | Total gains/(losses) and other interests | (7,509) | (4,068) | (3,441) | (84.6) | (2,998) |
| | | Other non-cash items in operating balance | | | | | |
| (6,764) | (5,013) | Depreciation and amortisation | (4,971) | (5,146) | 175 | 3.4 | (7,018) |
| (1,039) | (733) | Cost of concessionary lending | (617) | (617) | - | - | (763) |
| | | Impairment of financial assets (excluding receivables) | (22) | (34) | 12 | 35.3 | (73) |
| (1) | (42) | | | | | | |
| (1,868) | 2,090 | Decrease/(increase) in insurance liabilities | 2,471 | 2,533 | (62) | (2.4) | (1,492) |
| 733 | 550 | Change in accumulating pension expenses | 561 | 159 | 402 | 252.8 | 979 |
| 149 | - | Other | 480 | 240 | 240 | 100.0 | - |
| (8,790) | (3,148) | Total other non-cash items | (2,098) | (2,865) | 767 | 26.8 | (8,367) |
| | | Movements in working capital | | | | | |
| 1,481 | 530 | Increase/(decrease) in receivables | 3,117 | (518) | 3,635 | - | (681) |
| 1,126 | 364 | Increase/(decrease) in accrued interest | (300) | (139) | (161) | (115.8) | 377 |
| 421 | 156 | Increase/(decrease) in inventories | 410 | 118 | 292 | 247.5 | 137 |
| 63 | 497 | Increase/(decrease) in prepayments | 1,024 | 607 | 417 | 68.7 | 49 |
| 40 | 98 | Decrease/(increase) in deferred revenue | (459) | (152) | (307) | (202.0) | (141) |
| (1,832) | 1,953 | Decrease/(increase) in payables/provisions | (633) | 1,542 | (2,175) | (141.1) | 782 |
| 1,299 | 3,598 | Total movements in working capital | 3,159 | 1,458 | 1,701 | 116.7 | 523 |
| 16,159 | 11,271 | Operating balance (excluding minority interests) | (15,586) | (16,314) | 728 | 4.5 | (23,826) |

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

| As at 30 June 2021 Actual \$m | As at 31 Mar 2021 Actual \$m | | Note | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|---|--|---|------|---------------------------------|-----------------|-----------------|--------------|------------------------------------|
| | | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| Assets | | | | | | | | |
| 18,755 | 14,083 | Cash and cash equivalents | 9 | 17,676 | 17,517 | 159 | 0.9 | 16,816 |
| 26,829 | 25,799 | Receivables | 9 | 29,700 | 26,393 | 3,307 | 12.5 | 25,809 |
| 56,783 | 57,446 | Marketable securities, deposits and derivatives in gain | 9 | 60,095 | 50,824 | 9,271 | 18.2 | 51,081 |
| 48,539 | 44,580 | Share investments | 9 | 50,473 | 51,970 | (1,497) | (2.9) | 52,436 |
| 45,612 | 45,186 | Advances | 9 | 55,119 | 55,163 | (44) | (0.1) | 57,409 |
| 4,718 | 4,340 | Investments in controlled enterprises | 9 | 4,601 | 5,103 | (502) | (9.8) | 5,273 |
| 2,194 | 1,929 | Inventory | | 2,604 | 2,312 | 292 | 12.6 | 2,331 |
| 3,928 | 3,906 | Other assets | | 4,672 | 4,143 | 529 | 12.8 | 3,614 |
| 213,216 | 189,452 | Property, plant and equipment | 10 | 217,415 | 219,357 | (1,942) | (0.9) | 223,315 |
| 14,421 | 13,943 | Equity accounted investments ¹ | | 14,783 | 14,861 | (78) | (0.5) | 15,084 |
| 3,601 | 3,895 | Intangible assets and goodwill | | 3,689 | 3,752 | (63) | (1.7) | 4,061 |
| - | - | Forecast for new capital spending | 7 | - | - | - | - | 1,745 |
| - | - | Top-down capital adjustment | 7 | - | (1,568) | 1,568 | 100.0 | (2,240) |
| 438,596 | 404,559 | Total assets | | 460,827 | 449,827 | 11,000 | 2.4 | 456,734 |
| Liabilities | | | | | | | | |
| 8,256 | 8,433 | Issued currency | | 9,103 | 8,561 | (542) | (6.3) | 8,582 |
| 17,577 | 15,687 | Payables | 11 | 16,430 | 14,895 | (1,535) | (10.3) | 16,088 |
| 2,549 | 2,492 | Deferred revenue | | 3,006 | 2,706 | (300) | (11.1) | 2,690 |
| 162,560 | 163,995 | Borrowings | 12 | 197,057 | 189,497 | (7,560) | (4.0) | 200,357 |
| 60,336 | 56,752 | Insurance liabilities | 13 | 58,663 | 60,977 | 2,314 | 3.8 | 65,062 |
| 11,038 | 12,918 | Retirement plan liabilities | | 9,885 | 10,277 | 392 | 3.8 | 10,040 |
| 19,087 | 16,903 | Provisions | 14 | 24,113 | 22,028 | (2,085) | (9.5) | 21,085 |
| 281,403 | 277,180 | Total liabilities | | 318,257 | 308,941 | (9,316) | (3.0) | 323,904 |
| 157,193 | 127,379 | Total assets less total liabilities | | 142,570 | 140,886 | 1,684 | 1.2 | 132,830 |
| Net worth | | | | | | | | |
| 19,857 | 14,649 | Taxpayers' funds | 15 | 3,935 | 3,139 | 796 | 25.4 | (4,400) |
| 134,003 | 111,927 | Property, plant and equipment revaluation reserve | 15 | 133,896 | 134,108 | (212) | (0.2) | 133,902 |
| (1,560) | (3,300) | Defined benefit retirement plan revaluation reserve | 15 | (907) | (1,308) | 401 | 30.7 | (1,228) |
| (659) | (1,095) | Veterans' disability entitlements reserve | 15 | (659) | (659) | - | - | (659) |
| (172) | (255) | Other reserves | 15 | 149 | (256) | 405 | 158.2 | (333) |
| 151,469 | 121,926 | Total net worth attributable to the Crown | | 136,414 | 135,024 | 1,390 | 1.0 | 127,282 |
| 5,724 | 5,453 | Net worth attributable to minority interest | 15 | 6,156 | 5,862 | 294 | 5.0 | 5,548 |
| 157,193 | 127,379 | Total net worth | | 142,570 | 140,886 | 1,684 | 1.2 | 132,830 |

