



SUPPLEMENT
TO THE
NEW ZEALAND GAZETTE

OF
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SUMMARY
OF THE
RECEIPTS AND PAYMENTS
OF THE
PUBLIC ACCOUNT
FOR THE
YEAR ENDED 31 MARCH 1985

INTRODUCTION TO THE SUMMARY

This summary of the receipts and payments of the Public Accounts is produced quarterly and published in terms of section 67 of the Public Finance Act 1977. The contents of the summary are as follows:

- *Statement of Accounting Policies*, outlines the general accounting principles on which the accounts are prepared, and the particular accounting policies adopted.
- *Summary Information Section*—Containing high level summaries of the financial transactions of the Public Account. The section currently comprises two tables and the intention is to include more tables as they are developed.
- *Consolidated Account*, the main operating account within the Public Account. All receipts must be credited to this account unless there is specific statutory provision to the contrary. e.g., proceeds of loans, and Road User Charges. The main revenue items in the account are direct and indirect taxation, interest received, dividends and profits from Corporations and trading undertakings, and departmental receipts.
The bulk of Government expenditure is met from this account by way of annual appropriations through votes (see the Estimates of Expenditure B. 7 [Pt. I]), and permanent appropriations made pursuant to various statutes.
- *Loans Account*, records the proceeds from all new loans raised (except those raised for redemption of loans) in New Zealand or Overseas during the financial year. The payments side of the account records the disbursement of these proceeds by annual and permanent appropriations, and by way of transfers to other accounts within the Public Account. A non cash item is included on both the receipts and payments side of the account to record the value of capital equipment purchased under credit arrangements.
- *Loans Redemption Account*, records how loan moneys received specifically for the purpose of repaying or redeeming public debt, together with other receipts credited to the account, have in fact been applied to convert or repay public debt. The account also records cash received and paid in respect of the issue and redemption of Treasury bills.
- *National Roads Fund*, is established under section 22 of the National Roads Act 1953. Its purpose is to record certain indirect taxation revenues specifically set aside to fund expenditure on construction and maintenance of roads. The account also records other moneys appropriated for these purposes.
- *Reserve Account*, records funds set aside to meet future contingencies. Transfers into this account are made from the Consolidated Account, but if a contingency arises the funds may be transferred to any of the other accounts within the Public Account.
- *Trust Account*, contains over 50 separate accounts and is primarily used to record moneys received or held in trust. Moneys paid into the account are generally available to be applied only for the specific purpose for which they were received.
- *The Summary of Balances and the Composition of Balances*.
- *Notes to the Accounts*, contains additional explanatory information on specific receipts or payments items.

STATEMENT OF ACCOUNTING POLICIES

General Accounting Policies

The Public Accounts comprise the 5 operating accounts established by sections 38 to 42 of the Public Finance Act 1977, together with a suspense account created under section 37 (1) (c) of that Act, and the National Roads Fund established by section 22 of the National Roads Act 1953. A brief description of each of the operating accounts is given in the introduction to this summary. The Suspense Account is a clearing account for receipts banked to the Public Account.

The "Public Account" refers to the bank account of that name kept at the Reserve Bank of New Zealand.

This summary reflects only those transactions relating to departments or activities operating within the Public Account. It does not reflect transactions of accounts to which sections 68 and 69 of the Public Finance Act apply. All transactions are reported on the cash basis of accounting.

The amounts shown in this summary represent the cumulative result of transactions from the beginning of the financial year at historic cost.

Recognition of Receipts and Payments

Receipts for money paid into the Public Account are initially credited to the Suspense Account. The receipts are subsequently recognised by debiting the Suspense Account when the revenue receiver advises Treasury of the particular account code to be credited. The balance to the credit of the Suspense Account at the end of each accounting period is disclosed in the Summary of Balances.

Payments are brought to charge as expenditure in two ways:

- if money is paid from the Public Account Disbursement Account, it is recognised as a payment immediately.
- if money was paid from an imprest account, it is recognised as a payment when Treasury is advised of the particular account code to be debited. Money advanced to Imprestees but remaining unspent at the end of each accounting period forms part of the cash balances.

Particular Accounting Policies

The following particular accounting policies which affect the contents of the accounts have been adopted—

Recognition of Interdepartmental Transactions

Transactions occurring between Government Departments are recognised on the following basis:

- if it was a cash transaction, then the accounting policy on recognition of receipts and payments above applies.
- if it was a non-cash transaction, then the transaction is recognised when Treasury is advised of the accounting codes to be credited and debited.

