



# SUPPLEMENT

TO THE

# NEW ZEALAND GAZETTE

OF

THURSDAY, 5 MARCH 1987

*Published by Authority*

---

WELLINGTON: WEDNESDAY, 11 MARCH 1987

---

## SUMMARY

OF THE

## RECEIPTS AND PAYMENTS

OF THE

## PUBLIC ACCOUNT

FOR THE

NINE MONTHS ENDED 31 DECEMBER 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 issues and redemptions of Treasury bills, sovereign note and medium term notes, and transactions effected under currency swap arrangements.
- *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 Statement*, 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.

- 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 the actual bank rate for each foreign currency.

All rates are adjusted on an official revaluation and on 1st day of June, September, December and March in each year.

An exception to the general rule is made for receipts and payments in respect of the Sovereign Note Program. In this case the aggregate results of transactions for each month are converted into New Zealand currency at the actual bank rate prevailing on the last working day of the month.

#### Investments

Investments of Public Account Balances are recorded at cost price in foreign currency and converted at the actual bank rate into New Zealand dollars. 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. Previously these were 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 was retained until it was at variance by 2 percent with the actual mid-point of the buying and selling rate. From 1 December 1986 all foreign currencies are converted into New Zealand currency at the actual bank rate.

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

## SUMMARY INFORMATION

TABLE 1—SUMMARY OF  
PUBLIC ACCOUNT OPERATIONS

	Nine Months Ended 31 December 1986			Nine Months Ended 31 December 1985
	\$(000)	\$(000)	\$(000)	\$(000)
<b>RECEIPTS INTO PUBLIC ACCOUNT</b>				
Taxation—				
Consolidated Account .. .. .	9,906,753			8,291,796
National Roads Fund .. .. .	299,532			238,847
		10,206,285		8,530,643
Interest, dividends and profits—				
Consolidated Account .. .. .	1,132,957			1,206,016
Reserve Account .. .. .	29,333			22,071
		1,162,290		1,228,087
Departmental and Special Receipts—				
Consolidated Account .. .. .	890,807			731,669
National Roads Fund .. .. .	9,722			5,894
Reserve Account .. .. .	28,308			(66,254)
		928,837		671,309
Repayment of loans and advances—				
Loans Redemption Account .. .. .		66,308		95,701
Changes in balances—				
Increase in advances to Imprestees .. .. .	(308,655)			(257,857)
Increase in Suspense Account .. .. .	182,771			154,843
		(125,884)		(103,014)
			12,237,836	10,422,726
<b>PAYMENTS FROM PUBLIC ACCOUNT</b>				
Annual appropriations—				
Consolidated Account <sup>1</sup> .. .. .	15,003,687			10,529,903
Loans Account .. .. .	264,000			588,942
		15,267,687		11,118,845
Permanent appropriations—				
Consolidated Account .. .. .	3,075,523			2,719,554
Loans Account <sup>2</sup> .. .. .	3,299			4,624
National Roads Fund .. .. .	231,539			211,647
		3,310,361		2,935,825
Changes in balances—				
Net payments from Trust Account .. .. .		455		14,139
Unauthorised expenditure for services and purposes not provided for—				
National Roads Fund .. .. .		3		5
			18,578,506	14,068,814
<b>Deficit on operations</b> .. .. .			<b>\$6,340,670</b>	<b>\$3,646,088</b>

## Footnotes:

<sup>1</sup> Includes payments totalling \$2,173.5 million for major debt refinancing projects (for additional information refer note 25).<sup>2</sup> Excludes charges and expenses of raising loans \$325,525,000.