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 2022

| | Current Year Actual vs Forecast | | | | | | | | | |
|---|---------------------------------|-----------------|----------------|----------------|-------------------------|---------------|----------------------------|-----------------|-----------------|-----------------|
| | Core Crown | | Crown entities | | State-owned Enterprises | | Inter-segment eliminations | | Total Crown | |
| | Actual \$m | Forecast \$m | Actual \$m | Forecast \$m | Actual \$m | Forecast \$m | Actual \$m | Forecast \$m | Actual \$m | Forecast \$m |
| Revenue | | | | | | | | | | |
| Taxation revenue | 78,620 | 75,941 | - | - | - | - | (489) | (450) | 78,131 | 75,491 |
| Other sovereign revenue | 3,229 | 2,757 | 4,773 | 4,728 | - | - | (1,522) | (1,524) | 6,480 | 5,961 |
| Revenue from core Crown funding | - | - | 29,706 | 30,185 | 680 | 420 | (30,386) | (30,605) | - | - |
| Sales of goods and services | 1,010 | 1,134 | 2,002 | 1,933 | 9,446 | 10,052 | (446) | (541) | 12,012 | 12,578 |
| Interest and dividend revenue | 1,633 | 1,531 | 935 | 931 | 650 | 673 | (803) | (724) | 2,415 | 2,411 |
| Other revenue | 667 | 574 | 2,455 | 2,718 | 687 | 757 | (959) | (1,348) | 2,850 | 2,701 |
| Total Revenue (excluding gains) | 85,159 | 81,937 | 39,871 | 40,495 | 11,463 | 11,902 | (34,605) | (35,192) | 101,888 | 99,142 |
| Expenses | | | | | | | | | | |
| Transfer payments and subsidies | 35,222 | 35,400 | - | - | - | - | (919) | (928) | 34,303 | 34,472 |
| Personnel expenses | 7,221 | 7,318 | 14,396 | 14,738 | 2,111 | 2,047 | (39) | (31) | 23,689 | 24,072 |
| Other operating expenses | 48,233 | 49,978 | 25,376 | 26,323 | 8,612 | 9,373 | (32,505) | (33,180) | 49,716 | 52,494 |
| Interest expenses | 1,920 | 1,877 | 163 | 132 | 433 | 473 | (259) | (291) | 2,257 | 2,191 |
| Forecast new operating spending and top-down adjustment | - | (1,841) | - | - | - | - | - | - | - | (1,841) |
| Total Expenses (excluding losses) | 92,596 | 92,732 | 39,935 | 41,193 | 11,156 | 11,893 | (33,722) | (34,430) | 109,965 | 111,388 |
| Gains/(losses) and other items | (6,117) | (1,467) | (2,682) | (2,725) | 416 | 266 | 874 | (142) | (7,509) | (4,068) |
| Operating Balance (excluding minority interests) | (13,554) | (12,262) | (2,746) | (3,423) | 723 | 275 | (9) | (904) | (15,586) | (16,314) |
| Assets | | | | | | | | | | |
| Financial assets | 146,452 | 136,152 | 63,040 | 64,175 | 34,675 | 35,058 | (26,503) | (28,415) | 217,664 | 206,970 |
| Property, plant and equipment | 53,103 | 53,582 | 122,025 | 122,971 | 42,286 | 42,804 | - | - | 217,415 | 219,357 |
| Investments in associates, CEs and SOEs | 56,407 | 56,775 | 12,930 | 12,939 | 341 | 299 | (54,895) | (55,152) | 14,783 | 14,861 |
| Other assets | 6,158 | 5,674 | 2,625 | 2,481 | 2,732 | 2,457 | (550) | (405) | 10,965 | 10,207 |
| Forecast and top-down capital adjustments | - | (1,568) | - | - | - | - | - | - | - | (1,568) |
| Total Assets | 262,120 | 250,615 | 200,620 | 202,566 | 80,034 | 80,618 | (81,948) | (83,972) | 460,827 | 449,827 |
| Liabilities | | | | | | | | | | |
| Borrowings | 164,296 | 155,526 | 13,353 | 14,322 | 39,751 | 40,281 | (20,343) | (20,632) | 197,057 | 189,497 |
| Other liabilities | 50,625 | 46,942 | 72,223 | 73,778 | 9,496 | 9,528 | (11,144) | (10,804) | 121,200 | 119,444 |
| Total Liabilities | 214,921 | 202,468 | 85,576 | 88,100 | 49,247 | 49,809 | (31,487) | (31,436) | 318,257 | 308,941 |
| Net Worth | 47,199 | 48,147 | 115,044 | 114,466 | 30,787 | 30,809 | (50,461) | (52,536) | 142,570 | 140,886 |
| Cost of Acquisition of Physical Assets (Cash) | 2,624 | 2,959 | 4,011 | 5,367 | 1,649 | 1,910 | - | - | 8,285 | 10,236 |

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

STATEMENT OF COMMITMENTS

As at 31 March 2022

| | As at 31 Mar 2022 \$m | As at 30 Jun 2021 \$m | As at 31 Mar 2021 \$m |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Capital Commitments | | | |
| State highways ¹ | 2,751 | 2,745 | 3,232 |
| Specialist military equipment | 2,123 | 2,598 | 2,718 |
| Land and buildings | 6,587 | 6,044 | 5,789 |
| Other property, plant and equipment | 4,836 | 4,431 | 3,842 |
| Other capital commitments | 788 | 1,031 | 1,593 |
| Universities and Wānanga | 875 | 875 | 400 |
| Total capital commitments | 17,960 | 17,724 | 17,574 |
| Operating Commitments | | | |
| Non-cancellable accommodation leases | 5,163 | 5,342 | 5,018 |
| Other non-cancellable leases | 3,578 | 3,866 | 3,901 |
| Universities and Wānanga | 1,137 | 1,137 | 1,084 |
| Total operating commitments | 9,878 | 10,345 | 10,003 |
| Total commitments | 27,838 | 28,069 | 27,577 |
| Total Commitments by Segment | | | |
| Core Crown | 14,787 | 14,090 | 13,694 |
| Crown entities ¹ | 9,398 | 9,063 | 8,617 |
| State-owned Enterprises | 6,965 | 6,896 | 6,632 |
| Inter-segment eliminations | (3,312) | (1,980) | (1,366) |
| Total commitments | 27,838 | 28,069 | 27,577 |

1. The March 2021 state highway network capital commitments have been restated to \$3,232 million to reflect the contracted work remaining.

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

As at 31 March 2022

| | As at 31 Mar 2022 \$m | As at 30 Jun 2021 \$m | As at 31 Mar 2021 \$m |
|---|--------------------------------|--------------------------------|--------------------------------|
| Quantifiable Contingent Liabilities | | | |
| Uncalled capital | 8,436 | 8,568 | 8,740 |
| Guarantees and indemnities | 405 | 348 | 302 |
| Legal proceedings and disputes | 325 | 313 | 449 |
| Other contingent liabilities | 897 | 567 | 562 |
| Total quantifiable contingent liabilities | 10,063 | 9,796 | 10,053 |
| Total Quantifiable Contingent Liabilities by Segment | | | |
| Core Crown | 9,668 | 9,538 | 9,897 |
| Crown entities | 165 | 157 | 177 |
| State-owned Enterprises | 287 | 196 | 203 |
| Inter-segment eliminations | (57) | (95) | (224) |
| Total quantifiable contingent liabilities | 10,063 | 9,796 | 10,053 |
| Quantifiable Contingent Assets | | | |
| Core Crown | 27 | 37 | 22 |
| Crown entities | 21 | 21 | 26 |
| State-owned Enterprises | - | - | - |
| Inter-segment eliminations | - | - | - |
| Total quantifiable contingent assets | 48 | 58 | 48 |

A list of unquantifiable contingent liabilities as at 30 June 2021 and their descriptions is included on the Treasury's website as part of the Financial Statements of the Government for the year ended 30 June 2021. This can be found on pages 116 to 126.

<https://www.treasury.govt.nz/publications/year-end/financial-statements-2021>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting Policies

Reporting Entity

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

- Ministers of the Crown
- Government departments
- Offices of Parliament
- New Zealand Superannuation Fund
- Reserve Bank of New Zealand
- State-owned Enterprises (SOEs)
- Crown entities (excluding Universities and Wānanga)
- Air New Zealand Limited
- Kiwi Group Holdings Limited (including Kiwibank)
- Organisations listed in Schedule 4 and 4A of the Public Finance Act 1989
- Organisations listed in Schedule 5 of the Public Finance Act 1989
- Legal entities listed in Schedule 6 of the Public Finance Act 1989
- Other Government entities specified by legislation

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

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

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

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

A schedule of the entities that are included in the Government reporting entity was set out on pages 53 to 56 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2021* published on 12 October 2021.