Foreign Currencies

As a general rule receipts and payments are converted into New Zealand currency at a special exchange rate fixed at the mid-point between the buying and selling rates for each foreign currency quoted by the Reserve Bank. This rate is retained until it is at variance by 2 percent with the actual mid-point of the buying and selling rate.

All rates are adjusted on an official revaluation and on 1 March in each year.

Any gains or losses arising from differences between actual rates of exchange used for transactions and the special mid-point rate are disclosed in the public accounts.

An exception to the general rule is made for certain types of receipts such as the proceeds from loans raised overseas and repatriated to New Zealand. In these cases the exchange rate used is the actual bank rate at which the foreign currency was converted to New Zealand dollars.

Investments

Investments of Public Account Balances are recorded at cost price in foreign currency and converted at the mid-point exchange rate into New Zealand dollars. These investments are subsequently adjusted when changes occur in the mid-point exchange rates. Capital gains or losses arising from investment transactions are recognised when realised and are disclosed in the public accounts. Balances of investments in Companies and Government Agencies are not reported in quarterly summaries.

Changes in Accounting Policies

There have been two changes in accounting policies in respect of the Reserve Bank indemnity, which is payable under section 26 of the Reserve Bank of New Zealand Act 1964 to reimburse the bank for the net depreciation in its overseas assets and liabilities arising from changes in currency values in the period between 1 March and 28 February. The calculation of the indemnity includes both actual or realised losses for the period and estimated losses on forward transactions.

The changes in accounting policies are as follows:

- The total claim on the Reserve Bank indemnity for 1984–85 includes full payment for realised and unrealised exchange losses. In previous years only realised losses were settled.
- The policy of settling the indemnity by the issue of non-interest bearing stock was discontinued. This year settlement has been made by a cash payment from the Consolidated Account rather than Loans Account.

With the above exceptions there have been no changes in accounting policies, which have accordingly been applied on bases consistent with those used in previous years.

SUMMARY INFORMATION

TABLE 1—SUMMARY OF
PUBLIC ACCOUNT OPERATIONS

	Year Ended 31 March 1985			Year Ended 31 March 1984
	\$(000)	\$(000)	\$(000)	\$(000)
RECEIPTS INTO PUBLIC ACCOUNT				
Taxation—				
Consolidated Account	11,579,485			10,188,920
National Roads Fund	334,143			242,285
		11,913,628		10,431,205
Interest, dividends and profits—				
Consolidated Account	1,160,133			874,743
Reserve Account	33,505			19,023
		1,193,638		893,766
Departmental and Special Receipts—				
Consolidated Account	1,021,218			683,841
National Roads Fund	7,129			8,164
Reserve Account	127,059			(6,692)
		1,155,406		685,313
Repayment of loans and advances—				
Loans Redemption Account		139,339		139,108
Changes in balances—				
Net receipts into Trust Account				12,542
Increase in advances to Imprestees	(29,998)			699
Increase (decrease) in Suspense Account	752			(292)
		(29,246)		12,949
			14,372,765	12,162,341
PAYMENTS FROM PUBLIC ACCOUNT				
Annual appropriations—				
Consolidated Account ¹	12,352,064			11,706,175
Loans Account	854,077			869,583
		13,206,141		12,575,758
Permanent appropriations—				
Consolidated Account ²	3,496,192			2,209,657
Loans Account ³	2,160			163,671
National Roads Fund	372,966			337,167
		3,871,318		2,710,495
Changes in balances—				
Net payments from Trust Account		8,467		
Miscellaneous Payments—				
Exchange differences on overseas transactions—				
Consolidated Account		70,087		(23,319)
Unauthorised expenditure for services and purposes not provided for—				
Consolidated Account	241			88
National Roads Fund	3			5
		244		93
			17,156,257	15,263,027
Deficit on operations			\$2,783,492	\$3,100,686

Footnotes:

¹ Excludes transfer to the National Roads Fund \$25,000,000.² Excludes contribution to the Loans Redemption Account \$218,787,000.³ Excludes charges and expenses of raising loans \$403,338,000.