## SECTION

TABLE 2—SUMMARY OF  
PUBLIC ACCOUNT FINANCING

	Nine Months Ended 31 December 1986	Nine Months Ended 31 December 1985
	\$(000)	\$(000)
<b>NEW BORROWING</b>		
Loans Account		
Borrowing in New Zealand and Overseas .. .. .	5,368,356	4,979,335
<i>Less</i> purchases through capital equipment credit arrangements <sup>3</sup> .. .. .	(8,775)	(30,767)
<i>Less</i> charges and expenses of raising loans .. .. .	(325,525)	(222,607)
<i>Plus</i> premiums on issues .. .. .	20,099	..
	<u>5,054,155</u>	<u>4,725,961</u>
Loans Redemption Account		
Borrowing in New Zealand and Overseas .. .. .	17,329,482	6,046,550
<i>Less</i> charges and expenses of raising and repaying loans .. .. .	(138,303)	(19,922)
	<u>17,191,179</u>	<u>6,026,628</u>
<b>Net cash proceeds from new borrowing</b> .. .. .	<b>22,245,334</b>	<b>10,752,589</b>
<b>REPAYMENTS</b>		
Loans Redemption Account		
Repayments in New Zealand and Overseas .. .. .	<b>11,444,733</b>	<b>7,449,851</b>
<b>Net cash flow from borrowing</b> .. .. .	<b>10,800,601</b>	<b>3,302,738</b>
<b>CHANGES IN BALANCES OF—</b>		
Cash at bank .. .. .	(890,693)	(732,775)
Investments .. .. .	(3,569,238)	1,076,125
	<u>(4,459,931)</u>	<u>343,350</u>
	<u><b>\$6,340,670</b></u>	<u><b>\$3,646,088</b></u>

## Footnote:

<sup>3</sup> The amount of capital equipment credit arrangements deducted is the value of the goods acquired for which payment of the purchase price has been deferred.

## CONSOLIDATED

RECEIPTS	Note	Nine Months Ended 31 December 1986			Nine Months Ended 31 December 1985
		\$(000)	\$(000)	\$(000)	\$(000)
<b>Taxation</b>					
<b>Direct taxation—</b>					
Income tax .. .. .	1	7,199,496			5,865,933
Other tax .. .. .	2	87,503			75,951
			7,286,999		5,941,884
<b>Indirect taxation—</b>					
Beer duty .. .. .		116,011			160,866
Customs duty .. .. .		484,250			587,818
Goods and Services tax .. .. .		254,071			..
Excise duties .. .. .	3	248,095			..
Sales tax .. .. .		1,017,412			1,131,191
Other taxation .. .. .	4	499,915			470,037
			2,619,754		2,349,912
				9,906,753	8,291,796
<b>Interest, Dividends and Profits—</b>					
Interest on Capital Liabilities and Investments .. .. .	5		1,067,394		1,030,735
Dividends .. .. .	6		55,563		85,701
Profits .. .. .	7		10,000		89,580
				1,132,957	1,206,016
<b>Departmental Receipts</b> .. .. .	8			694,808	618,723
<b>Total Ordinary Receipts</b> .. .. .				11,734,518	10,116,535
<b>Special Receipts</b> .. .. .	9			195,999	112,946
Deficit at end of nine months .. .. .				6,148,693	3,019,976
				<b>\$18,079,210</b>	<b>\$13,249,457</b>
Opening balance, 1 April 1986 .. .. .				121,460	117,153
				<b>\$121,460</b>	<b>\$117,153</b>

The notes on pages 1106 to 1118 form part of and



## ACCOUNT

PAYMENTS	Note	Nine Months Ended 31 December 1986	Nine Months Ended 31 December 1985
		\$(000)	\$(000)
Permanent appropriations .. .. .	10	3,075,523	2,719,554
Annual appropriations <i>(For details, refer to Appropriation and Expenditure Statement on page 1101)</i>		15,003,687	10,529,903
<b>Total Ordinary Payments</b> .. .. .		<b>18,079,210</b>	<b>13,249,457</b>
		<u><b>\$18,079,210</b></u>	<u><b>\$13,249,457</b></u>
Deficit at end of nine months .. .. .		6,148,693	3,019,976
Closing balance, 31 December 1986 .. .. .		(6,027,233)	(2,902,823)
		<u><b>\$121,460</b></u>	<u><b>\$117,153</b></u>

should be read in conjunction with the accounts.