The figures presented in these financial statements for 30 June 2021 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 2022, based on the *HYEFU 2021* published on 15 December 2021.

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 57 to 61 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2021* published on 12 October 2021.

NOTES TO THE FINANCIAL STATEMENTS

| Year to 30 June 2021 Actual \$m | 9 months to 31 Mar 2021 Actual \$m | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|---|--|--|---------------------------------|-----------------|-----------------|--------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| NOTE 2: Sovereign Revenue | | | | | | | |
| Taxation revenue | | | | | | | |
| Individuals | | | | | | | |
| 38,164 | 28,427 | Source deductions | 31,485 | 30,736 | 749 | 2.4 | 41,172 |
| 8,773 | 5,920 | Other persons | 7,666 | 6,777 | 889 | 13.1 | 9,244 |
| (1,716) | (1,223) | Refunds | (1,132) | (1,213) | 81 | 6.7 | (1,829) |
| 608 | 437 | Fringe benefit tax | 524 | 481 | 43 | 8.9 | 622 |
| 45,829 | 33,561 | Total individuals | 38,543 | 36,781 | 1,762 | 4.8 | 49,209 |
| Corporate tax | | | | | | | |
| 15,640 | 9,578 | Gross companies tax | 13,476 | 11,599 | 1,877 | 16.2 | 16,350 |
| (344) | (180) | Refunds | (333) | (245) | (88) | (35.9) | (407) |
| 472 | 288 | Non-resident withholding tax | 333 | 374 | (41) | (11.0) | 579 |
| 15,768 | 9,686 | Total corporate tax | 13,476 | 11,728 | 1,748 | 14.9 | 16,522 |
| Other direct income tax | | | | | | | |
| 1,000 | 825 | Resident w/holding tax on interest income | 567 | 640 | (73) | (11.4) | 869 |
| 1,519 | 875 | Resident w/holding tax on dividend income | 670 | 608 | 62 | 10.2 | 859 |
| 2,519 | 1,700 | Total other direct income tax | 1,237 | 1,248 | (11) | (0.9) | 1,728 |
| 64,116 | 44,947 | Total direct income tax | 53,256 | 49,757 | 3,499 | 7.0 | 67,459 |
| Goods and services tax | | | | | | | |
| 39,814 | 29,012 | Gross goods and services tax | 31,710 | 31,238 | 472 | 1.5 | 41,984 |
| (14,252) | (10,319) | Refunds | (12,548) | (11,506) | (1,042) | (9.1) | (15,242) |
| 25,562 | 18,693 | Total goods and services tax | 19,162 | 19,732 | (570) | (2.9) | 26,742 |
| Other indirect taxation | | | | | | | |
| 2,145 | 1,593 | Petroleum fuels excise and duty ¹ | 1,391 | 1,526 | (135) | (8.8) | 2,083 |
| 1,637 | 1,251 | Tobacco excise and duty ¹ | 1,419 | 1,476 | (57) | (3.9) | 1,761 |
| 1,930 | 1,443 | Road and track user charges | 1,434 | 1,427 | 7 | 0.5 | 1,929 |
| 1,249 | 980 | Alcohol excise and duty ¹ | 977 | 1,038 | (61) | (5.9) | 1,357 |
| 169 | 127 | Other customs duty | 131 | 137 | (6) | (4.4) | 179 |
| 554 | 385 | Miscellaneous indirect tax | 361 | 398 | (37) | (9.3) | 571 |
| 7,684 | 5,779 | Total other indirect taxation | 5,713 | 6,002 | (289) | (4.8) | 7,880 |
| 33,246 | 24,472 | Total indirect taxation | 24,875 | 25,734 | (859) | (3.3) | 34,622 |
| 97,362 | 69,419 | Total taxation revenue | 78,131 | 75,491 | 2,640 | 3.5 | 102,081 |
| Other sovereign revenue | | | | | | | |
| 3,270 | 2,340 | ACC levies | 2,462 | 2,428 | 34 | 1.4 | 3,243 |
| 1,634 | 1,026 | Emissions trading revenue | 2,314 | 1,954 | 360 | 18.4 | 2,741 |
| 607 | 421 | Fire Service levies | 443 | 429 | 14 | 3.3 | 616 |
| 520 | 389 | EQC levies | 396 | 396 | - | - | 528 |
| 383 | 170 | Child support and working for families penalties | 233 | 217 | 16 | 7.4 | 285 |
| 138 | 90 | Court fines | 73 | 88 | (15) | (17.0) | 115 |
| 486 | 462 | Other miscellaneous items | 559 | 449 | 110 | 24.5 | 555 |
| 7,038 | 4,898 | Total other sovereign revenue | 6,480 | 5,961 | 519 | 8.7 | 8,083 |
| 104,400 | 74,317 | Total sovereign revenue | 84,611 | 81,452 | 3,159 | 3.9 | 110,164 |

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>

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

NOTES TO THE FINANCIAL STATEMENTS

| Year to 30 June 2021 | 9 months to 31 Mar 2021 | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|--|-------------------------------|--|---------------------------------|-----------------|-----------------|--------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| NOTE 3: Interest Revenue and Dividends | | | | | | | |
| 1,943 | 1,513 | Interest revenue | 1,570 | 1,602 | (32) | (2.0) | 2,110 |
| 903 | 658 | Dividends | 845 | 809 | 36 | 4.4 | 1,069 |
| 2,846 | 2,171 | Total interest revenue and dividends | 2,415 | 2,411 | 4 | 0.2 | 3,179 |
| NOTE 4: Transfer Payments and Subsidies | | | | | | | |
| 16,569 | 12,280 | New Zealand superannuation | 13,078 | 13,107 | 29 | 0.2 | 17,794 |
| 3,224 | 2,438 | Jobseeker support and emergency benefit | 2,472 | 2,464 | (8) | (0.3) | 3,340 |
| 2,302 | 1,724 | Accommodation assistance | 1,790 | 1,761 | (29) | (1.6) | 2,325 |
| 2,103 | 1,528 | Family tax credit | 1,421 | 1,466 | 45 | 3.1 | 2,098 |
| 1,826 | 1,358 | Supported living payment | 1,503 | 1,499 | (4) | (0.3) | 2,040 |
| 1,197 | 1,249 | Wage Subsidy Scheme | 4,706 | 5,301 | 595 | 11.2 | 5,345 |
| 1,455 | 1,083 | Sole parent support | 1,241 | 1,239 | (2) | (0.2) | 1,698 |
| 916 | 693 | KiwiSaver subsidies | 729 | 730 | 1 | 0.1 | 977 |
| 812 | 609 | Winter energy payment | 309 | 309 | - | - | 514 |
| 804 | 404 | Official development assistance | 524 | 625 | 101 | 16.2 | 840 |
| 590 | 393 | Student allowances | 375 | 396 | 21 | 5.3 | 625 |
| 585 | 394 | Other working for families tax credits | 346 | 337 | (9) | (2.7) | 598 |
| 479 | 366 | Hardship assistance | 374 | 376 | 2 | 0.5 | 505 |
| 409 | 306 | Disability allowances | 308 | 309 | 1 | 0.3 | 414 |
| 293 | 221 | Orphan's/unsupported child's benefit | 230 | 233 | 3 | 1.3 | 319 |
| 271 | 184 | Best start | 214 | 232 | 18 | 7.8 | 374 |
| 200 | 192 | COVID-19 resurgence and support payment | 3,768 | 3,157 | (611) | (19.4) | 3,157 |
| 106 | 70 | Income related rent subsidy | 99 | 83 | (16) | (19.3) | 110 |
| 1,286 | 763 | Other social assistance benefits | 816 | 848 | 32 | 3.8 | 1,109 |
| 35,427 | 26,255 | Total transfer payments and subsidies | 34,303 | 34,472 | 169 | 0.5 | 44,182 |
| NOTE 5: Finance Costs | | | | | | | |
| 2,188 | 1,731 | Interest on financial liabilities | 2,190 | 2,132 | (58) | (2.7) | 3,019 |
| 84 | 70 | Interest unwind on provisions and other interest | 67 | 59 | (8) | (13.6) | 102 |
| 2,272 | 1,801 | Total finance costs | 2,257 | 2,191 | (66) | (3.0) | 3,121 |
| NOTE 6: Insurance Expenses | | | | | | | |
| 6,539 | 3,638 | ACC | 3,206 | 3,476 | 270 | 7.8 | 6,520 |
| 167 | 172 | EQC | 252 | 173 | (79) | (45.7) | 232 |
| 108 | (9) | Southern Response | (14) | (14) | - | - | (18) |
| 24 | 16 | Other insurance expenses | 20 | 21 | 1 | 4.8 | 29 |
| 6,838 | 3,817 | Total insurance expenses | 3,464 | 3,656 | 192 | 5.3 | 6,763 |