SECTION

TABLE 2—SUMMARY OF
PUBLIC ACCOUNT FINANCING

	Year Ended 31 March		Year
	1985	1985	Ended 31 March 1984
	\$(000)	\$(000)	\$(000)
NEW BORROWING			
Loans Account			
Borrowing in New Zealand and Overseas	8,257,590		7,087,273
Less purchases through capital equipment credit arrangements ⁴	(70,032)		(116,562)
Less charges and expenses of raising loans	(403,338)		(108,656)
Less loan receipts from previous year allocated in 1983-84			(211)
		7,784,220	6,861,844
Loans Redemption Account			
Borrowing in New Zealand and Overseas	7,211,305		2,424,280
Plus charges and expenses of raising loans, etc. ⁵	45,989		(32,378)
		7,257,294	2,391,902
Net cash proceeds from new borrowing		15,041,514	9,253,746
REPAYMENTS			
Loans Redemption Account			
Repayments in New Zealand and Overseas		11,713,537	(6,003,982)
Net cash flow from borrowing		3,327,977	3,249,764
Less changes in balances of—			
Cash at bank	21,085		2,179
Investments	523,400		146,899
		544,485	149,078
		\$2,783,492	\$3,100,686

Footnotes:

⁴The value of capital equipment credit arrangements deducted is the value of capital actually imported not the value of loans raised.

⁵Charges and expenses of raising loans in the Loans Redemption Account comprise:

Premium on Redemption, inflation adjusted savings bonds	25,538
Plus Flexible financing facilities rollover expenses	3,475
Less Discount on Government stock purchased from the Reserve Bank of New Zealand	(75,002)
	(\$45,989)

CONSOLIDATED

RECEIPTS	Note	Year Ended 31 March 1985			Year Ended 31 March 1984
		\$(000)	\$(000)	\$(000)	\$(000)
Direct taxation—					
Estate and gift duty			31,738		33,052
Income tax	1		8,348,485		7,453,307
Land tax			43,731		36,203
Property speculation tax			..		3
				8,423,954	7,522,565
Indirect taxation—					
Beer duty			208,976		199,264
Customs duty			794,596		606,291
Domestic air travel tax			13,853		12,515
Duties payable by racing clubs			66,945		62,599
Energy resources levy			52,862		44,153
Film hire tax			1,371		1,664
International departure tax			15,557		14,703
Mileage tax			4		4
Motor spirits duty		227,786			227,603
Less refunds		3,009			Dr. 3,535
			224,777		
Motor vehicles, fees and charges			101,931		97,441
Sales tax			1,561,036		1,312,287
Stamp duties			113,623		91,366
				3,155,531	2,666,355
Total, Taxation				11,579,485	10,188,920
Interest—					
On capital liability—					
Air New Zealand Ltd.			150		350
Development Finance Corporation of New Zealand			339		319
Energy: Electricity			252,219		239,753
Energy: Mines			27,738		22,360
Energy: Oil and gas	2		25,000		..
Housing			88,893		65,825
Housing Corporation of New Zealand			209,846		152,076
Lands and Survey			9,379		10,098
Maori Affairs			19,261		17,533
Natural Gas Corporation of New Zealand Ltd.			2,670		723
New Zealand Railways Corporation			4,850		5,982
Post Office			69,409		55,485
Revolving funds	2		5,102		..
Rural Banking and Finance Corporation of New Zealand			193,950		175,281
Tourist Hotel Corporation of New Zealand			..		1,064
On other public money			75,925		49,325
				984,731	796,174
Dividends and profits—					
Air New Zealand Ltd.			18,000		..
Bank of New Zealand			13,000		8,344
Development Finance Corporation of New Zealand			2,700		1,500
Fletcher Challenge Ltd.			1		1
Housing Corporation of New Zealand			10,210		11,320
Petroleum Corporation of New Zealand Ltd.			14,000		..
Post Office	3		62,000		3,560
Reserve Bank of New Zealand			45,146		49,356
Rural Banking and Finance Corporation of New Zealand			6,414		4,488
Winstone-Samsung Industries Ltd.			3,931		..
				175,402	78,569
Departmental receipts—					
Administration—					
General Administration—					
Audit		4,407			4,213
Commission for the Environment		3			5
Customs		1,798			1,479
Inland Revenue		3,498			3,520
Internal Affairs		8,005			7,983
Legislative		6			5
Prime Minister's Department		3			11
State Services Commission		5,055			2,074
Statistics		336			249
Treasury		5,321			3,771
Valuation		5,271			5,269
			33,703		28,579
Law and Order—					
Crown Law		18			20
Justice		68,712			61,989
Police		5,774			2,531
			74,504		64,540
Government Services—					
Works and Development (Programmes I, II, IV, VI, VII, and VIII)			25,390		23,474
Stabilisation—					
Stabilisation			..		19
Carried forward			133,597	12,739,618	116,612