## LOANS

RECEIPTS	Note	Nine Months	Nine Months
		Ended 31 December 1986	Ended 31 December 1985
		\$(000)	\$(000)
Loans raised—			
In New Zealand .. .. .	11	5,359,581	2,393,906
Overseas .. .. .	12	8,775	1,950,332
		<u>5,368,356</u>	<u>4,344,238</u>
Loan receipts unallocated .. .. .		..	635,097
Other Securities issued .. .. .	13	1,946	276,196
Premium on issues .. .. .		20,099	..
		<u>\$5,390,401</u>	<u>\$5,255,531</u>
Opening balance, 1 April 1986 .. .. .		69,125	104,604
Surplus at end of nine months .. .. .		4,786,856	4,132,395
		<u>\$4,855,981</u>	<u>\$4,236,999</u>

## LOANS REDEMPTION

		\$(000)	\$(000)
Loans raised in conversion of maturing loans .. .. .		..	130,196
Loans raised for the purpose of repaying loans—			
Overseas—			
Cash loans .. .. .	16	6,836,788	274,952
Sovereign Notes .. .. .	17	1,984,939	..
		<u>8,821,727</u>	
Treasury bills issued .. .. .		8,507,755	5,771,598
Money received for repayment of loans and advances .. .. .	18	66,277	95,674
Other money received .. .. .		31	27
Deficit at end of nine months .. .. .		..	1,327,522
		<u>\$17,395,790</u>	<u>\$7,599,969</u>
Opening balance, 1 April 1986 .. .. .		1,857,299	1,790,992
Surplus at end of nine months .. .. .		5,812,754	..
		<u>\$7,670,053</u>	<u>\$1,790,992</u>

The notes on pages 1106 to 1118 form part of and

## ACCOUNT

PAYMENTS	Note	\$(000)	Nine Months	Nine Months
			Ended 31 December 1986	Ended 31 December 1985
Permanent appropriations .. .. .	14		328,824	227,231
Annual appropriations (For details refer to Appropriation and Expenditure Statement on page 1101)			264,000	588,942
Capital equipment purchased under credit arrangements .. .. .	15		8,775	30,767
Other Securities issued .. .. .	13		1,946	276,196
Surplus at end of nine months .. .. .			4,786,856	4,132,395
			<u>\$5,390,401</u>	<u>\$5,255,531</u>
Closing balance, 31 December 1986 .. .. .			4,855,981	4,236,999
			<u>\$4,855,981</u>	<u>\$4,236,999</u>

## ACCOUNT

		\$(000)	\$(000)	\$(000)
Loans converted—				
In New Zealand .. .. .				130,196
Loans repaid—				
In New Zealand .. .. .	19	1,549,897		2,311,123
Overseas—				
Cash .. .. .		2,321,239		1,039,578
Sovereign Notes .. .. .	17	635,862		..
			4,506,998	3,350,701
Treasury bills redeemed .. .. .			6,937,735	4,099,150
Charges and expenses of raising and repaying loans—				
General .. .. .		79,356		440
Flexible financing facilities rollover expenses .. .. .		19,567		..
Premium on redemption, Inflation-adjusted savings bonds .. .. .		38,390		18,692
Premium on Overseas loans .. .. .		990		790
			138,303	19,922
Surplus at end of nine months .. .. .			5,812,754	..
			<u>\$17,395,790</u>	<u>\$7,599,969</u>
Deficit at end of nine months .. .. .			..	1,327,522
Closing balance, 31 December 1986 .. .. .			7,670,053	463,470
			<u>\$7,670,053</u>	<u>\$1,790,992</u>

should be read in conjunction with the accounts.