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 2021 and previous Budgets that has yet to be allocated to appropriations for departments.

NOTES TO THE FINANCIAL STATEMENTS

| As at 30 June 2021 \$m | As at 31 Mar 2021 \$m | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|--|--------------------------------|---|---------------------------------|-----------------|-----------------|--------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| NOTE 8: Net Gains and Losses on Non-financial instruments | | | | | | | |
| 8,222 | 7,847 | Actuarial gains/(losses) on ACC liability | (798) | (3,174) | 2,376 | 74.9 | (3,235) |
| (1,489) | (581) | Gains/(losses) on the Emissions Trading Scheme | (4,697) | (3,094) | (1,603) | (51.8) | (3,033) |
| 136 | 2 | Other | 574 | 329 | 245 | 74.5 | 329 |
| 6,869 | 7,268 | Net gains/(losses) on non-financial instruments | (4,921) | (5,939) | 1,018 | 17.1 | (5,939) |
| NOTE 9: Financial Assets and Sovereign Receivables | | | | | | | |
| 18,755 | 14,083 | Cash and cash equivalents | 17,676 | 17,517 | 159 | 0.9 | 16,816 |
| 15,642 | 17,162 | Tax receivables | 21,120 | 17,612 | 3,508 | 19.9 | 15,020 |
| 11,187 | 8,637 | Other receivables | 8,580 | 8,781 | (201) | (2.3) | 10,789 |
| 25,155 | 24,520 | Kiwibank mortgages | 27,272 | 27,117 | 155 | 0.6 | 27,769 |
| 10,841 | 10,304 | Student loans | 10,541 | 10,704 | (163) | (1.5) | 10,561 |
| 2,558 | - | Funding for Lending advances | 8,732 | 8,790 | (58) | (0.7) | 11,894 |
| 7,058 | 10,362 | Other advances | 8,574 | 8,552 | 22 | 0.3 | 7,185 |
| 48,539 | 44,580 | Share investments | 50,473 | 51,970 | (1,497) | (2.9) | 52,436 |
| 4,718 | 4,340 | Investments in controlled enterprises | 4,601 | 5,103 | (502) | (9.8) | 5,273 |
| 44,687 | 45,052 | Other marketable securities | 43,176 | 37,266 | 5,910 | 15.9 | 37,582 |
| 5,108 | 4,211 | Long-term deposits | 6,023 | 4,902 | 1,121 | 22.9 | 4,939 |
| 4,509 | 5,750 | Derivatives in gain | 5,970 | 3,625 | 2,345 | 64.7 | 3,529 |
| 2,479 | 2,433 | IMF financial assets | 4,926 | 5,031 | (105) | (2.1) | 5,031 |
| 201,236 | 191,434 | Total financial assets and sovereign receivables | 217,664 | 206,970 | 10,694 | 5.2 | 208,824 |
| Financial assets by entity | | | | | | | |
| 54,903 | 57,919 | The Treasury | 52,373 | 53,294 | (921) | (1.7) | 43,304 |
| 44,935 | 40,752 | Reserve Bank of New Zealand | 60,127 | 50,733 | 9,394 | 18.5 | 51,780 |
| 62,312 | 58,153 | NZ Superannuation Fund | 61,983 | 63,933 | (1,950) | (3.1) | 65,741 |
| 35,095 | 34,140 | Other core Crown | 43,739 | 35,383 | 8,356 | 23.6 | 33,803 |
| (68,586) | (68,492) | Intra-segment eliminations | (71,770) | (67,191) | (4,579) | (6.8) | (58,158) |
| 128,659 | 122,472 | Total core Crown segment | 146,452 | 136,152 | 10,300 | 7.6 | 136,470 |
| 54,271 | 51,177 | ACC | 50,882 | 52,166 | (1,284) | (2.5) | 54,498 |
| 602 | 577 | EQC | 541 | 552 | (11) | (2.0) | 566 |
| 16,788 | 13,812 | Other Crown entities | 15,660 | 15,248 | 412 | 2.7 | 15,360 |
| (4,132) | (2,691) | Intra-segment eliminations | (4,043) | (3,791) | (252) | (6.6) | (4,671) |
| 67,529 | 62,875 | Total Crown entities segment | 63,040 | 64,175 | (1,135) | (1.8) | 65,753 |
| 32,872 | 32,187 | Total State-owned Enterprises segment | 34,675 | 35,058 | (383) | (1.1) | 35,215 |
| (27,824) | (26,100) | Inter-segment eliminations | (26,503) | (28,415) | 1,912 | 6.7 | (28,614) |
| 201,236 | 191,434 | Total financial assets and sovereign receivables | 217,664 | 206,970 | 10,694 | 5.2 | 208,824 |

