



SUPPLEMENT
TO THE
NEW ZEALAND GAZETTE
OF
THURSDAY, 19 JUNE 1986

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SUMMARY
OF THE
RECEIPTS AND PAYMENTS
OF THE
PUBLIC ACCOUNT
FOR THE
YEAR ENDED 31 MARCH 1986



This publication is a summary of the Receipts and Payments of the Public Account with supplementary statements including a statement of the Public Debt and transactions in connection therewith.

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*.
- *Appropriation and Expenditure Statements*, records moneys appropriated and expenditure relating to Votes within Public Account.
- *Statements of the Public Debt*, and transactions in connection therewith.
- *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 Impretees 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 1st day of June, September, December and 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 has been one change in respect of accounting for foreign currencies. In previous years all exchange rates were adjusted on an official revaluation and on 1 March in each year. Commencing with the 1985-86 financial year the following applied:

- all foreign exchange rates were adjusted quarterly on 1 June, 1 September, 1 December and 1 March.

All other policies have been applied on bases consistent with those used in previous years.

SUMMARY INFORMATION

TABLE 1—SUMMARY OF PUBLIC ACCOUNT OPERATIONS	Year Ended 31 March 1986			Year Ended 31 March 1985
	\$(000)	\$(000)	\$(000)	\$(000)
RECEIPTS INTO PUBLIC ACCOUNT				
Taxation—				
Consolidated Account	13,812,265			11,579,485
National Roads Fund	423,605			334,143
		14,235,870		11,913,628
Interest, dividends and profits—				
Consolidated Account	1,843,222			1,160,133
Reserve Account	39,104			33,505
		1,882,326		1,193,638
Departmental and Special Receipts—				
Consolidated Account	1,220,026			1,021,218
National Roads Fund	11,890			7,129
		1,231,916		1,028,347
Repayment of loans and advances—				
Loans Redemption Account		165,979		139,339
Changes in balances—				
Increase in advances to Imprestees	(6,317)			(29,998)
Increase in Suspense Account	1,217			752
Net receipts from Trust Account	54,429			(8,467)
		49,329		(37,713)
			17,565,420	14,237,239
PAYMENTS FROM PUBLIC ACCOUNT				
Annual appropriations—				
Consolidated Account	14,296,291			12,352,064
Loans Account	798,047			854,077
		15,094,338		13,206,141
Permanent appropriations—				
Consolidated Account ¹	3,720,687			3,496,192
Loans Account ²	4,779			2,160
National Roads Fund	405,441			372,966
		4,130,907		3,871,318
Special Payments—				
Consolidated Account	122,440			70,087
Reserve Account	59,378			(127,059)
		181,818		(56,972)
Unauthorised expenditure for services and purposes not provided for—				
Consolidated Account	29,325			241
National Roads Fund	7	29,332		3
			19,436,395	17,020,731
Deficit on operations			\$1,870,975	\$2,783,492

Footnotes:

¹Excludes contribution to the Loans Redemption Account \$282,463,008.²Excludes charges and expenses of raising loans \$343,153,000.

SECTION

TABLE 2—SUMMARY OF
PUBLIC ACCOUNT FINANCING

	Year Ended 31 March 1986		Year Ended 31 March 1985
	\$(000)	\$(000)	\$(000)
NEW BORROWING			
Loans Account			
Borrowing in New Zealand and Overseas	5,848,285		8,257,590
<i>Less purchases through capital equipment credit arrangements¹</i>	37,786		(70,032)
<i>Less charges and expenses of raising loans</i>	343,152		(403,338)
		5,467,347	7,784,220
Loans Redemption Account			
Borrowing in New Zealand and Overseas	10,663,007		7,211,305
<i>Less charges and expenses of raising and repaying loans</i>	38,752		45,989
		10,624,255	7,257,294
Net cash proceeds from new borrowing		16,091,602	15,041,514
REPAYMENTS			
Loans Redemption Account			
Repayments in New Zealand and Overseas		14,126,390	11,713,537
Net cash flow from borrowing		1,965,212	3,327,977
CHANGES IN BALANCES OF—			
Cash at bank	6,470		21,085
Investments	87,767		523,400
		94,237	544,485
		\$1,870,975	\$2,783,492

Footnotes:

¹The amount of capital equipment credit arrangements deducted is the value of goods acquired for which payment of the purchase price has been deferred.

CONSOLIDATED

RECEIPTS	Note	Year Ended 31 March 1986			Year Ended 31 March 1985
		\$(000)	\$(000)	\$(000)	\$(000)
Taxation					
Direct taxation—					
Income tax	1	10,567,241			8,348,485
Other tax	2	84,269			75,469
			10,651,510		8,423,954
Indirect taxation—					
Beer duty		225,344			208,976
Customs duty		741,533			794,596
Sales tax		1,553,599			1,561,036
Other taxation	3	640,279			590,923
			3,160,755		3,155,531
				13,812,265	11,579,485
Interest, Dividends and Profits—					
Interest on Capital Liabilities and Investments	4		1,446,733		984,731
Dividends	5		181,411		113,632
Profits	6		215,078		61,770
				1,843,222	1,160,133
Departmental Receipts	7			944,909	709,283
Total Ordinary Receipts				16,600,396	13,448,901
Special Receipts	8			275,117	311,935
Deficit for the year				1,575,693	2,401,535
				\$18,451,206	\$16,162,371
Opening balance, 1 April 1985				117,153	108,688
Transfer from Loans Account				1,580,000	2,115,000
Transfer from Reserve Account					295,000
				\$1,697,153	\$2,518,688

The notes on pages 2662 to 2675 form part of and

ACCOUNT

PAYMENTS	Note	Year Ended 31 March 1986	Year Ended 31 March 1985
		\$(000)	\$(000)
Permanent appropriations	9	4,003,150	3,714,979
Annual appropriations <i>(For details, refer to Appropriation Statement on page 2657 and the Comparative Expenditure Statement on page 2658)</i>		14,296,291	12,377,064
Unauthorised Expenditure <i>for services and purposes not provided for</i>	10	29,325	241
Total Ordinary Payments		<u>18,328,766</u>	<u>16,092,284</u>
Special Payments	11	122,440	70,087
		<u>\$18,451,206</u>	<u>\$16,162,371</u>
Deficit for the year		1,575,693	2,401,535
Closing balance, 31 March 1986		121,460	117,153
		<u>\$1,697,153</u>	<u>\$2,518,688</u>

should be read in conjunction with the accounts.