## NATIONAL ROADS

RECEIPTS	Note	Nine Months	Nine Months
		Ended 31 December 1986	Ended 31 December 1985
		\$(000)	\$(000)
Taxation .. .. .	20	299,532	238,847
Other receipts .. .. .	21	9,722	5,894
		<u>\$309,254</u>	<u>\$244,741</u>
Opening balance, 1 April 1986 .. .. .		38,091	8,044
Surplus at end of nine months .. .. .		77,712	33,089
		<u>\$115,803</u>	<u>\$41,133</u>

## RESERVE

	\$(000)	\$(000)
Adjustment of value of investments consequent on changes in exchange rates .. .. .	28,308	..
Interest on investments .. .. .	29,333	22,071
Deficit at end of nine months .. .. .	..	44,183
	<u>\$57,641</u>	<u>\$66,254</u>
Opening balance, 1 April 1986 .. .. .	363,635	383,909
Surplus at end of nine months .. .. .	57,641	..
	<u>\$421,276</u>	<u>\$383,909</u>

## TRUST

	\$(000)	\$(000)
Receipts through revolving funds .. .. .	423,225	229,848
Other receipts .. .. .	853,804	738,519
Deficit at end of nine months .. .. .	455	14,139
	<u>\$1,277,484</u>	<u>\$982,506</u>
Opening balance, 1 April 1986 .. .. .	93,776	39,347
	<u>\$93,776</u>	<u>\$39,347</u>

The notes on pages 1106 to 1118 form part of and

**FUND**

PAYMENTS	Note	Nine Months Ended 31 December 1986	Nine Months Ended 31 December 1985
Expenditure .. .. .	22	\$(000) 231,539	\$(000) 211,647
Unauthorised expenditure under section 28A National Roads Act 1953 .. .. .		3	5
Surplus at end of nine months .. .. .		77,712	33,089
		<u>\$309,254</u>	<u>\$244,741</u>
Closing balance, 31 December 1986 .. .. .		115,803	41,133
		<u>\$115,803</u>	<u>\$41,133</u>

**ACCOUNT**

	\$(000)	\$(000)
Adjustment of value of investments consequent on changes in exchange rates .. .. .	..	66,254
Surplus at end of nine months .. .. .	57,641	..
	<u>\$57,641</u>	<u>\$66,254</u>
Deficit at end of nine months .. .. .	..	44,183
Closing balance, 31 December 1986 .. .. .	421,276	339,726
	<u>\$421,276</u>	<u>\$383,909</u>

**ACCOUNT**

	\$(000)	\$(000)
Payments through revolving funds .. .. .	408,276	235,382
Other payments .. .. .	869,208	747,124
	<u>\$1,277,484</u>	<u>\$982,506</u>
Deficit at end of nine months .. .. .	455	14,139
Closing balance, 31 December 1986 .. .. .	93,321	25,208
	<u>\$93,776</u>	<u>\$39,347</u>

should be read in conjunction with the accounts.

## SUMMARY OF BALANCES

	Note	At 31 December 1986	At 31 December 1985
		\$(000)	\$(000)
Consolidated Account .. .. .		(6,027,233)	(2,902,823)
Loans Account .. .. .		4,855,981	4,236,999
Loans Redemption Account .. .. .		7,670,053	463,470
National Roads Fund .. .. .		115,803	41,133
Reserve Account .. .. .		421,276	339,726
Suspense Account .. .. .	23	184,874	155,729
Trust Account .. .. .		93,321	25,208
		<u>\$7,314,075</u>	<u>\$2,359,442</u>

## COMPOSITION OF BALANCES

	Note	At 31 December 1986	At 31 December 1985
		\$(000)	\$(000)
Cash .. .. .		1,011,936	847,548
Imprests .. .. .		421,764	364,649
Investments—	24		
In New Zealand .. .. .		5,770	5,913
Overseas .. .. .		5,874,605	1,141,332
		<u>\$7,314,075</u>	<u>\$2,359,442</u>

The notes on pages 1106 to 1118 form part of and

## APPROPRIATION AND EXPENDITURE STATEMENT

This statement records moneys appropriated to various votes in the Appropriation Act 1987, together with expenditure incurred for the nine months ending 31 December 1986 and the corresponding period in 1985.