NOTES TO THE FINANCIAL STATEMENTS

| As at 30 June 2021 \$m | As at 31 Mar 2021 \$m | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|--|--------------------------------|--|---------------------------------|-----------------|-----------------|--------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| NOTE 10: Property, Plant and Equipment | | | | | | | |
| Net Carrying Value² | | | | | | | |
| <i>By class of asset:</i> | | | | | | | |
| 70,292 | 58,133 | Land | 70,588 | 71,071 | (483) | (0.7) | 71,096 |
| 53,507 | 46,394 | Buildings | 54,888 | 55,325 | (437) | (0.8) | 58,247 |
| 42,666 | 40,448 | State highways | 43,633 | 43,899 | (266) | (0.6) | 44,752 |
| 17,979 | 16,644 | Electricity generation assets | 18,174 | 18,673 | (499) | (2.7) | 18,820 |
| 4,318 | 4,289 | Electricity distribution network (cost) | 4,355 | 4,214 | 141 | 3.3 | 4,240 |
| 3,611 | 3,745 | Aircraft (excl military) | 3,631 | 3,328 | 303 | 9.1 | 3,901 |
| 3,649 | 3,570 | Specialist military equipment | 4,115 | 4,138 | (23) | (0.6) | 4,262 |
| 3,156 | 3,079 | Specified cultural and heritage assets | 3,163 | 3,169 | (6) | (0.2) | 3,173 |
| 7,407 | 6,871 | Rail network | 7,561 | 7,606 | (45) | (0.6) | 7,737 |
| 6,631 | 6,279 | Other plant and equipment (cost) | 7,307 | 7,934 | (627) | (7.9) | 7,087 |
| 213,216 | 189,452 | Total net carrying value | 217,415 | 219,357 | (1,942) | (0.9) | 223,315 |
| Land breakdown by usage | | | | | | | |
| 25,826 | 20,043 | Housing stock | 25,918 | 26,309 | (391) | (1.5) | 26,481 |
| 18,469 | 14,701 | State highway corridor land | 18,424 | 18,469 | (45) | (0.2) | 18,243 |
| 7,159 | 6,720 | Conservation estate | 7,165 | 7,146 | 19 | 0.3 | 7,144 |
| 7,106 | 6,014 | Schools | 7,171 | 7,220 | (49) | (0.7) | 7,239 |
| 3,802 | 3,789 | Rail network corridor land | 3,821 | 3,825 | (4) | (0.1) | 3,855 |
| 1,167 | 1,306 | Commercial (SOE) excluding rail | 1,239 | 1,233 | 6 | 0.5 | 1,232 |
| 6,763 | 5,560 | Other | 6,850 | 6,869 | (19) | (0.3) | 6,902 |
| 70,292 | 58,133 | Total land | 70,588 | 71,071 | (483) | (0.7) | 71,096 |
| Schedule of Movements | | | | | | | |
| Cost or Valuation | | | | | | | |
| 205,689 | 205,689 | Opening balance | 231,234 | 231,234 | - | - | 231,234 |
| 10,762 | 7,986 | Additions | 8,332 | 10,657 | (2,325) | (21.8) | 16,556 |
| (1,101) | (640) | Disposals | 55 | (129) | 184 | 142.6 | (549) |
| 16,131 | (438) | Net revaluations | (115) | - | (115) | - | (69) |
| (247) | (21) | Other | (7) | 28 | (35) | (125.0) | (79) |
| 231,234 | 212,576 | Total cost or valuation | 239,499 | 241,790 | (2,291) | (0.9) | 247,093 |
| Accumulated Depreciation & Impairment | | | | | | | |
| 19,187 | 19,187 | Opening balance | 18,018 | 18,018 | - | - | 18,018 |
| (636) | (279) | Eliminated on disposal | (315) | (157) | (158) | (100.6) | (393) |
| (5,979) | (193) | Eliminated on revaluation | (33) | - | (33) | - | - |
| (58) | - | Impairment losses charged to operating balance | - | - | - | - | - |
| 5,566 | 4,384 | Depreciation expense and impairment losses | 4,300 | 4,504 | (204) | (4.5) | 6,145 |
| (62) | 25 | Other | 114 | 68 | 46 | 67.6 | 8 |
| 18,018 | 23,124 | Total accumulated depreciation & impairment | 22,084 | 22,433 | (349) | (1.6) | 23,778 |
| 213,216 | 189,452 | Total property, plant and equipment | 217,415 | 219,357 | (1,942) | (0.9) | 223,315 |

2. Using a revaluation methodology unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

| As at 30 June 2021 \$m | As at 31 Mar 2021 \$m | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|---------------------------------|--------------------------------|---------------------------------------|---------------------------------|-----------------|-----------------|---------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| NOTE 11: Payables | | | | | | | |
| 12,179 | 10,399 | Accounts payable | 10,667 | 9,788 | (879) | (9.0) | 10,597 |
| 5,398 | 5,288 | Taxes repayable | 5,763 | 5,107 | (656) | (12.8) | 5,491 |
| 17,577 | 15,687 | Total payables | 16,430 | 14,895 | (1,535) | (10.3) | 16,088 |
| NOTE 12: Borrowings | | | | | | | |
| 70,653 | 76,143 | Government bonds | 87,873 | 86,498 | (1,375) | (1.6) | 87,410 |
| 29,466 | 25,375 | Settlement deposits with Reserve Bank | 45,367 | 39,303 | (6,064) | (15.4) | 48,296 |
| 7,593 | 8,144 | Treasury bills | 4,335 | 4,738 | 403 | 8.5 | 3,588 |
| 5,056 | 5,245 | Derivatives in loss | 5,280 | 5,214 | (66) | (1.3) | 5,022 |
| 1,307 | 1,305 | Finance lease liabilities | 1,148 | 1,334 | 186 | 13.9 | 1,363 |
| 182 | 194 | Government retail stock | 156 | 169 | 13 | 7.7 | 170 |
| 48,303 | 47,589 | Other borrowings | 52,898 | 52,241 | (657) | (1.3) | 54,508 |
| 162,560 | 163,995 | Total borrowings | 197,057 | 189,497 | (7,560) | (4.0) | 200,357 |
| 117,641 | 119,690 | Sovereign-guaranteed debt | 149,553 | 140,822 | (8,731) | (6.2) | 149,675 |
| 44,919 | 44,305 | Non sovereign-guaranteed debt | 47,504 | 48,675 | 1,171 | 2.4 | 50,682 |
| 162,560 | 163,995 | Total borrowings | 197,057 | 189,497 | (7,560) | (4.0) | 200,357 |

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: Insurance Liabilities | | | | | | | |
|---------------------------------------|---------------|------------------------------------|---------------|---------------|--------------|------------|---------------|
| 59,133 | 55,677 | ACC liability | 57,813 | 60,185 | 2,372 | 3.9 | 64,309 |
| 803 | 928 | EQC property damage liability | 718 | 661 | (57) | (8.6) | 632 |
| 353 | 100 | Southern Response | 90 | 90 | - | - | 58 |
| 47 | 47 | Other insurance liabilities | 42 | 41 | (1) | (2.4) | 63 |
| 60,336 | 56,752 | Total insurance liabilities | 58,663 | 60,977 | 2,314 | 3.8 | 65,062 |

The most recent valuation of the ACC liability was as at 31 December 2021, updated monthly for changes to discount rates.

| NOTE 14: Provisions | | | | | | | |
|----------------------------|---------------|---|---------------|---------------|----------------|--------------|---------------|
| 5,824 | 4,166 | Provision for Emissions Trading Scheme | 11,105 | 9,445 | (1,660) | (17.6) | 9,092 |
| 6,363 | 5,984 | Provision for employee entitlements | 6,541 | 6,260 | (281) | (4.5) | 5,557 |
| 3,036 | 3,438 | Veterans disability entitlements | 2,966 | 2,963 | (3) | (0.1) | 2,944 |
| 762 | 795 | Provision for National Provident Fund guarantee | 707 | 711 | 4 | 0.6 | 694 |
| 3,102 | 2,520 | Other provisions | 2,794 | 2,649 | (145) | (5.5) | 2,798 |
| 19,087 | 16,903 | Total provisions | 24,113 | 22,028 | (2,085) | (9.5) | 21,085 |

Further information on the Emissions Trading Scheme, can be found on the Ministry for the Environment's website: <https://environment.govt.nz>