ACCOUNT

PAYMENTS	Note	Year Ended 31 March 1985			Year Ended 31 March 1984
		\$(000)	\$(000)	\$(000)	\$(000)
Permanent appropriations—					
Civil List			5,408		4,983
Debt services—					
Administration and management			32,591		26,977
Contribution to Loans Redemption Account			218,787		187,328
Interest—					
In New Zealand		1,633,225			1,394,676
Overseas		896,808			620,199
			2,530,033		2,014,875
Superannuation			130,871		112,901
Miscellaneous	4		797,289		49,921
Total, Permanent Appropriations				3,714,979	2,396,985
Annual appropriations—					
Administration—					
General Administration—					
Accident Compensation		119			105
Audit		7,072			6,033
Broadcasting		187			195
Building Performance Guarantee Corporation		19			19
Commission for the Environment		1,339			1,102
Customs		34,685			32,596
Government Life Insurance Corporation		32			10
Inland Revenue		73,436			68,521
Internal Affairs (Programmes I to III)		74,143			64,621
Legislative		12,693			12,241
Prime Minister's Department		2,094			2,017
Railways		87			102
State Services Commission		65,620			65,671
Statistics		17,861			16,944
Treasury		14,574			13,047
Valuation		14,319			13,955
			318,280		297,179
Law and Order—					
Crown Law		2,859			2,501
Justice		153,871			135,859
Police		196,978			185,703
Security Intelligence Service		4,589			4,377
			358,297		328,440
Government Services—					
Government Printing Office		11,410			7,612
Works and Development (Programmes I, II, IV, VI, VII, and VIII)		193,380			181,145
			204,790		188,757
Stabilisation—					
Stabilisation	5				9,940
Total, Administration			881,367		824,316

Carried forward

881,367

3,714,979

824,316

CONSOLIDATED

RECEIPTS	Note	Year Ended 31 March 1985			Year Ended 31 March 1984
		\$(000)	\$(000)	\$(000)	\$(000)
Brought forward			133,597	12,739,618	116,612
Departmental receipts— <i>continued</i>					
Foreign Relations—					
Defence—					
Defence			11,337		12,785
Foreign Affairs—					
Foreign Affairs			4,666		5,951
Development of Industry—					
Land Use—					
Agriculture and Fisheries		59,274			24,057
Forest Service		159,081			123,301
Lands and Survey		99,759			88,947
Maori Affairs (Programmes V to VII)		34,987			37,424
			353,101		273,729
Fuel and Power—					
Energy	6		13,863		114,028
Other Industrial Services—					
Labour		2,477			2,608
Scientific and Industrial Research		11,547			10,531
Tourist and Publicity		8,719			7,602
Trade and Industry		21,495			14,858
			44,238		35,599
Education—					
Education			18,221		16,179
Social Services—					
Social Services—					
Social Welfare			34,250		31,769
Other Social Services—					
Maori Affairs (Programmes I to IV)			7,661		2,960
Health—					
Health			2,996		2,964
Transport and Communications—					
Transport—					
Transport		84,386			68,119
Works and Development (Programmes III and V)		784			498
			85,170		68,617
Communications—					
Post Office			183		91
Total, Departmental Receipts				709,283	681,284
Total, Ordinary Receipts				13,448,901	11,744,947
Special Receipts—					
Alliance Textiles Ltd.					2,150
Auckland Harbour Board	7			780	..
Capital gains on realisation of investments (net)				7,093	17,347
Christmas Island Phosphate Commission	7			1,415	3,730
Government Printing Office	7			11,970	..
Notional tax payments	7			100,440	..
Public Finance Act 1977, section 100—					
Adjustment of balances consequent on changes in exchange rates	7			188,876	Dr. 25,252
Recovery from National Provident Fund on account of New Zealand Superannuation Fund contributions refunded	1
Repayment from Rural Banking and Finance Corporation	7			755	4,581
Reserve Bank—Surplus on agency transactions with I.M.F.				606	..
Transfer from Loans Account				2,115,000	2,430,000
Transfer from Reserve Account				295,000	..
TOTAL RECEIPTS				\$16,170,836	\$14,177,504
Balances at beginning of year—					
Cash			31,894		26,620
Imprests			76,794		77,493
Excess of receipts over payments				108,688	104,113
				8,465	4,575
				\$117,153	\$108,688