LOANS

RECEIPTS	Note	Year Ended	Year Ended
		31 March 1986	31 March 1985
		\$(000)	\$(000)
Loans raised—			
In New Zealand	12	3,876,277	5,403,302
Overseas	13	1,972,008	2,854,288
			<u>8,257,590</u>
Other Securities issued	14		276,309
			<u>\$6,124,594</u>
Opening balance, 1 April 1985			104,604
Surplus for the year			4,664,521
			<u>\$4,769,125</u>
			<u>\$8,264,503</u>

. LOANS REDEMPTION

		\$(000)	\$(000)
		\$(000)	\$(000)
Loans raised in conversion of maturing loans	17		130,196
Loans raised for the purpose of repaying loans—			
Overseas—			
Cash loans	17		1,682,732
			2,210,447
Treasury bills issued			8,980,275
Statutory contribution from Consolidated Account for the redemption of debt			282,463
Money received for repayment of loans and advances	18		165,949
Other money received			30
Discount on Government Stock purchased from the Reserve Bank of New Zealand			75,002
Deficit for the year			3,053,693
			<u>\$14,295,338</u>
Opening balance, 1 April 1985			1,790,992
Transfer from Loans Account			3,120,000
			<u>\$4,910,992</u>
			<u>\$5,889,109</u>

The notes on pages 2662 to 2675 form part of and

ACCOUNT

PAYMENTS	Note	Year Ended	
		31 March 1986	31 March 1985
		\$(000)	\$(000)
Permanent appropriations	15	347,931	405,498
Annual appropriations <i>(For details refer to Appropriation Statement on page 2657) and the Comparative Expenditure Statement on page 2658</i>		798,047	854,077
Capital equipment purchased under credit arrangements	16	37,786	70,032
Other Securities issued	14	276,309	6,913
Surplus for the year		4,664,521	6,927,983
		<u>\$6,124,594</u>	<u>\$8,264,503</u>
Transfer to Consolidated Account		1,580,000	2,115,000
Transfer to Loans Redemption Account		3,120,000	4,785,000
Closing balance, 31 March 1986		69,125	104,604
		<u>\$4,769,125</u>	<u>\$7,004,604</u>

ACCOUNT

		\$(000)	\$(000)	\$(000)
Loans converted— In New Zealand	17		130,196	273,429
Loans repaid— In New Zealand	19	2,917,345		2,974,035
Overseas		<u>2,709,080</u>		<u>3,493,819</u>
			5,626,425	6,467,854
Treasury bills redeemed			8,499,965	5,245,683
Charges and expenses of raising and repaying loans— General		8,500		..
Flexible financing facilities rollover expenses				3,475
Premium on redemption, Inflation-adjusted savings bonds		29,462		25,538
Premium on Overseas loans		<u>790</u>		..
			38,752	29,013
			<u>\$14,295,338</u>	<u>\$12,015,979</u>
Deficit for the year			3,053,693	4,098,117
Closing balance, 31 March 1986			1,857,299	1,790,992
			<u>\$4,910,992</u>	<u>\$5,889,109</u>

should be read in conjunction with the accounts.

NATIONAL ROADS

RECEIPTS	Note	Year	Year
		Ended 31 March 1986	Ended 31 March 1985
		\$(000)	\$(000)
Taxation	20	423,605	334,143
Other receipts	21	11,890	7,129
Deficit for the previous year .. .. .		..	31,697
		<u>\$435,495</u>	<u>\$372,969</u>
Opening balance, 1 April 1985		8,044	14,741
Contributions from Consolidated Account .. .. .		..	25,000
Surplus for the year		30,047	..
		<u>\$38,091</u>	<u>\$39,741</u>

RESERVE

	\$(000)	\$(000)
Adjustment of value of investments consequent on changes in exchange rates .. .. .	..	127,059
Interest on investments	39,104	33,505
Deficit for the year	20,274	..
	<u>\$59,378</u>	<u>\$160,564</u>
Opening balance, 1 April 1985	383,909	518,345
Surplus for the previous year .. .. .	..	160,564
	<u>\$383,909</u>	<u>\$678,909</u>

TRUST

	\$(000)	\$(000)
Receipts through revolving funds	334,975	141,722
Other receipts	1,016,981	1,167,978
Deficit for the previous year .. .. .	..	8,467
	<u>\$1,351,956</u>	<u>\$1,318,167</u>
Opening balance, 1 April 1985	39,347	47,814
Surplus for the year	54,429	..
	<u>\$93,776</u>	<u>\$47,814</u>

The notes on pages 2662 to 2675 form part of and

FUND

PAYMENTS	Note	Year	Year
		Ended 31 March 1986	Ended 31 March 1985
		\$(000)	\$(000)
Expenditure	22	405,441	372,966
Unauthorised expenditure under section 28A National Roads Act 1953		7	3
Surplus for the year		30,047	..
		<u>\$435,495</u>	<u>\$372,969</u>
Deficit for the previous year .. .. .		..	31,697
Closing balance, 31 March 1986		38,091	8,044
		<u>\$38,091</u>	<u>\$39,741</u>

ACCOUNT

	\$(000)	\$(000)
Adjustment of value of investments consequent on changes in exchange rates	59,378	..
Surplus for the previous year .. .. .	..	160,564
	<u>\$59,378</u>	<u>\$160,564</u>
Transfer to Consolidated Account .. .. .	..	295,000
Deficit for the year	20,274	..
Closing balance, 31 March 1986	363,635	383,909
	<u>\$383,909</u>	<u>\$678,909</u>

ACCOUNT

	\$(000)	\$(000)
Payments through revolving funds	338,554	144,117
Other payments	958,973	1,174,050
Surplus for the year	54,429	..
	<u>\$1,351,956</u>	<u>\$1,318,167</u>
Deficit for the previous year .. .. .	..	8,467
Closing balance, 31 March 1986	93,776	39,347
	<u>\$93,776</u>	<u>\$47,814</u>

should be read in conjunction with the accounts.