NOTES TO THE FINANCIAL STATEMENTS

| As at 30 June 2021 \$m | As at 31 Mar 2021 \$m | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|--------------------------------------|--------------------------------|--|---------------------------------|-----------------|-----------------|--------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| NOTE 15: Changes in Net Worth | | | | | | | |
| 19,857 | 14,649 | Taxpayers' funds | 3,935 | 3,139 | 796 | 25.4 | (4,400) |
| 134,003 | 111,927 | Property, plant and equipment revaluation reserve | 133,896 | 134,108 | (212) | (0.2) | 133,902 |
| (1,560) | (3,300) | Defined benefit retirement plan revaluation reserve | (907) | (1,308) | 401 | 30.7 | (1,228) |
| (659) | (1,095) | Veterans' disability entitlements reserve | (659) | (659) | - | - | (659) |
| 5,724 | 5,453 | Net worth attributable to minority interests | 6,156 | 5,862 | 294 | 5.0 | 5,548 |
| (172) | (255) | Other reserves | 149 | (256) | 405 | 158.2 | (333) |
| 157,193 | 127,379 | Total net worth | 142,570 | 140,886 | 1,684 | 1.2 | 132,830 |
| 3,154 | 3,154 | Opening taxpayers funds | 19,857 | 19,857 | - | - | 19,857 |
| 16,159 | 11,271 | Operating balance excluding minority interests | (15,586) | (16,314) | 728 | 4.5 | (23,826) |
| 544 | 224 | Transfers from/(to) other reserves | (336) | (404) | 68 | 16.8 | (431) |
| 19,857 | 14,649 | Closing taxpayers funds | 3,935 | 3,139 | 796 | 25.4 | (4,400) |
| 112,334 | 112,334 | Opening property, plant and equipment revaluation reserve | 134,003 | 134,003 | - | - | 134,003 |
| 22,539 | (373) | Net revaluations | (62) | 140 | (202) | (144.3) | (69) |
| (870) | (34) | Transfers from/(to) other reserves | (45) | (35) | (10) | (28.6) | (32) |
| 134,003 | 111,927 | Closing property, plant and equipment revaluation reserve | 133,896 | 134,108 | (212) | (0.2) | 133,902 |
| 5,623 | 5,623 | Opening net worth attributable to minority interests | 5,724 | 5,724 | - | - | 5,724 |
| - | - | Increase/(decrease) in minority interest from changes in equity ³ | 311 | 275 | 36 | 13.1 | - |
| 101 | (170) | Net movements | 121 | (137) | 258 | 188.3 | (176) |
| 5,724 | 5,453 | Closing net worth attributable to minority interests | 6,156 | 5,862 | 294 | 5.0 | 5,548 |
| (187) | (187) | Opening other reserves | (172) | (172) | - | - | (172) |
| 15 | (68) | Net movements | 321 | (84) | 405 | 482.1 | (161) |
| (172) | (255) | Closing other reserves | 149 | (256) | 405 | 158.2 | (333) |

3. This line relates to equity in SOEs which has been issued to third parties. This line includes the perpetual preference shares of \$250 million issued by Kiwibank Limited.

FISCAL INDICATOR ANALYSIS

For the nine months ended 31 March 2022

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

| Year to 30 June 2021 Actual \$m | 9 months to 31 Mar 2021 Actual \$m | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|---|--|--|---------------------------------|-----------------|-----------------|-------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| | | Operating Balance | | | | | |
| 129,335 | 92,796 | Total revenue | 101,888 | 99,142 | 2,746 | 2.8 | 134,266 |
| 133,722 | 96,957 | Less total expenses | 109,965 | 111,388 | 1,423 | 1.3 | 155,094 |
| 21,023 | 16,295 | Total gains/(losses) | (7,065) | (3,997) | (3,068) | (76.8) | (2,901) |
| (360) | (612) | Net surplus from associates and joint ventures | (8) | 81 | (89) | (109.9) | 106 |
| (117) | (251) | Minority interests share of operating balance | (436) | (152) | (284) | (186.8) | (203) |
| 16,159 | 11,271 | Operating balance | (15,586) | (16,314) | 728 | 4.5 | (23,826) |
| | | Reconciliation Between the Operating Balance and OBEGAL | | | | | |
| 16,159 | 11,271 | Operating balance | (15,586) | (16,314) | 728 | 4.5 | (23,826) |
| | | Less items excluded from OBEGAL: | | | | | |
| (3,976) | (3,923) | Net gains/(losses) on large scale asset purchases | (1) | (1) | - | - | (1) |
| 18,130 | 12,950 | Net gains/(losses) on financial instruments | (2,143) | 1,943 | (4,086) | (210.3) | 3,039 |
| 6,869 | 7,268 | Net gains/(losses) on non-financial instruments | (4,921) | (5,939) | 1,018 | 17.1 | (5,939) |
| (360) | (612) | Net surplus from associates and joint ventures | (8) | 81 | (89) | (109.9) | 106 |
| 56 | (140) | Minority interests share of total gains/(losses) | (402) | (193) | (209) | (108.3) | (187) |
| (4,560) | (4,272) | OBEGAL | (8,111) | (12,205) | 4,094 | 33.5 | (20,844) |

FISCAL INDICATOR ANALYSIS

For the nine months ended 31 March 2022

Expenses by Functional Classification

| Year to 30 June 2021 Actual \$m | 9 months to 31 Mar 2021 Actual \$m | | Note | Current Year Actual vs Forecast | | | Annual HYEFU Forecast \$m | |
|---|--|--|------|---------------------------------|-----------------|-----------------|------------------------------------|----------------|
| | | | | Actual \$m | Forecast \$m | Variance \$m | | % |
| Total Crown expenses | | | | | | | | |
| 42,892 | 31,117 | Social security and welfare | | 35,291 | 36,347 | 1,056 | 2.9 | 49,554 |
| 22,598 | 17,208 | Health | | 20,007 | 20,578 | 571 | 2.8 | 27,411 |
| 17,384 | 12,216 | Education | | 13,972 | 13,997 | 25 | 0.2 | 19,017 |
| 5,602 | 2,459 | Core government services | | 3,552 | 4,075 | 523 | 12.8 | 6,315 |
| 5,533 | 3,979 | Law and order | | 4,253 | 4,445 | 192 | 4.3 | 5,999 |
| 10,335 | 8,436 | Transport and communications | | 7,351 | 8,313 | 962 | 11.6 | 12,162 |
| 13,429 | 9,447 | Economic and industrial services | | 12,219 | 11,936 | (283) | (2.4) | 14,846 |
| 2,648 | 1,885 | Defence | | 1,997 | 2,026 | 29 | 1.4 | 2,780 |
| 3,023 | 2,418 | Heritage, culture and recreation | | 2,372 | 2,476 | 104 | 4.2 | 3,328 |
| 2,398 | 1,883 | Primary services | | 1,766 | 1,915 | 149 | 7.8 | 2,589 |
| 3,351 | 2,597 | Housing and community development | | 2,876 | 2,717 | (159) | (5.9) | 4,474 |
| 1,889 | 1,123 | Environmental protection | | 1,786 | 1,821 | 35 | 1.9 | 2,712 |
| 114 | 67 | GSF pension expenses | | 81 | 67 | (14) | (20.9) | 91 |
| 254 | 321 | Other | | 185 | 325 | 140 | 43.1 | 413 |
| 2,272 | 1,801 | Finance costs | | 2,257 | 2,191 | (66) | (3.0) | 3,121 |
| - | - | Forecast new operating spending | 7 | - | - | - | - | 4,412 |
| - | - | Top-down expense adjustment | 7 | - | (1,841) | (1,841) | (100.0) | (4,130) |
| 133,722 | 96,957 | Total Crown expenses excluding losses | | 109,965 | 111,388 | 1,423 | 1.3 | 155,094 |