ACCOUNT—continued

PAYMENTS	Note	Year Ended 31 March 1985			Year Ended 31 March 1984
		\$(000)	\$(000)	\$(000)	\$(000)
Brought forward			881,367	3,714,979	824,316
Annual appropriations—continued					
Foreign Relations—					
Defence—					
Defence			756,408		672,978
Foreign Affairs—					
Foreign Affairs			201,237		174,856
Development of Industry—					
Land Use—					
Agriculture and Fisheries		635,955			792,957
Forest Service		369,687			281,493
Lands and Survey		148,446			143,569
Maori Affairs (Programmes V to VII)		35,535			36,922
Rural Banking and Finance Corporation (Programmes I and II)		27,875			12,527
			1,217,498		1,267,468
Fuel and Power—					
Energy	6		110,729		277,230
Other Industrial Services—					
Labour		454,970			393,342
Scientific and Industrial Research		105,124			99,126
Tourist and Publicity		30,042			25,992
Trade and Industry		66,387			71,604
			656,523		590,064
Education—					
Education			1,746,868		1,690,488
Social Services—					
Social Services—					
Social Welfare			4,386,995		4,005,658
Other Social Services—					
Housing Corporation (Programmes I and II)		171,217			80,056
Internal Affairs (Programme IV)		2,932			4,556
Maori Affairs (Programmes I to IV)		31,838			29,850
			205,987		114,462
Health—					
Health			1,914,293		1,807,891
Transport and Communications—					
Transport—					
Transport		257,165			270,227
Works and Development (Programmes III and V)		32,846			99,548
			290,011		369,775
Communications—					
Post Office (part vote)			9,148		3,989
Total, Annual Appropriations				12,377,064	11,799,175
Total, Ordinary Payments				16,092,043	14,196,160
Special Payments—					
Public Finance Act 1977, section 100—					
Exchange differences on overseas transactions				70,087	Cr. 23,319
Unauthorised expenditure for services and purposes not provided for				241	88
TOTAL PAYMENTS				16,162,371	14,172,929
Excess of receipts over payments				8,465	4,575
				\$16,170,836	\$14,177,504
Balances at end of year—					
Cash			10,361		31,894
Imprests			106,792		76,794
				117,153	108,688
				\$117,153	\$108,688

should be read in conjunction with the accounts.

LOANS

RECEIPTS	Note	Year		Year
		Ended 31	March 1985	Ended 31 March 1984
		\$(000)	\$(000)	\$(000)
Loans raised—				
In New Zealand—				
Inflation-adjusted savings bonds		117,202		59,747
Kiwi savings stock		86,486		1,554,140
Our New Zealand bonds		78,809		..
Premium stock		205
Special issues		1,079,819		1,531,548
Tap issues		929,838
Tender stock		4,040,986		1,169,045
			5,403,302	5,244,523
Overseas—				
Cash loans		2,800,656		1,593,085
Capital equipment credit arrangements		53,632		116,562
			2,854,288	1,709,647
Loan receipts unallocated				16,400
Securities issued to Asian Development Bank—				
Non-negotiable, non-interest-bearing notes			2,083	1,538
Securities issued to I.B.R.D.—				
Non-negotiable, non-interest-bearing notes			4,830	3,663
Securities issued to International Monetary Fund—				
Non-negotiable, non-interest-bearing notes				198,445
Securities issued—Reserve Bank indemnity	4			116,703
			\$8,264,503	\$7,290,919
Balances at beginning of year—				
Cash		13,837		3,252
Investments		62,784		64,779
			76,621	68,031
Excess of receipts over payments			27,983	8,590
			\$104,604	\$76,621

ACCOUNT

PAYMENTS	Note	Year Ended 31 March 1985			Year Ended 31 March 1984
		\$(000)	\$(000)	\$(000)	\$(000)
Permanent appropriations—					
Encashment of securities—Asian Development Bank			100		40
Encashment of securities—I.B.R.D.			120		100
Reserve Bank indemnity	4		..		116,703
Subscription to Asian Development Bank			1,401		1,040
Subscription to I.B.R.D.			539		412
Subscription to International Monetary Fund			..		45,376
Charges and expenses of raising loans—					
In New Zealand—					
Discounts on special issues		28,160			..
Discounts on tap issues					59,529
Discounts on tender stock		317,424			28,436
		<u>345,584</u>			<u>87,965</u>
Overseas—					
Commissions		40,760			..
Discounts		16,994			20,691
		<u>57,754</u>			<u>20,691</u>
			403,338		<u>108,656</u>
Total, Permanent Appropriations				405,498	<u>272,327</u>
Annual appropriations—					
Development of Industry—					
Fuel and Power—					
Energy	6		233,290		268,601
Social Services—					
Other Social Services—					
Housing Corporation (Programmes III and V)			60,200		30,200
Miscellaneous Investment and Financing Transactions—					
Miscellaneous Investment Transactions—					
Capital Participation—					
Bank of New Zealand					19,250
New Zealand Steel Development Ltd.		96,000			125,000
Petroleum Corporation of New Zealand Ltd.		58,057			31,538
Tourist Hotel Corporation of New Zealand		2,430			4,294
			156,487		<u>180,082</u>
Miscellaneous Financing Transactions—					
Housing Corporation (Programme IV)		229,100			139,700
Rural Banking and Finance Corporation (Programme III)		175,000			251,000
			404,100		<u>390,700</u>
Total, Annual Appropriations				854,077	<u>869,583</u>
Capital equipment purchased under credit arrangements—					
Defence			24,217		37,547
Energy: Electricity			17,841		8,224
Energy: Mines			..		3,331
Post Office			27,974		67,393
Transport			..		67
				70,032	<u>116,562</u>
Loan receipts from previous year allocated					211
Security in favour of Asian Development Bank				2,083	1,538
Security in favour of I.B.R.D.				4,830	3,663
Security in favour of International Monetary Fund				..	198,445
Transfer to Consolidated Account				2,115,000	2,430,000
Transfer to Loans Redemption Account				4,785,000	3,390,000
Excess of receipts over payments				27,983	8,590
				<u>8,264,503</u>	<u>8,290,919</u>
Balances at end of year—					
Cash			42,978		13,837
Investments (nominal value \$61,531,853)			61,626		62,784
				104,604	<u>76,621</u>
				<u>104,604</u>	<u>76,621</u>