SUMMARY OF BALANCES

	Note	At 31 March 1986	At 31 March 1985
		\$(000)	\$(000)
Consolidated Account		121,460	117,153
Loans Account		69,125	104,604
Loans Redemption Account		1,857,299	1,790,992
National Roads Fund		38,091	8,044
Reserve Account		363,635	383,909
Suspense Account	23	2,103	886
Trust Account		93,776	39,347
		<u>\$2,545,489</u>	<u>\$2,444,935</u>

COMPOSITION OF BALANCES

	Note	At 31 March 1986	At 31 March 1985
		\$(000)	\$(000)
Cash		121,243	114,773
Imprests		113,109	106,792
Investments—	24		
In New Zealand		1,191,870	1,131,915
Overseas		1,119,267	1,091,455
		<u>\$2,545,489</u>	<u>\$2,444,935</u>

The notes on pages 2662 to 2675 form part of and

APPROPRIATION STATEMENT

Published in terms of section 65 (1) (b) of the Public Finance Act 1977

This statement records moneys appropriated to various votes in the Appropriation Act 1986, expenditure incurred through each vote, and the amount by which each vote is under-expended or over-expended.

Account and Vote	Note	Appropriation	Expenditure	Balances	
				Unissued	Issued in Excess
		\$(000)	\$(000)	\$(000)	\$(000)
CONSOLIDATED ACCOUNT					
Accident Compensation		154	185	..	31
Agriculture and Fisheries		312,088	298,860	13,228	..
Audit		10,450	10,263	187	..
Broadcasting		230	230	..	..
Building Performance Guarantee Corporation		20	21	..	1
Commission for the Environment		1,904	1,968	..	64
Crown Law		4,014	3,627	387	..
Customs		42,528	41,051	1,477	..
Defence		911,575	870,456	41,119	..
Education		2,043,730	2,028,416	15,314	..
Energy (part vote)		123,820	107,147	16,673	..
Foreign Affairs		230,485	230,925	..	440
Forest Service		336,967	333,939	3,028	..
Government Life Insurance Corporation		50	37	13	..
Government Printing Office		3,010	3,008	2	..
Health		2,339,939	2,312,476	27,463	..
Housing Corporation (Programmes I and II)		290,000	286,029	3,971	..
Inland Revenue		118,940	115,097	3,843	..
Internal Affairs		114,543	111,107	3,436	..
Justice		196,656	201,616	..	4,960
Labour		476,775	460,628	16,147	..
Lands and Survey		127,295	118,716	8,579	..
Maori Affairs		85,841	87,251	..	1,410
Ombudsmen	25	964	912	52	..
Parliamentary Service	25	15,998	15,969	29	..
Police		242,415	248,192	..	5,777
Post Office (part vote)		6,255	4,527	1,728	..
Prime Minister's Department		2,616	2,464	152	..
Privacy Commissioner	25	103	81	22	..
Railways		105	90	15	..
Rural Banking and Finance Corporation (Programmes I and II)		89,208	89,204	4	..
Scientific and Industrial Research		128,972	125,556	3,416	..
Security Intelligence Service		5,448	5,437	11	..
Social Welfare		5,370,353	5,363,389	6,964	..
State Services Commission		99,498	109,844	..	10,346
Statistics		31,699	31,648	51	..
Tourist and Publicity		43,747	45,829	..	2,082
Trade and Industry		80,289	76,003	4,286	..
Transport		304,687	300,050	4,637	..
Treasury		19,166	20,164	..	998
Valuation		15,760	15,831	..	71
Women's Affairs	25	563	409	154	..
Works and Development		220,256	217,639	2,617	..
Total, Consolidated Account		\$14,449,116	\$14,296,291	\$179,005	\$26,180
LOANS ACCOUNT					
Capital Participation in Crown and other organisations		60,100	3,201	56,899	..
Energy (part vote)		230,600	197,900	32,700	..
Housing Corporation (Programmes III to V)		217,550	217,550	..	..
Post Office		299,396	299,396	..	..
Rural Banking and Finance Corporation (Programme III)		80,000	80,000	..	..
Total, Loans Account		\$887,646	\$798,047	\$89,599	..

should be read in conjunction with the accounts.

COMPARATIVE EXPENDITURE STATEMENT

CONSOLIDATED ACCOUNT	Note	1986 \$(000)	1985 \$(000)
Accident Compensation		185	119
Agriculture and Fisheries		298,860	635,955
Audit		10,263	7,072
Broadcasting		230	187
Building Performance Guarantee Corporation		21	19
Commission for the Environment		1,968	1,339
Crown Law		3,627	2,859
Customs		41,051	34,685
Defence		870,456	756,408
Education		2,028,416	1,746,868
Energy (part vote)		107,147	110,729
Foreign Affairs		230,925	201,237
Forest Service		333,939	369,687
Government Life Insurance Corporation		37	32
Government Printing Office		3,008	11,410
Health		2,312,476	1,914,293
Housing Corporation (Programmes I and II)		286,029	171,217
Inland Revenue		115,097	73,436
Internal Affairs		111,107	77,075
Justice		201,616	153,871
Labour		460,628	454,970
Lands and Survey		118,716	148,446
Maori Affairs		87,251	67,373
Ombudsmen	25	912	736
Parliamentary Service	25	15,969	11,904
Police		248,192	196,978
Post Office (part vote)		4,527	9,148
Prime Minister's Department		2,464	2,094
Privacy Commissioner	25	81	53
Railways		90	87
Rural Banking and Finance Corporation (Programmes I and II)		89,204	27,875
Scientific and Industrial Research		125,556	105,124
Security Intelligence Service		5,437	4,589
Social Welfare		5,363,389	4,386,995
State Services Commission		109,844	65,620
Statistics		31,648	17,861
Tourist and Publicity		45,829	30,042
Trade and Industry		76,003	66,387
Transport		300,050	257,165
Treasury		20,164	14,574
Valuation		15,831	14,319
Women's Affairs	25	409	..
Works and Development		217,639	226,226
Total, Consolidated Account		<u>\$14,296,291</u>	<u>\$12,377,064</u>
LOANS ACCOUNT			
Capital Participation in Crown and other organisations		3,201	156,487
Energy (part vote)		197,900	233,290
Housing Corporation (Programmes III to V)		217,550	289,300
Post Office		299,396	..
Rural Banking and Finance Corporation (Programme III)		80,000	175,000
Total, Loans Account		<u>\$798,047</u>	<u>\$854,077</u>

The notes on pages 2662 to 2675 form part of and

STATEMENTS OF THE PUBLIC DEBT OF NEW ZEALAND

These statements summarise the total amount outstanding in respect of loans raised by the Crown. The statements do not include the proceeds of any loans raised by organisations in their own names where the proceeds have been credited to any account other than the Public Accounts, e.g., loans raised by the New Zealand Railways Corporation, or loans raised by the Petroleum Corporation of New Zealand Ltd.