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 2021 Actual \$m | 9 months to 31 Mar 2021 Actual \$m | | Note | Current Year Actual vs Forecast | | | Annual HYEFU Forecast \$m | |
|---|--|---|------|---------------------------------|-----------------|-----------------|------------------------------------|----------------|
| | | | | Actual \$m | Forecast \$m | Variance \$m | | % |
| Core Crown expenses | | | | | | | | |
| 36,759 | 27,727 | Social security and welfare | | 32,384 | 33,067 | 683 | 2.1 | 43,342 |
| 22,784 | 17,087 | Health | | 20,442 | 20,813 | 371 | 1.8 | 27,813 |
| 16,039 | 10,975 | Education | | 13,064 | 13,197 | 133 | 1.0 | 18,227 |
| 5,754 | 3,819 | Core government services | | 3,688 | 4,181 | 493 | 11.8 | 6,158 |
| 5,202 | 3,777 | Law and order | | 3,942 | 4,112 | 170 | 4.1 | 5,537 |
| 5,656 | 4,019 | Transport and communications | | 3,090 | 3,118 | 28 | 0.9 | 4,834 |
| 4,481 | 3,487 | Economic and industrial services | | 6,802 | 6,627 | (175) | (2.6) | 7,682 |
| 2,664 | 1,898 | Defence | | 2,012 | 2,027 | 15 | 0.7 | 2,797 |
| 1,420 | 1,071 | Heritage, culture and recreation | | 1,062 | 1,173 | 111 | 9.5 | 1,537 |
| 1,015 | 735 | Primary services | | 657 | 797 | 140 | 17.6 | 1,195 |
| 1,813 | 1,488 | Housing and community development | | 1,492 | 1,378 | (114) | (8.3) | 2,672 |
| 1,906 | 1,127 | Environmental protection | | 1,787 | 1,825 | 38 | 2.1 | 2,776 |
| 99 | 55 | GSF pension expenses | | 69 | 56 | (13) | (23.2) | 75 |
| 254 | 321 | Other | | 185 | 325 | 140 | 43.1 | 413 |
| 1,918 | 1,501 | Finance costs | | 1,920 | 1,877 | (43) | (2.3) | 2,688 |
| - | - | Forecast new operating spending | 7 | - | - | - | - | 4,412 |
| - | - | Top-down expense adjustment | 7 | - | (1,841) | (1,841) | (100.0) | (4,130) |
| 107,764 | 79,087 | Core Crown expenses excluding losses | | 92,596 | 92,732 | 136 | 0.1 | 128,028 |

FISCAL INDICATOR ANALYSIS

For the nine months ended 31 March 2022

Core Crown Residual Cash

| Year to 30 June 2021 \$m | 9 months to 31 Mar 2021 \$m | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|-----------------------------------|--------------------------------------|---|---------------------------------|-----------------|-----------------|----------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| | | Core Crown Cash Flows from Operations | | | | | |
| 96,551 | 67,575 | Tax receipts | 75,336 | 75,255 | 81 | 0.1 | 104,033 |
| 2,287 | 840 | Other sovereign receipts | 2,553 | 1,980 | 573 | 28.9 | 2,532 |
| 249 | 128 | Interest receipts | 221 | 282 | (61) | (21.6) | 374 |
| 2,980 | 2,285 | Sale of goods & services and other receipts | 2,141 | 2,189 | (48) | (2.2) | 3,162 |
| (36,574) | (27,834) | Transfer payments and subsidies | (35,223) | (36,184) | 961 | 2.7 | (45,583) |
| (63,894) | (48,370) | Personnel and operating costs | (53,990) | (54,916) | 926 | 1.7 | (74,766) |
| (2,642) | (1,468) | Interest payments | (1,405) | (1,425) | 20 | 1.4 | (2,635) |
| - | - | Forecast for future new operating spending | - | - | - | - | (4,412) |
| - | - | Top-down expense adjustment | - | 1,841 | (1,841) | (100.0) | 4,130 |
| (1,043) | (6,844) | Net core Crown operating cash flows | (10,367) | (10,978) | 611 | 5.6 | (13,165) |
| (3,137) | (2,157) | Net purchase of physical and intangible assets | (2,907) | (3,337) | 430 | 12.9 | (4,781) |
| (3,868) | (3,849) | Net increase in advances | (7,278) | (7,465) | 187 | 2.5 | (9,183) |
| (3,599) | (2,953) | Net purchase of investments | (2,331) | (2,830) | 499 | 17.6 | (5,046) |
| (2,120) | (1,590) | Contributions to New Zealand Superannuation Fund | (1,815) | (1,815) | - | - | (2,420) |
| - | - | Forecast for future new capital spending | - | - | - | - | (1,745) |
| - | - | Top-down capital adjustment | - | 1,568 | (1,568) | (100.0) | 2,240 |
| (12,724) | (10,549) | Net core Crown capital cash flows | (14,331) | (13,879) | (452) | (3.3) | (20,935) |
| (13,767) | (17,393) | Core Crown residual cash surplus / (deficit) | (24,698) | (24,857) | 159 | 0.6 | (34,100) |
| | | <i>The core Crown residual cash surplus / (deficit) is funded or invested as follows:</i> | | | | | |
| | | Debt Programme Cash Flows | | | | | |
| | | Market: | | | | | |
| 48,497 | 42,125 | Issue of government bonds | 16,967 | 17,204 | (237) | (1.4) | 19,730 |
| (11,059) | - | Repayment of government bonds | - | (1,259) | 1,259 | 100.0 | (2,506) |
| (4,148) | (3,198) | Net issue/(repayment) of short-term borrowing | (2,837) | (4,209) | 1,372 | 32.6 | (5,359) |
| 33,290 | 38,927 | Total market debt cash flows | 14,130 | 11,736 | 2,394 | 20.4 | 11,865 |
| | | Non market: | | | | | |
| - | - | Issue of government bonds | - | - | - | - | - |
| - | - | Repayment of government bonds | - | - | - | - | - |
| - | - | Net issue/(repayment) of short-term borrowing ¹ | (327) | (327) | - | - | (812) |
| - | - | Total non-market debt cash flows | (327) | (327) | - | - | (812) |
| 33,290 | 38,927 | Total debt programme cash flows | 13,803 | 11,409 | 2,394 | 21.0 | 11,053 |
| | | Other Borrowing Cash Flows | | | | | |
| | | Net (repayment)/issue of other New Zealand dollar borrowing | 13,600 | 6,650 | 6,950 | 104.5 | 9,090 |
| (30,089) | (33,282) | Net (repayment)/issue of foreign currency borrowing | 1,061 | (868) | 1,929 | 222.2 | (2,335) |
| (29,481) | (33,703) | Total other borrowing cash flows | 14,661 | 5,782 | 8,879 | 326.7 | 6,755 |
| | | Investing Cash Flows | | | | | |
| | | Other net sale/(purchase) of marketable securities and deposits | (1,316) | 8,428 | (9,744) | (115.6) | 16,824 |
| 234 | 411 | Issues of circulating currency | 847 | 305 | 542 | 177.7 | 326 |
| 3,682 | 6,139 | Decrease/(increase) in cash | (3,297) | (1,067) | (2,230) | (209.0) | (858) |
| 9,958 | 12,169 | Total investing cash flows | (3,766) | 7,666 | (11,432) | (149.1) | 16,292 |
| 13,767 | 17,393 | Core Crown residual cash deficit / (surplus) funding | 24,698 | 24,857 | (159) | (0.6) | 34,100 |