Account and Vote	Note	Appropriation 1986	Expenditure 1986	Expenditure 1985
		\$(000)	\$(000)	\$(000)
<b>CONSOLIDATED ACCOUNT</b>				
Accident Compensation		209	153	140
Agriculture and Fisheries	25	1,837,055	874,199	223,934
Audit		15,732	10,444	6,879
Broadcasting		253	200	180
Building Performance Guarantee Corporation		21	16	15
Conservation	25	3,095	300	..
Crown Law		5,732	3,821	2,523
Customs		60,502	42,244	29,092
Defence		1,059,574	672,264	541,171
Education		2,603,903	2,132,765	1,648,247
Energy (part vote)	25	5,724,347	1,104,360	73,320
Environment, Commission for the		2,279	2,149	1,312
Environment, Ministry for the	25	1,143	305	..
Environment, Parliamentary Commissioner for the	25	193	4	..
Foreign Affairs		272,507	170,172	155,750
Forest Service		401,667	243,115	239,762
Forestry, Ministry of	25	1,060	..	..
Government Computing Service	25	1	..	..
Government Life Insurance Corporation		40	30	28
Government Printing Office		45	74	2,145
Health		2,895,204	2,155,290	1,696,929
Housing Corporation (Programmes I and II)		316,600	231,841	213,846
Inland Revenue		425,341	219,619	76,118
Internal Affairs		168,450	127,509	80,197
Justice		283,678	180,928	147,243
Labour		496,821	412,543	344,554
Lands and Survey		143,650	81,927	84,218
Maori Affairs		145,182	86,868	61,880
Ombudsmen		1,437	945	660
Parliamentary Service		25,119	19,391	11,912
Police		328,723	231,516	173,023
Post Office (part vote)		19,194	10,841	2,736
Prime Minister's Department		3,223	1,943	1,674
Privacy Commissioner		155	115	61
Railways		236	141	58
Rural Banking and Finance Corporation (Programmes I and II)		63,185	46,295	66,914
Scientific and Industrial Research		147,781	107,318	87,809
Security Intelligence Service		7,600	5,939	3,681
Social Welfare		6,162,056	4,373,468	3,954,440
State Services Commission		195,292	79,201	72,856
Statistics		37,207	26,778	17,286
Survey and Land Information	25	1,088	67	..
Tourist and Publicity		49,692	29,558	26,825
Trade and Industry	25	2,272,678	747,296	56,860
Transport	25	454,828	266,065	212,352
Treasury		28,996	19,589	14,867
Valuation		23,973	16,917	11,307
Women's Affairs		1,501	945	130
Works and Development		159,932	266,219	184,969
<b>Total, Consolidated Account</b>		<b>\$26,848,180</b>	<b>\$15,003,687</b>	<b>\$10,529,903</b>
<b>LOANS ACCOUNT</b>				
Capital Participation in Crown and other organisations		3,000	..	742
Energy (part vote)		258,958	190,000	162,200
Housing Corporation (Programmes III to V)		88,215	..	176,000
Post Office		385,000	74,000	170,000
Rural Banking and Finance Corporation (Programme III)		..	..	80,000
<b>Total, Loans Account</b>		<b>\$735,173</b>	<b>\$264,000</b>	<b>\$588,942</b>

should be read in conjunction with the accounts.

## 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.

Unless otherwise indicated the following statements disclose the total amounts outstanding in respect of primary loans raised. The effects on the Public Debt of any swaps or other financial arrangement entered into under S 91A of the Public Finance Act 1977 are disclosed in a separate statement. The latter are regarded for accounting and reporting purposes as secondary transactions.