SUMMARY OF OUTSTANDING LOANS CHARGED ON THE PUBLIC REVENUES OF NEW ZEALAND

Published in terms of section 65 (1) (d) of the Public Finance Act 1977

Maturing Year Ending 31 March	Note	As at 31 March 1986 \$(000)		As at 31 March 1985 \$(000)	
		New Zealand	Overseas	New Zealand	Overseas
1986		..	..	2,295,239	1,217,990
1987		2,146,530	1,440,369	1,908,799	854,938
1988		2,069,787	1,415,378	2,069,834	1,951,383
1989		3,008,684	918,284	3,008,693	744,688
1990		945,069	1,631,743	625,169	1,312,160
1991		1,869,662	1,094,766	968,866	759,824
1992		1,526,894	1,860,376	660,766	1,105,678
1993		1,080,703	1,158,082	1,080,707	773,640
1994		773,755	373,282	249,358	307,187
1995		994,644	1,735,236	714,844	2,916,862
1996		456,100	380,228	..	..
1998		..	564,653	..	..
2000		85,000	..	85,000	..
2001		..	950,570	..	..
2002		125,000	..	125,000	..
2006		..	380,228	..	..
2009		..	266,798	..	239,183
2011		..	285,171	..	..
2015		..	271,033	..	225,961
Infl. Bonds	26	726,897	..	788,869	..
Kiwi Bonds		241,945	..	..	..
Kiwi Sav. Stock		354,389	..	645,546	..
Our N.Z. Bonds		40,762	..	76,167	..
Prem. Stock		50,248	..	234,280	..
Tsy. Bills		779,980	..	299,670	..
Totals	27	17,276,049	14,726,197	15,836,807	12,409,494
		<u>\$32,002,246</u>		<u>\$28,246,301</u>	

should be read in conjunction with the accounts.

DETAILS OF OVERSEAS DOMICILED PUBLIC DEBT AT 31 MARCH 1986

\$(000)

<i>Maturing Year Ending 31 March</i>	Total	<i>£Stg.</i>	<i>Deutsche- mark</i>	<i>Dutch Guilders</i>	<i>Japanese Yen</i>	<i>US\$</i>	<i>Swiss Francs</i>	<i>Aust.\$</i>	<i>Can.\$</i>	<i>Misc.</i>
1987	1,440,369	77,961	206,179	30,189	105,561	874,735	132,852	2,825	6,038	4,029
1988	1,415,378	329,758	259,225	30,189	524,488	23,769	233,811	1,441	6,039	6,658
1989	918,284	32,804	174,125	30,188	415,404	17,247	239,869	658	6,039	1,950
1990	1,631,743	295,013	301,774	75,471	586,563	12,774	359,001	..	..	1,147
1991	1,094,766	8,361	46,477	..	699,551	6,379	134,577	..	..	199,421
1992	1,860,376	7,951	429,423	..	656,703	480,103	285,896	..	..	300
1993	1,158,082	47,929	1,942	..	611,805	750	297,007	..	..	198,649
1994	373,282	2,864	..	..	309,842	..	60,576	..	..	..
1995	1,735,236	..	..	..	669,573	950,570	115,093	..	..	..
1996	380,228	..	..	..	..	380,228	..	..	..	..
1998	564,653	564,653	..	..	..	..	..	..	..	..
2001	950,570	..	..	..	..	950,570	..	..	..	..
2006	380,228	..	..	..	..	380,228	..	..	..	..
2009	266,798	266,798	..	..	..	..	..	..	..	..
2011	285,171	..	..	..	..	285,171	..	..	..	..
2015	271,033	271,033	..	..	..	..	..	..	..	..
	14,726,197	1,905,125	1,419,145	166,037	4,579,490	4,362,524	1,858,682	4,924	18,116	412,154

CHANGES IN THE PUBLIC DEBT FOR THE YEAR ENDED 31 MARCH 1986

	Outstanding 31 March 1986	Outstanding 31 March 1985	+ Increase - Decrease
	\$(000)	\$(000)	\$(000)
External debt—			
Pounds Sterling	1,905,125	1,659,084	+ 246,041
Deutsche mark	1,419,145	1,454,096	- 34,951
Dutch Guilders	166,037	151,489	+ 14,548
Japanese Yen	4,579,490	3,820,598	+ 758,892
United States dollars	4,362,524	3,416,701	+ 945,823
Swiss Francs	1,858,682	1,849,618	+ 9,064
Australian dollars	4,924	10,517	- 5,593
Canadian dollars	18,116	28,604	- 10,488
Miscellaneous	412,154	18,787	+ 393,367
Internal debt—			
Long-term debt	16,496,069	15,537,137	+ 958,932
Floating debt	779,980	299,670	+ 480,310
Total	32,002,246	28,246,301	+ 3,755,945