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

FISCAL INDICATOR ANALYSIS

As at 31 March 2022

Net Debt and Gross Debt

| As at 30 June 2021 Actual \$m | As at 31 Mar 2021 Actual \$m | | Current Year Actual vs Forecast | | | | Annual HYEFU Forecast \$m |
|---|--|--|---------------------------------|-----------------|-----------------|---------------|------------------------------------|
| | | | Actual \$m | Forecast \$m | Variance \$m | % | |
| | | Net Debt: | | | | | |
| 131,256 | 132,241 | Gross sovereign-issued debt | 162,316 | 153,287 | (9,029) | (5.9) | 161,569 |
| (29,176) | (26,931) | Less liquid financial assets (per net debt definition) | (35,146) | (25,962) | 9,184 | 35.4 | (25,264) |
| 102,080 | 105,310 | Net core Crown Debt | 127,170 | 127,325 | 155 | 0.1 | 136,305 |
| | | Analysis of financial liabilities and assets included in net debt | | | | | |
| | | Gross sovereign-issued debt: | | | | | |
| 133,473 | 134,448 | Core Crown borrowings | 164,450 | 155,527 | (8,923) | (5.7) | 163,809 |
| (2,217) | (2,207) | Add back NZS Fund holdings of sovereign-issued debt and NZS Fund borrowings | (2,134) | (2,240) | (106) | (4.7) | (2,240) |
| 131,256 | 132,241 | Gross sovereign-issued debt | 162,316 | 153,287 | (9,029) | (5.9) | 161,569 |
| | | Liquid financial assets: | | | | | |
| 108,461 | 101,387 | Core Crown financial assets | 121,222 | 113,972 | (7,250) | (6.4) | 116,682 |
| (60,557) | (56,511) | Less NZS Fund holdings of core Crown financial assets and NZS Fund financial assets | (60,536) | (62,182) | (1,646) | (2.6) | (63,894) |
| (3,059) | (2,741) | Less FLP advances | (9,659) | (9,893) | (234) | (2.4) | (11,894) |
| (15,669) | (15,204) | Less other advances | (15,881) | (15,935) | (54) | (0.3) | (15,630) |
| (79,285) | (74,456) | NZS Fund and advances | (86,076) | (88,010) | (1,934) | (2.2) | (91,418) |
| 29,176 | 26,931 | Liquid financial assets (per net debt definition) | 35,146 | 25,962 | (9,184) | (35.4) | 25,264 |
| | | Additional net debt analysis | | | | | |
| 102,080 | 105,310 | Net core Crown debt | 127,170 | 127,325 | 155 | 0.1 | 136,305 |
| (79,285) | (74,456) | Less NZS Fund and advances | (86,076) | (88,010) | (1,934) | (2.2) | (91,418) |
| 22,795 | 30,854 | Net core Crown debt (incl. NZS Fund and advances) | 41,094 | 39,315 | (1,779) | (4.5) | 44,887 |
| 102,080 | 105,310 | Net core Crown debt | 127,170 | 127,325 | 155 | 0.1 | 136,305 |
| (3,059) | (2,741) | less FLP advances | (9,659) | (9,893) | (234) | (2.4) | (11,894) |
| 99,021 | 102,569 | Net core Crown debt (incl. FLP advances) | 117,511 | 117,432 | (79) | (0.1) | 124,411 |
| | | Gross Debt: | | | | | |
| 131,256 | 132,241 | Gross sovereign-issued debt | 162,316 | 153,287 | (9,029) | (5.9) | 161,569 |
| (30,421) | (26,193) | Less Reserve Bank settlement cash and Reserve Bank bills | (46,294) | (40,204) | 6,090 | 15.1 | (49,196) |
| 1,600 | 1,600 | Add back changes to government borrowing owing to settlement cash | 1,600 | 1,600 | - | - | 1,600 |
| 102,435 | 107,648 | Gross sovereign-issued debt excluding Reserve Bank settlement cash and Reserve Bank bills | 117,622 | 114,683 | (2,939) | (2.6) | 113,973 |
| | | Monetary Liabilities | | | | | |
| 8,256 | 8,433 | Issued currency | 9,103 | 8,561 | (542) | (6.3) | 8,582 |
| 29,466 | 25,375 | Settlement deposits with Reserve Bank | 45,367 | 39,303 | (6,064) | (15.4) | 48,296 |
| 37,722 | 33,808 | Total Monetary Liabilities | 54,470 | 47,864 | (6,606) | (13.8) | 56,878 |

Gross sovereign-issued debt (GSID) represents debt issued by the sovereign (the core Crown) and includes any government stock held by the other Crown reporting entities.

Core Crown borrowings in this instance include unsettled purchases of securities (classified as accounts payable in the Statement of Financial Position).

Core Crown financial assets exclude receivables, except for unsettled sales of securities.

The Reserve Bank has used \$1.6 billion of settlement cash to purchase reserves that were to have been funded by the government borrowing programme. Therefore, the impact of settlement cash on GSID is adjusted by this amount.

Monetary liabilities facilitate payments to be effected in New Zealand dollars, thereby ensuring the smooth functioning of the economy.

FISCAL INDICATOR ANALYSIS

Reconciliation between the Financial Statements and the Key Fiscal Indicators

| Financial Results | 31 Mar 2022 Actual \$m | 31 Mar 2022 Forecast \$m | Variance \$m | Variance % | Annual Forecast \$m |
|--|---------------------------------|-----------------------------------|-----------------|---------------|---------------------------|
| Core Crown taxation revenue... | 78,620 | 75,941 | 2,679 | 3.5 | 102,561 |
| ...combined with other core Crown revenue... | 6,539 | 5,996 | 543 | 9.1 | 8,172 |
| ...funds core Crown expenses... | (92,596) | (92,732) | 136 | 0.1 | (128,028) |
| ...and including SOE and Crown entity revenues and expenses... | (674) | (1,410) | 736 | 52.2 | (3,549) |
| ...results in an OBEGAL ... | (8,111) | (12,205) | 4,094 | 33.5 | (20,844) |
| ...with gains/losses leading to an operating surplus/(deficit) ... | (15,586) | (16,314) | 728 | 4.5 | (23,826) |
| ...removing net income in SOEs, Crown entities and the NZS Fund... | 2,251 | 2,410 | (159) | (6.6) | 3,693 |
| ...and some items do not impact cash. | 2,968 | 2,926 | 42 | 1.4 | 6,968 |
| This leads to a core Crown operating residual cash surplus/(deficit)... | (10,367) | (10,978) | 611 | 5.6 | (13,165) |
| ...used to make contributions to the NZS Fund... | (1,815) | (1,815) | - | - | (2,420) |
| ...and to use for purchase of physical and intangible assets... | (2,907) | (3,337) | 430 | 12.9 | (4,781) |
| ...and to make advances (eg, to students) and investments... | (9,609) | (10,295) | 686 | 6.7 | (14,229) |
| Adjusting for forecast adjustments (top-down/new spending)... | - | 1,568 | (1,568) | (100.0) | 495 |
| ...results in a borrowing requirement (Core Crown residual cash surplus/(deficit))... | (24,698) | (24,857) | 159 | 0.6 | (34,100) |
| Opening net core Crown debt... | 102,080 | 102,080 | - | - | 102,080 |
| ...when combined with the residual cash (surplus)/deficit... | 24,698 | 24,857 | 159 | 0.6 | 34,100 |
| ...and other fair value movements in financial assets and financial liabilities... | 392 | 388 | (4) | (1.0) | 125 |
| ...results in a closing net core Crown debt ... | 127,170 | 127,325 | 155 | 0.1 | 136,305 |
| ...which as a % of GDP is | 36.3% | 36.4% | | | 37.6% |