## 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 December 1986 \$(000)		As at 31 December 1985 \$(000)	
		New Zealand	Overseas	New Zealand	Overseas
1986		..	..	475,627	495,089
1987		755,441	336,044	2,146,547	938,880
1988		2,438,400	1,408,182	2,069,789	1,835,004
1989		3,008,681	1,075,739	3,008,684	773,354
1990		2,864,997	2,472,462	625,169	1,392,368
1991		1,869,611	1,524,528	1,763,664	907,165
1992		3,773,406	3,469,648	1,009,692	1,153,496
1993		1,080,669	1,406,076	1,080,703	960,587
1994		773,751	2,575,191	647,195	314,034
1995		1,266,344	1,219,688	714,844	2,434,694
1996		456,100	397,614	456,100	354,924
1997		523,100	695,825	..	..
1998		..	565,451	..	522,262
2000		85,000	..	85,000	..
2001		..	994,036	..	266,193
2002		125,000	..	125,000	..
2006		..	397,614	..	354,925
2007		..	600,480	..	..
2009		..	267,175	..	241,388
2010		..	359,281	..	..
2011		..	298,211	..	..
2015		..	271,416	..	245,303
2017		..	695,825	..	..
Infl. Bonds	26	665,020	..	747,108	..
Kiwi Bonds		270,744	..	109,039	..
Kiwi Sav. Stock		315,253	..	388,604	..
Our N.Z. Bonds		28,997	..	46,567	..
Prem. Stock		5,239	..	120,588	..
Tsy. Bills		2,350,000	..	1,972,118	..
Sovereign Note		..	1,362,616	..	..
Totals		22,655,753	22,393,102	17,592,038	13,189,666
			<u>\$45,048,855</u>		<u>\$30,781,704</u>

The notes on pages 1106 to 1118 form part of and



## DETAILS OF OVERSEAS DOMICILED PUBLIC DEBT AS AT 31 DECEMBER 1986

\$(000)

<i>Maturing Year Ending 31 March</i>	<b>Total</b>	<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>European Currency Unit</i>	<i>Misc.</i>
1987	<b>336,044</b>	15,147	12,454	35,379	30,487	206,713	31,853	137	3,167	..	707
1988	<b>1,408,182</b>	330,224	307,651	35,379	414,555	24,856	280,579	1,373	6,334	..	7,231
1989	<b>1,075,739</b>	32,851	206,671	35,379	485,999	18,036	287,849	627	6,334	..	1,993
1990	<b>2,472,462</b>	295,430	358,141	88,449	686,246	609,779	433,312	..	..	..	1,105
1991	<b>1,524,528</b>	8,373	55,202	..	818,436	205,478	161,496	..	..	274,800	743
1992	<b>3,469,648</b>	7,962	509,610	..	1,261,098	1,347,606 <sup>1</sup>	343,082	..	..	..	290
1993	<b>1,406,076</b>	47,997	2,356	..	722,881	1,626	356,415	..	..	274,801	..
1994	<b>2,575,191</b>	2,867	..	..	608,258 <sup>2</sup>	1,891,374	72,692	..	..	..	..
1995	<b>1,219,688</b>	..	..	..	783,362	298,211	138,115	..	..	..	..
1996	<b>397,614</b>	..	..	..	..	397,614	..	..	..	..	..
1997	<b>695,825</b>	..	..	..	..	695,825	..	..	..	..	..
1998	<b>565,451</b>	565,451	..	..	..	..	..	..	..	..	..
2001	<b>994,036</b>	..	..	..	..	994,036	..	..	..	..	..
2006	<b>397,614</b>	..	..	..	..	397,614	..	..	..	..	..
2007	<b>600,480</b>	..	..	..	..	600,480	..	..	..	..	..
2009	<b>267,175</b>	267,175	..	..	..	..	..	..	..	..	..
2010	<b>359,281</b>	..	..	..	359,281	..	..	..	..	..	..
2011	<b>298,211</b>	..	..	..	..	298,211	..	..	..	..	..
2015	<b>271,416</b>	271,416	..	..	..	..	..	..	..	..	..
2017	<b>695,825</b>	..	..	..	..	695,825	..	..	..	..	..
Sovereign Note	<b>1,362,616</b>	..	..	..	..	1,362,616	..	..	..	..	..
	<b>22,393,102</b>	1,844,893	1,452,085	194,586	6,170,603	10,045,900	2,105,393	2,137	15,835	549,601	12,069