The notes on pages 2662 to 2675 form part of and

**TRANSACTIONS IN CONNECTION WITH THE PUBLIC DEBT FOR THE YEAR
ENDED 31 MARCH 1986**

	\$(000)										
	New Zealand	Overseas	£Stg.	Deutsche- mark	Dutch Guilders	Japanese Yen	US\$	Swiss Francs	Aust.\$	Can.\$	Misc.
Loans raised (gross value)—											
For general purposes	3,876,277	1,934,222	261,301	..	..	261,620	1,085,939	..	..	..	325,362
Capital equipment credit arrangements	..	37,786	4,029	6,499	..	8,589	18,669	..	..	..	..
For repayment of loans (incl. Tsy Bills)	8,980,275	1,682,732	274,952	..	..	..	1,407,780	..	..	..	..
Total. loans raised	12,856,552	3,654,740	540,282	6,499	..	270,209	2,512,388	..	..	..	325,362
Loans repaid—											
For general repayments (incl. Tsy Bills)	11,417,310	2,610,841	552,773	375,760	30,189	319,379	891,523	439,425	..	..	1,792
Capital equipment credit arrangements	..	96,404	38,447	..	..	18,382	26,900	1,287	4,106	6,063	1,219
IBRD	..	1,835	..	..	..	..	..	..	..	..	1,835
Total. loans repaid	11,417,310	2,709,080	591,220	375,760	30,189	337,761	918,423	440,712	4,106	6,063	4,846
Increase (decrease) in debt due to—											
1 June 1985 realignment	..	693,693	303,176	147,212	16,448	98,187	(68,644)	197,067	(643)	(79)	969
1 September 1985 realignment	..	(1,442,709)	(137,025)	(113,368)	(11,631)	(456,524)	(601,390)	(91,921)	(901)	(4,181)	(25,768)
1 December 1985 realignment	..	343,482	(13,089)	45,341	5,104	433,521	(176,788)	45,962	(434)	(1,379)	5,244
1 March 1986 realignment	..	1,776,577	143,917	255,125	34,816	751,260	198,680	298,668	491	1,214	92,406
Net increase (decrease) during the year	1,439,242	2,316,703	246,041	(34,951)	14,548	758,892	945,823	9,064	(5,593)	(10,488)	393,367
Public debt at 1 April 1985	15,836,807	12,409,494	1,659,084	1,454,096	151,489	3,820,598	3,416,701	1,849,618	10,517	28,604	18,787
Public debt at 31 March 1986	17,276,049	14,726,197	1,905,125	1,419,145	166,037	4,579,490	4,362,524	1,858,682	4,924	18,116	412,154
	\$32,002,246										

should be read in conjunction with the accounts.

NOTES TO THE ACCOUNTS

1. Income Tax

Details of income tax are as follows:

	1986	1985
	\$(000)	\$(000)
Company	1,270,079	1,112,873
Fringe benefit tax	104,164	..
Individuals	9,107,421	7,184,835
Miscellaneous	85,577	50,777
	<u>\$10,567,241</u>	<u>\$8,348,485</u>

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 \$200,593,699 for 1985-86 and \$196,589,576 for 1984-85.

Advance payments to Accident Compensation Corporation were \$23,081,931 for 1985-86 and \$19,726,972 for 1984-85.

At 31 March 1986, the amount paid to the Corporation for which the Inland Revenue Department has not recovered payment from self-employed taxpayers was \$1,220,591.

2. Other Direct Taxation

Details of other direct taxation are as follows:

Estate and gift duty	28,417	31,738
Land tax	55,852	43,731
	<u>\$84,269</u>	<u>\$75,469</u>

3. Other Indirect Taxation

Details of other indirect taxation are as follows:

Domestic air travel tax	17,772	13,853
Duties payable by racing clubs	69,773	66,945
Energy resources levy	72,124	52,862
Film hire tax	421	1,371
less refunds	3,173	..
	<u>(2,752)</u>	..
International departure tax	16,694	15,557
Mileage tax .. .. .	..	4
Motor spirits tax	210,851	227,786
less refunds	2,199	(3,009)
	<u>208,652</u>	..
Motor vehicles, fees and charges	121,467	101,931
Stamp duties	136,549	113,623
	<u>\$640,279</u>	<u>\$590,923</u>

4. Interest on Capital Liabilities and Investments

Under section 99 of the Public Finance Act 1977, any money advanced from the Public Account to a government agency constitutes a capital liability of that agency upon which interest is paid at a rate or rates as determined by the Minister of Finance. This table accordingly discloses the moneys received by way of interest. Interest received on Public Account investments and on other loans is also disclosed in the table.

	1986	1985
	\$(000)	\$(000)
On capital liability—		
Air New Zealand Ltd.	560	150
Development Finance Corporation of New Zealand	192	339
Energy: Electricity	359,712	252,219
Energy: Mines	55,791	27,738
Energy: Oil and gas	48,517	25,000
Housing	118,023	88,893
Housing Corporation of New Zealand	297,272	209,846
Lands and Survey	9,758	9,379
Maori Affairs	20,466	19,261
Natural Gas Corporation of New Zealand Ltd.	..	2,670
New Zealand Railways Corporation	3,080	4,850
Post Office	104,973	69,409
Revolving funds—		
Computer Services Division	9,621	4,421
Government Printing Office	2,321	681
Rural Banking and Finance Corporation of New Zealand	302,480	193,950
Tourist Hotel Corporation of New Zealand	3,140	..
	1,335,906	908,806
On other public money—		
New Zealand's investment in—		
Winstone-Samsung Industries Ltd.	1,537	1,225
Investments made in respect of the—		
Trust Account	352	334
Loans Account	3,892	14,222
Loans Redemption Account	57,933	47,244
Public Account Cash Balance Investment Account	5,038	10,664
On advances to—		
New Zealand Steel Ltd.	4,029	1,010
New Zealand Steel Development Ltd.	7,900	..
Petroleum Corporation of New Zealand Ltd.	28,431	..
Loans and advances to hospitals, local authorities, etc.	1,546	999
Loans to local authorities for harbour projects (IBRD loans)	169	227
	110,827	75,925
	\$1,446,733	\$984,731

5. Dividends

The following amounts were received by way of dividends during the 2 years:

Air New Zealand Ltd.	85,000	18,000
Bank of New Zealand	16,000	13,000
Development Finance Corporation of New Zealand	2,700	2,700
Fletcher Challenge Ltd.	1	1
Government Printing Office	564	..
Petroleum Corporation of New Zealand Ltd.	..	14,000
Post Office	76,988	62,000
Tourist Hotel Corporation of New Zealand	158	..
Winstone-Samsung Industries Ltd.	..	3,931
	\$181,411	\$113,632

6. Profits

The following profits were received during the 2 years:

Housing Corporation of New Zealand	9,759	10,210
Reserve Bank of New Zealand	199,821	45,146
Rural Banking and Finance Corporation of New Zealand	5,498	6,414
	\$215,078	\$61,770

7. Departmental Receipts

This note discloses the total amounts paid into the Consolidated Account to the credit of each department.