LOANS REDEMPTION

RECEIPTS	Note	Year	
		Ended 31 March 1985	Year Ended 31 March 1984
		\$(000)	\$(000)
Loans raised in conversion of maturing loans			273,429
Loans raised for the purpose of repaying loans—			
Overseas—			
Cash loans			2,210,447
Statutory contribution from Consolidated Account for the redemption of debt			218,787
Transfer from Loans Account			4,785,000
Treasury bills issued			5,000,858
Money received for repayment of loans and advances—			
Capital Equipment Credit Arrangements—			
Energy: Electricity		32,576	33,978
Energy: Mines		749	..
New Zealand Railways Corporation		18,327	20,945
Post Office		11,334	3,970
Vote Defence		20,667	13,447
Vote Foreign Affairs		476	337
Vote Health		775	589
Vote State Services Commission		247	515
Vote Transport (Airport Development)		725	807
Wellington Hospital Board		..	163
		85,876	74,751
IBRD Loans—			
Energy: Electricity		..	6,616
Harbour Boards		815	441
New Zealand Railways Corporation		974	807
		1,789	7,864
Other Loans and Advances—			
Air New Zealand Ltd.		..	500
Alliance Textiles Ltd.		..	1,000
Christmas Island Phosphate Commission		..	980
Development Finance Corporation of New Zealand		417	2,750
Energy: Electricity		26,569	19,323
Energy: Geothermal		10,000	2,750
Energy: Mines		..	28,671
Natural Gas Corporation of New Zealand Ltd.		4,671	..
Tourist Hotel Corporation of New Zealand		..	489
Winstone-Samsung Industries Ltd.		10,000	..
		51,657	56,463
			139,322
Other money received			17
Discount on Government stock purchased from the Reserve Bank of New Zealand	8		75,002
			<u>\$12,702,862</u>
Balances at beginning of year—			
Cash		12,625	27,579
Investments (nominal value \$1,093,892,886)		1,091,484	972,174
			1,104,109
Excess of receipts over payments			686,883
			<u>\$1,790,992</u>
			<u>\$6,283,036</u>

The notes on page 2313 form part of and

ACCOUNT

PAYMENTS	Note	Year Ended 31 March 1985		Year Ended
		\$(000)	\$(000)	31 March 1984
Loans converted				273,429
Loans repaid—				
In New Zealand—				
Inflation-adjusted savings bonds		102,921		221,602
Kiwi savings stock		453,376		625,053
Our New Zealand bonds		2,960		
Premium stock		63,578		6,147
Special issues		500,000		
Tap issues		603,148		833,245
Tender stock		216,466		
Other loans		1,031,586		797,698
			2,974,035	2,483,745
Overseas—				
Cash loans		3,406,154		820,172
Capital equipment credit arrangements		85,876		74,751
I.B.R.D. loans		1,789		7,864
			3,493,819	902,787
Treasury bills redeemed				6,467,854
Premium on redemption, Inflation-adjusted savings bonds				5,245,683
Flexible financing facilities rollover expenses				25,538
Excess of receipts over payments				3,475
				686,883
				<u>\$12,702,862</u>
				<u>\$6,283,036</u>
Balances at end of year—				
Cash			9,108	12,625
Investments (nominal value, \$1,780,492,428)			1,781,884	1,091,484
			<u>1,790,992</u>	<u>1,104,109</u>
			<u>\$1,790,992</u>	<u>\$1,104,109</u>

should be read in conjunction with the accounts.