## Footnotes:

<sup>1, 2</sup> Refer to note 28 "Swap Transactions"

should be read in conjunction with the accounts.

## CHANGES IN THE PUBLIC DEBT FOR THE NINE MONTHS ENDED 31 DECEMBER 1986

	Outstanding 31 December 1986	Outstanding 31 March 1986	Increase (Decrease)
	\$(000)	\$(000)	\$(000)
<b>External debt—</b>			
Pounds Sterling .. .. .	1,844,893	1,905,125	(60,232)
Deutschemark .. .. .	1,452,085	1,419,145	32,940
Dutch Guilders .. .. .	194,586	166,037	28,549
Japanese Yen .. .. .	6,170,603	4,579,490	1,591,113
United States dollars .. .. .	10,045,900	4,362,524	5,683,376
Swiss Francs .. .. .	2,105,393	1,858,682	246,711
Australian dollars .. .. .	2,137	4,924	(2,787)
Canadian dollars .. .. .	15,835	18,116	(2,281)
European Currency Unit .. .. .	549,601	397,298	152,303
Miscellaneous .. .. .	12,069	14,856	(2,787)
<b>Internal debt—</b>			
Long-term debt .. .. .	20,305,753	16,496,069	3,809,684
Floating debt .. .. .	2,350,000	779,980	1,570,020
<b>Total</b> .. .. .	<b>\$45,048,855</b>	<b>\$32,002,246</b>	<b>\$13,046,609</b>

The notes on pages 1106 to 1118 form part of and



## NOTES TO THE ACCOUNTS

**1. Income Tax**

Details of income tax are as follows:

	1986	1985
	\$(000)	\$(000)
Company .. .. .	358,773	453,706
Fringe benefit tax .. .. .	120,073	68,103
Individuals .. .. .	6,622,259	5,290,202
Miscellaneous .. .. .	98,391	53,922
	<u>\$7,199,496</u>	<u>\$5,865,933</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 \$178,560,746 for 1986-87 and \$153,526,216 for 1985-86.

Advance payments to Accident Compensation Corporation were \$16,476,782 for 1986-87 and \$16,003,963 for 1985-86.

**2. Other Direct Taxation**

Details of other direct taxation are as follows:

Estate and gift duty .. .. .	25,285	21,248
Land tax .. .. .	62,169	54,699
Property speculation tax .. .. .	49	4
	<u>\$87,503</u>	<u>\$75,951</u>

**3. Excise Duties**

Excise <sup>1</sup> .. .. .	215,800	..
Special .. .. .	32,295	..
	<u>\$248,095</u>	..

**Footnote:**

<sup>1</sup> This item includes excise duty levied on alcoholic drinks, motor vehicles, petroleum fuels and tobacco products from 1 October 1986. Tax on these items were previously collected as Beer duty and Sales tax, both forms of indirect tax were abolished on 30 September 1986. It was not possible for detailed analysis of bankings to Public Account to be supplied to Treasury in the respective categories for inclusion in the quarterly accounts for 31 December 1986.