	1986	1985
	\$(000)	\$(000)
Agriculture and Fisheries	36,151	59,274
Audit	5,590	4,407
Commission for the Environment	15	3
Crown Law	9	18
Customs	2,444	1,798
Defence	18,310	11,337
Education	18,161	18,221
Energy (part vote)	154,559	13,863
Foreign Affairs	4,698	4,666
Forest Service	196,110	159,081
Health	3,461	2,996
Inland Revenue	5,014	3,498
Internal Affairs	9,691	8,005
Justice	74,976	68,712
Labour	4,125	2,477
Lands and Survey	70,758	99,759
Maori Affairs	51,079	42,648
Parliamentary Service	5	6
Police	4,738	5,774
Post Office (part vote)	69	183
Prime Minister's Department	2	3
Scientific and Industrial Research	13,264	11,547
Social Welfare	37,533	34,250
State Services Commission	9,162	5,055
Statistics	546	336
Tourist and Publicity	10,684	8,719
Trade and Industry	63,353	21,495
Transport	110,618	84,386
Treasury	7,677	5,321
Valuation	7,865	5,271
Women's Affairs	3	..
Works and Development	24,239	26,174
	<u>\$944,909</u>	<u>\$709,283</u>

8. Special Receipts

The following are details of this category of receipts:

	1986	1985
	\$(000)	\$(000)
Auckland Harbour Bridge Authority	2,246	780
<p>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 receipts represent principal repayment of short term investments.</p>		
Capital gains on realisation of investments (net)	27,010	7,093
<p>These are the net gains offset by losses made on the realisation of the investment of Public Account balances, etc.</p>		
Christmas Island Phosphate Commission		1,415
Government Printing Office		11,970
Movements in Currency Values		
<p>Public Finance Act 1977, section 100—</p>		
<p>Adjustment to Imprest Account balances and value of investments consequent on changes in exchange rates (Additional information is contained in Note 28).</p>		
Imprest Account Balances	3,466	11,256
Investments	130,149	177,620
Notional tax payments	110,424	100,440
<p>The receipts are payments to the Consolidated Account in lieu of Income Tax from—</p>		
Government Printing Office	\$ 2,042,000	
Post Office	\$108,382,000	
Rural Banking and Finance Corporation	1,822	755
<p>The repayment is in respect of an overclaim of concessions on interest for general lending in 1984-85.</p>		
Reserve Bank—Surplus on agency transactions with I.M.F.		606
	<u>\$275,117</u>	<u>\$311,935</u>

9. Payments Under Permanent Appropriations—Consolidated Account

Details of permanent appropriations paid from the Consolidated Account are as follows:

	1986	1985
	\$(000)	\$(000)
CIVIL LIST		
His Excellency the Governor-General—		
Salary	77	49
Other expenses	540	413
	<u>617</u>	<u>462</u>
Executive Council and Ministers—		
Salaries	1,695	1,277
Allowances	165	4
	<u>1,860</u>	<u>1,281</u>
Parliamentary Under-Secretaries—		
Salaries	387	198
Allowances	34	1
	<u>421</u>	<u>199</u>
Mr Speaker, House of Representatives—		
Salary	86	56
Allowances	4	21
	<u>90</u>	<u>77</u>
Chairman of Committees—		
Salary	77	45
Allowances	6	11
	<u>83</u>	<u>56</u>
Leader of the Opposition—		
Salary	89	57
Allowances	11	11
	<u>100</u>	<u>68</u>
Members of the House of Representatives—		
Salaries	3,920	2,334
Allowances	509	912
	<u>4,429</u>	<u>3,246</u>
Annuity to former Governor-General	28	11
Annuity to widows of former Prime Ministers	3	6
Annuity to former Prime Minister	5	2
	<u>36</u>	<u>19</u>
	<u>\$7,636</u>	<u>\$5,408</u>

DEBT SERVICES

Administration and management—		
Charges and expenses of raising and repaying loans	23,280	23,930
Management charges	14,310	8,661
	<u>37,590</u>	<u>32,591</u>
Contribution to Loans Redemption Account		<u>282,463</u>
Interest—		
In New Zealand	2,275,953	1,633,225
Overseas	1,026,427	896,808
	<u>3,302,380</u>	<u>2,530,033</u>
	<u>\$3,622,433</u>	<u>\$2,781,411</u>

9. Payments Under Permanent Appropriations—Consolidated Account—continued

	1986	1985
	\$(000)	\$(000)
SUPERANNUATION		
Contribution to Government Superannuation Fund	180,748	129,254
Subsidy to Parliamentary Superannuation Account	470	373
Judges retiring allowances, annuities, and refunds of contributions	1,047	646
Contributions to other superannuation schemes	75	69
Contributions on refunds and transfer values	3,207	77
Parliamentarians retiring allowances, annuities and refunds of contributions	210	452
	<u>185,757</u>	<u>130,871</u>
MISCELLANEOUS		
Subsidy to National Provident Fund	9,588	9,244
Land Settlement interest on capital liability	30,224	28,640
Payment in respect of land and improvements, etc.	1,008	2,038
Annual payments to Maori Trust Boards	64	64
Contributions to national superannuation schemes	1,812	1,635
Coal Mines Amendment Act 1979 section 28—		
Payments to public authorities entitled	5	3
Exemptions from taxation, etc.	337	237
Grants for Maori purposes	14	14
Mining Act 1971—		
Grants to local authorities	334	331
Payments to parties entitled	31	24
Payments in terms of guarantees on loans to industry, etc.—		
Public Finance Act 1977, section 86 (2)—		
Development Finance Corporation of New Zealand	27,139	..
Timber Stockpile Ltd. .. .. .	..	533
Other Acts	286	207
Reserve Bank Indemnity	104,290	746,188
Salaries of—		
Chief Judge and Judges of the Maori Land Court	650	418
Controller and Auditor-General and Deputy	170	106
District Court Judges	6,244	3,868
Family Court Judges	1,415	1,095
Judges of Arbitration Court and of Compensation Court	311	215
Judges of Court of Appeal and High Court	3,233	2,298
Ombudsmen	169	131
	<u>187,324</u>	<u>797,289</u>
Total, Consolidated Account Permanent Appropriations	<u>\$4,003,150</u>	<u>\$3,714,979</u>

10. Unauthorised Expenditure—for services and purposes not provided for—

Vote—Agriculture and Fisheries—		
Adjustment assistance payment to the Wine Industry	7,054	..
Vote—Trade and Industry—		
Reimbursement to New Zealand Steel Development for payments made on liabilities acquired by the Crown	22,271	..
	<u>29,325</u>	..