NATIONAL ROADS

RECEIPTS	Note	Year		Year
		Ended 31 March 1985	Ended 31 March 1984	Ended 31 March 1984
		\$(000)	\$(000)	\$(000)
Motor spirits duty		163,331		146,503
Less refunds		5,737		7,783
			157,594	138,720
Road user charges		185,151		104,115
Less refunds		21,053		7,515
			164,098	96,600
Mileage tax			12	7
Sales tax on compressed natural gas		8,988		5,007
Less refunds		161		157
			8,827	4,850
Sales tax on liquefied petroleum gas		4,238		2,699
Less refunds		626		591
			3,612	2,108
Total, Taxation			334,143	242,285
Contribution from Consolidated Account			25,000	93,000
Interest			176	463
Receipts from land and property			5,152	6,270
Miscellaneous			1,801	1,431
Excess of payments over receipts			6,697	..
			\$372,969	\$343,449
Balance at beginning of year—				
Cash			14,741	8,464
Excess of receipts over payments	6,277
			\$14,741	\$14,741

RESERVE

		\$(000)	\$(000)	\$(000)
Adjustment of value of investments consequent on changes in exchange rates .. 7			127,059	Dr 6,692
Interest on investments			33,505	19,023
Excess of payments over receipts			134,436	..
			\$295,000	\$12,331
Balances at beginning of year—				
Cash		8,558		16,877
Investments (nominal value \$516,540,973)		509,787		489,137
			518,345	506,014
Excess of receipts over payments	12,331
			\$518,345	\$518,345

TRUST

		\$(000)	\$(000)	\$(000)
Receipts			1,500,509	2,303,798
Balances at beginning of year—				
Cash		11,899		8,291
Investments		35,915		26,981
			47,814	35,272
			\$1,548,323	\$2,339,070

The notes on page 2313 form part of and

FUND

PAYMENTS	Note	Year		Year
		Ended 31 March 1985	Ended 31 March 1984	Ended 31 March 1984
		\$(000)	\$(000)	\$(000)
State highways construction		62,596		51,601
State highways maintenance		120,167		108,345
Local authorities subsidised works		158,157		144,925
Purchases of land and property		4,914		3,905
Administration		22,830		21,706
General		4,302		6,685
			372,966	337,167
Unauthorised expenditure under section 28A, National Roads Act 1953			3	5
Excess of receipts over payments				6,277
			\$372,969	\$343,449
Excess of payments over receipts			6,697	..
Balance at end of year—				
Cash			8,044	14,741
			\$14,741	\$14,741

ACCOUNT

	\$(000)	\$(000)	\$(000)
Transfer to Consolidated Account		295,000	..
Excess of receipts over payments	12,331
		\$295,000	\$12,331
Balances at end of year—			
Cash	22,579		8,558
Investments (nominal value \$365,176,523)	361,330		509,787
		383,909	518,345
Excess of payments over receipts		134,436	..
		\$518,345	\$518,345

ACCOUNT

	\$(000)	\$(000)	\$(000)
Payments		1,508,976	2,291,256
Balances at end of year—			
Cash	20,817		11,899
Investments	18,530		35,915
		39,347	47,814
		\$1,548,323	\$2,339,070

should be read in conjunction with the accounts.

SUMMARY OF BALANCES

	Note	At 31 March 1985	At 31 March 1984
		\$(000)	\$(000)
Consolidated Account		117,153	108,688
Loans Account		104,604	76,621
Loans Redemption Account		1,790,992	1,104,109
National Roads Fund		8,044	14,741
Reserve Account		383,909	518,345
Suspense Account	9	886	134
Trust Account		39,347	47,814
		<u>\$2,444,935</u>	<u>\$1,870,452</u>

COMPOSITION OF BALANCES

	Note	At 31 March 1985	At 31 March 1984
		\$(000)	\$(000)
Cash		114,773	93,688
Imprests		106,792	76,794
Investments—			
In New Zealand		1,131,915	745,915
Overseas		1,091,455	954,055
		<u>\$2,444,935</u>	<u>\$1,870,452</u>

The notes on page 2313 form part of and should be read in conjunction with the accounts.

NOTES TO THE ACCOUNTS

1. Income Tax

Income tax is net of refunds, and advance payments to the Accident Compensation Corporation in respect of self-employed levies. Refunds to exporters in terms of the Income Tax Act 1976 were \$196,589,576 for 1984-85 and \$237,005,297 for 1983-84. Advance payments to Accident Compensation Corporation were \$19,726,972 for 1984-85 and \$22,478,625 for 1983-84.

2. Interest on capital liability**Energy: Oil and Gas**

In previous years the interest on capital liabilities incurred by the Oil and Gas Division of the Ministry of Energy were capitalised. The Ministry of Energy has decided to repay a portion of the capitalised interest incurred by the Oil and Gas Division. The total interest that remains outstanding at 31 March 1985 for the division is \$15,498,225.

Revolving fund

The initial capital liability of all revolving funds is determined under section 99 of the Public Finance Act 1977.

The amount shown is the interest on the capital liability which is transferred from the Trust Account, made up as follows—

Computer Services Division	\$4,420,814
Government Printing Office	\$681,127

3. Dividends and Profits—Post Office

The sum of \$62,000,000 is a dividend paid by the Post Office. The comparative balance for 1983-84 (\$3,560,000) is the profit from the Post Office Savings Bank which under the Post Office Amendment Act 1985 is now no longer required to be paid to the Public Account.

4. Miscellaneous Payments

This item includes the following payments:

- Government guarantee for \$533,373 issued in terms of section 86 (2) of the Public Finance Act 1977 in respect of Timber Stockpile Ltd.
- Reserve Bank Indemnity for \$746,187,942.
Since 1981-82 the Bank was reimbursed from Loans Account however this financial year settlement was made by Cash from the Consolidated Account. The actual or realised loss is \$197,755,536 and the balance \$548,432,406 is the Bank's estimate of potential losses on forward currency purchases.

5. Annual Appropriations—Vote Stabilisation

Payments previously made from this vote are now made as follows—

- Subsidy on milk—from Vote Agriculture and Fisheries.
- Subsidy on transport of liquid petroleum gas—from Vote Energy.

6. Ministry of Energy

The Consolidated Account receipts and payments relate only to the non-trading activities of the Ministry. The Loans Account payments relate to the portion of the Ministry's trading activities advanced from the Public Account.

7. Special Receipts**Auckland Harbour Bridge Authority**

The Auckland Harbour Bridge Authority was dissolved on 31 March 1984. Investments in property and securities have been acquired by the New Zealand Government and these are being administered by the Ministry of Works and Development.

The receipt for \$780,000 represents principal repayment of short term investments.

Christmas Island Phosphate Commission

The receipt of \$1,414,731 is the final payment received in respect of New Zealand's share of the net assets and liabilities of the Christmas Island Phosphate Commission which has now been wound up.

Government Printing Office

The receipt of \$11,969,881 is a transfer from the Government Printing Office Fund in the Trust Account being funds surplus to normal operational requirements at 31 March 1984.

Effect of 18 July 1984 Devaluation on Public Account Balances

In accordance with the particular accounting policies pertaining to Investments and to Foreign Currencies, investments of Public Account Balances were realigned to reflect the devaluation of 18 July 1984. This has resulted in an increase in investment balances of \$53,009,197 for Reserve Account investments and \$140,552,770 for other public account investments. These figures are included respectively under the items "Adjustment of value of investments consequent on changes in exchange rates" in the Reserve Account, and "Adjustment of balances consequent on changes in exchange rates" in the Consolidated Account.

Notional Tax Payments

The receipt of \$100,440,000 is a payment to the Consolidated Account in lieu of income tax from—

Government Printing Office	\$1,440,000
Post Office	\$99,000,000

Rural Banking and Finance Corporation

The repayment is in respect of an overclaim of concessions on interest for general lending in 1983-84.

8. Discount on Government Stock

This discount is the difference between the purchase price and the nominal value of Government stock purchased from the Reserve Bank of New Zealand. The nominal value of the stock is included in the Loans Redemption Account under loans repaid in New Zealand.

9. Suspense Account

As set out in the General Accounting Policy pertaining to recognition of receipts and payments the Suspense Account contains moneys received but not yet allocated to a particular fund or account.

B. V. Galvin,
Secretary to the Treasury.
2 May 1985

C. F. Sproule,
Director, Financial Management, Treasury.
2 May 1985

REPORT OF THE AUDIT OFFICE

The Audit Office, having been appointed in terms of section 25 of the Public Finance Act 1977, has audited the foregoing summary of the receipts and payments of the Public Account for the year ended 31 March 1985. In terms of section 67 of that Act, the Audit Office is of the opinion that the summary on pages 2299 to 2313 properly reflects, in accordance with the accounting policies set out on page 2299, the financial transactions of the Public Account for the year.

J. T. Chapman,
Deputy Controller and Auditor-General.
16 May 1985.