Special Payments

11. Gains/Losses obtained through currency conversion

Gains/Losses on currency conversion arise through either:
 —the conversion of public money from NZ\$ to another currency (and vice versa).
 —the recording in NZ currency of public money or of any part of the public debt that is held in a currency other than NZ\$

The following amounts relate to exchange transactions in connection with—

Imprest	7,029	(2,016)
Investments .. .. .	..	7,368
Public debt	115,411	64,735
	<u>122,440</u>	<u>70,087</u>

12. Loans Raised in New Zealand

The following are details of loans raised in New Zealand during the year:

	1986		1985
	\$(000)	\$(000)	\$(000)
Inflation adjusted Savings Bonds			117,202
Kiwi Savings Stock—			
17 percent 15 July 1987	13,259		
17 percent 15 November 1987	11,039		
17 percent 15 July 1989	13,862		
17 percent 15 November 1989	11,288		
		49,448	86,486
Kiwi Bonds—			
16.5 percent various	2,697		
17.5 percent various	38,407		
18.5 percent various	103,353		
19.5 percent various	72,197		
20 percent various	25,291		
		241,945	
Our New Zealand Bonds			78,809
Special Issues—			
16 percent 15 March 1987	9,000		
16 percent 15 September 1989	19,900		
10 percent 15 May 1990	46,000		
10 percent 15 September 1990	106,000		
16 percent 15 October 1990	11,400		
16 percent 15 March 1991	37,400		
16 percent 15 June 1991	11,000		
16 percent 15 October 1991	75,100		
16 percent 15 August 1993	74,400		
16 percent 15 July 1994	9,800		
16 percent 15 April 1995	31,100		
		431,100	1,079,819
Tender Stock—			
16 percent 15 March 1987	228,750		
16 percent 15 September 1989	300,000		
16 percent 15 October 1990	250,000		
16 percent 15 March 1991	450,000		
16 percent 15 June 1991	150,000		
16 percent 15 October 1991	630,034		
16 percent 15 August 1993	450,000		
16 percent 15 July 1994	270,000		
16 percent 15 April 1995	425,000		
		3,153,784	4,040,986
		\$3,876,277	\$5,403,302

13. Loans Raised Overseas

Loans raised overseas during the year are as follows:

	1986		1985
	\$(000)	\$(000)	\$(000)
Cash Loans—			
Euroyen bridging facility			
Yen 30,000,000,000			
Var percent 12 April 1986	261,620		
European currency unit (Tranche A)			
ECU 100,000,000			
9.25 percent 12 June 1990	162,681		
European currency unit (Tranche B)			
ECU 100,000,000			
9.5 percent 12 June 1992	162,681		
Eurodollar Bond issue (Tranche A)			
US\$200,000,000			
10.25 percent 16 July 1995	412,116		
Eurosterling Floating Rate Notes			
Stg. £100,000,000			
Var. percent 14 August 1997	261,301		
Eurodollar Bond issue (Tranche B)			
US\$150,000,000			
10.5 percent 16 July 2000	309,087		
Eurodollar Floating Rate Notes			
US\$350,000,000			
Var. percent 4 February 2001	14,657		
Yankee Bond issue			
US\$200,000,000			
10.625 percent 15 November 2005	350,079		
		1,934,222	2,800,656
Capital equipment credit arrangements—			
11 percent 20 June 1989	18,289		
11 percent 11 September 1990	4,029		
7.75 percent 26 June 1991	8,588		
Var. percent 22 July 1992	6,880		
		37,786	53,632
		\$1,972,008	\$2,854,288

	1986	1985
	\$(000)	\$(000)
14. Other Securities Issued		
Details of these are as follows:		
Securities issued Asian Development Bank— Non-negotiable, non-interest bearing notes	1,724	2,083
Securities issued I.B.R.D.— Non-negotiable, non-interest bearing notes	4,208	4,830
Securities issued to International Monetary Fund— Non-negotiable, non-interest bearing notes	270,377	..
	<u>\$276,309</u>	<u>\$6,913</u>

15. Permanent Appropriations, Loans Account

The following are details of payments made by way of permanent appropriation from the Loans Account:

Subscription to Asian Development Bank	1,149	1,401
Subscription to IBRD	468	539
Subscription to International Monetary Fund	2	..
Encashment of securities—Asian Development Bank	3,000	100
Encashment of securities—IBRD	160	120
Charges and expenses of raising loans— In New Zealand—		
Discounts on tender stock	332,044	317,424
Discounts on special issues .. .. .	..	28,160
	<u>332,044</u>	<u>345,584</u>
Overseas—		
Commissions	7,817	40,760
Discounts	3,291	16,994
	<u>11,108</u>	<u>57,754</u>
	<u>343,152</u>	<u>403,338</u>
	<u>\$347,931</u>	<u>\$405,498</u>

16. Capital equipment purchased under credit arrangements

The following are details of drawings made during the year by departments under various capital equipment credit arrangements:

Defence	6,879	24,217
Energy: Electricity	18,289	17,841
Post Office	12,618	27,974
	<u>\$37,786</u>	<u>\$70,032</u>

17. Loans Raised in Conversion of Maturing Loans, Loans Converted, and Loans Raised for the Purpose of Repaying Loans

These are as follows:

	Maturity Year Ending 31 March	New Zealand \$(000)	Overseas \$(000)
Loans raised in conversion of maturing loans—			
	1986	107,196	..
	1987	23,000	..
		<u>130,196</u>	..
Loans converted—			
	1986	107,196	..
	1987	23,000	..
		<u>130,196</u>	..
Loans raised for the purpose of repaying loans—			
	1992	..	471,451
	1998	..	274,952
	2001	..	639,182
	2011	..	297,147
		..	<u>1,682,732</u>
		1986	1985
	\$(000)	\$(000)	\$(000)
18. Money Received for Repayment of Loans and Advances			
Details are as follows:			
Capital Equipment Credit Arrangements—			
Energy: Electricity	34,548		32,576
Energy: Mines	709		749
New Zealand Railways Corporation	14,652		18,327
Post Office	24,433		11,334
Vote Defence	20,177		20,667
Vote Foreign Affairs	419		476
Vote Health	861		775
Vote State Services Commission .. .. .	..		247
Vote Transport (Airport Development)	605		725
		<u>96,404</u>	<u>85,876</u>
IBRD Loans—			
Harbour Boards	891		815
New Zealand Railways Corporation	944		974
		<u>1,835</u>	<u>1,789</u>
Other Loans and Advances—			
Air New Zealand Ltd.	1,000		..
Development Finance Corporation of New Zealand .. .. .	..		417
Energy: Electricity	26,993		26,569
Energy: Geothermal .. .. .	..		10,000
Natural Gas Corporation of New Zealand Ltd. .. .. .	..		4,671
New Zealand Steel Ltd.	6,000		..
Petroleum Corporation of New Zealand Ltd.	30,655		..
Tourist Hotel Corporation of New Zealand	1,062		..
Winstone-Samsung Industries Ltd.	2,000		10,000
		<u>67,710</u>	<u>51,657</u>
		<u>\$165,949</u>	<u>\$139,322</u>

20. Taxation, National Roads Fund

Taxation paid into this Fund during the year are as follows:

	1986	1985
	\$(000)	\$(000)
Motor spirits duty	195,822	163,331
Less refunds	6,574	5,737
	189,248	157,594
Road user charges	225,169	185,151
Less refunds	14,649	21,053
	210,520	164,098
Mileage tax		2
Sales tax on compressed natural gas	14,479	8,988
Less refunds	361	161
	14,118	8,827
Sales tax on liquefied petroleum gas	10,905	4,238
Less refunds	1,188	626
	9,717	3,612
	\$423,605	\$334,143

21. Other Receipts, National Roads Fund

These are as follows—

Interest	215	176
Miscellaneous	1,418	1,801
Receipts from land and property	10,257	5,152
	\$11,890	\$7,129

22. Expenditure, National Roads Fund

State highways construction	54,936	62,596
State highways maintenance	143,012	120,167
Local authorities subsidised works	170,287	158,157
Purchases of land and property	4,647	4,914
Administration	26,565	22,830
General	5,994	4,302
	\$405,441	\$372,966

23. 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.

24. Investments—Public Account Balances

Investments held in New Zealand increased by \$59,955,000 and those held overseas increased by \$27,812,000. The following table summarises, by currency, investment holdings for year ended 31 March 1986 and corresponding period in 1985:

<i>Currency</i>		
Australian dollar	2,003	1,672
Canadian dollar	10,308	10,617
Deutschemark	46,891	35,645
Dutch Guilder	34,327	25,289
French franc	255	1,731
Japanese yen	522,271	509,967
Pound sterling	97,841	81,397
Swiss franc		3,139
United States dollar	405,371	421,998
Total Overseas	1,119,267	1,091,455
New Zealand dollar	1,191,870	1,131,915
Total Investments held	\$2,311,137	\$2,223,370

25. Appropriation and Comparative Expenditure Statements

Expenditure for the following Votes was previously made from—

Ombudsmen—from Vote Legislative

Privacy Commissioner—from Vote Legislative

Women's Affairs—from Vote State Services Commission

Parliamentary Service—replaced Legislative Department from 1 October 1985.

26. The Public Debt of New Zealand—Inflation-adjusted Savings Bonds

This figure does not include the sum of \$371,017,411 being the assessment by the Reserve Bank of New Zealand of the obligation at 31 March 1986 in respect of the premium on redemption.

27. Public Debt—New Zealand Steel Development Ltd.

In addition to the Public Debt, the Crown has by agreement with New Zealand Steel Ltd. and New Zealand Steel Development Ltd. assumed responsibility from 30 September 1985 for meeting the interest, principal and other charges on a number of loans raised by New Zealand Steel Ltd. The following table shows the projected repayments of principal on these loans:

Maturing Year Ending 31 March	Currency (\$000)						
	New Zealand	Overseas	£Stg	Norweg. Kron	Yen	US\$	Swiss Franc
1987	..	25,551	19,645	4,669	..	722	515
1988	..	25,036	19,645	4,669	..	722	..
1989	..	138,565	19,645	4,669	..	114,251	..
1990	..	141,501	19,645	4,669	2,936	114,251	..
1991	..	144,436	19,645	4,669	5,871	114,251	..
1992	..	120,122	..	..	5,871	114,251	..
1993	123,000	119,761	..	..	5,871	113,890	..
1994	..	10,332	..	..	5,871	..	4,461
1995	..	21,854	..	..	17,393	..	4,461
1996	..	4,461	..	..	..	..	4,461
1997	..	54,216	..	..	..	..	54,216
Total	123,000	805,835	98,225	23,345	43,813	572,338	68,114
		<u>\$928,835</u>					

28. Movements in Currency Values

In accordance with the Particular Accounting Policy adopted in respect of foreign currencies exchange rates were officially realigned on 1 March 1986. The New Zealand dollar values of overseas public debt, investments, and cash holdings were adjusted accordingly. There were also several individual alterations during the year which necessitated adjustment to the New Zealand dollar values of the overseas investments and cash holdings concerned.

The total net increase in the public debt of **\$1,776,577,000** arising from 1 March 1986 realignment consisted of:

	Realignment 1 March 1986	
	Increase \$(000)	Decrease \$(000)
Loans denominated in—		
Australian dollar	491	..
Canadian dollar	1,214	..
Deutschemark	255,125	..
European currency unit	90,550	..
French franc	1,175	..
Indian rupee	465	..
Japanese yen	751,260	..
Dutch guilder	34,816	..
Pound sterling	143,917	..
Swiss franc	298,668	..
United States dollar	198,680	..
	<u>1,776,361</u>	..
IBRD loans (various currencies)	216	..
Net increase .. .. .	..	1,776,577
	<u>\$1,776,577</u>	<u>\$1,776,577</u>

The total net increase of **\$29,329,000** in the overseas investments consisted of:

	Realignment 1 March 1986	
	Increase \$(000)	Decrease \$(000)
Investments denominated in—		
Canadian dollar	465	..
Deutschemark	2,826	..
Dutch guilder	2,594	..
French franc	14	..
Japanese yen	9,483	..
Pound sterling	6,181	..
Swiss franc	478	..
United States dollar	7,288	..
	<u>29,329</u>	..
Net Increase .. .. .	..	29,329
	<u>\$29,329</u>	<u>\$29,329</u>

B. V. Galvin,
Secretary to the Treasury.
30 April 1986

R. C. W. Hamilton,
Director, Financial Management, Treasury.
30 April 1986

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 summary of the receipts and payments for the year ended 31 March 1986 as required by section 67 of that Act.

In the opinion of the Audit Office, The Summary of the Receipts and Payments appearing on pages 2648 to 2675 properly reflects, in accordance with the statement of accounting policies on page 2647 the balance of the public debt outstanding as at 31 March 1986 and the transactions of the Public Account for the year ended on that date.

J. W. Cameron,
Deputy Controller and Auditor-General.
14 May 1986.