**4. Other Indirect Taxation**

Details of other indirect taxation are as follows:

Domestic air travel tax .. .. .	11,691	12,924
Energy resources levy .. .. .	56,463	48,485
Film hire tax .. .. .	12	421
less refunds .. .. .	..	(3,173)
Gaming duties—		
Totalisator .. .. .	49,669	47,320
Lottery .. .. .	6,483	6,500
	<u>56,152</u>	10,563
International departure tax .. .. .	10,563	12,762
Motor spirits tax .. .. .	122,416	148,169
less refunds .. .. .	1,296	(1,577)
	<u>121,120</u>	..
Motor vehicles, fees and charges .. .. .	96,221	102,535
Payroll tax .. .. .	98	..
Stamp duties .. .. .	147,595	95,671
	<u>\$499,915</u>	<u>\$470,037</u>

**5. 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.	140	385
Development Finance Corporation of New Zealand	193	192
Energy: Electricity	266,855	268,375
Energy: Mines	53,891	41,183
Housing	92,828	87,317
Housing Corporation of New Zealand	234,245	219,426
Lands and Survey	..	9,758
Maori Affairs	..	20,466
New Zealand Railways Corporation	1,490	2,228
Post Office	113,073	74,146
Revolving funds—		
Government Printing Office	1,433	2,321
Government Computer Services	..	4,821
Rural Banking and Finance Corporation of New Zealand	229,218	226,007
Tourist Hotel Corporation of New Zealand	..	1,299
	<b>993,366</b>	<b>957,924</b>
On other public money—		
New Zealand's investment in—		
Winstone—Pulp Industries Ltd.	372	1,024
Investments made in respect of the—		
Trust Account	322	306
Loans Account	32,446	3,811
Loans Redemption Account	37,926	38,962
On advances to—		
New Zealand Steel Ltd.	..	4,028
New Zealand Steel Development Ltd.	..	7,900
Petroleum Corporation of New Zealand Ltd.	2,668	16,167
Loans and advances to hospitals, local authorities, etc.	219	523
Loans to local authorities for harbour projects (IBRD loans)	75	90
	<b>74,028</b>	<b>72,811</b>
	<b>\$1,067,394</b>	<b>\$1,030,735</b>

**6. Dividends**

The following amounts were received by way of dividends during the nine months:

Air New Zealand Ltd.	37,000	73,000
Bank of New Zealand	14,000	10,000
Broadcasting Corporation of N.Z.	1,000	..
Development Finance Corporation of NZ	3,300	2,700
Fletcher Challenge Ltd.	1	1
Tourist Hotel Corporation	262	..
	<b>\$55,563</b>	<b>\$85,701</b>

**7. Profits**

The following profits were received during the nine months:

Housing Corporation of New Zealand	10,000	9,759
Reserve Bank of New Zealand	..	79,821
	<b>\$10,000</b>	<b>\$89,580</b>

**8. 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 .. .. .	40,375	22,925
Audit .. .. .	5,912	2,605
Crown Law .. .. .	94	8
Customs .. .. .	1,941	1,320
Defence .. .. .	14,440	8,852
Education .. .. .	14,453	14,697
Energy (part vote) .. .. .	53,491	108,424
Environment, Commission for the .. .. .	6	6
Environment, Ministry for the .. .. .	1	..
Foreign Affairs .. .. .	8,488	3,655
Forest Service .. .. .	150,872	139,055
Health .. .. .	2,155	1,573
Inland Revenue .. .. .	3,316	2,345
Internal Affairs .. .. .	9,214	5,957
Justice .. .. .	76,921	55,049
Labour .. .. .	2,353	2,611
Lands and Survey .. .. .	29,719	50,085
Maori Affairs .. .. .	45,137	39,757
Parliamentary Service .. .. .	3	4
Police .. .. .	5,658	3,706
Post Office (part vote) .. .. .	42	43
Prime Minister's Department .. .. .	3	2
Scientific and Industrial Research .. .. .	15,548	6,526
Social Welfare .. .. .	41,847	26,636
State Services Commission .. .. .	57,326	5,078
Statistics .. .. .	760	354
Tourist and Publicity .. .. .	3,756	2,799
Trade and Industry .. .. .	2,254	8,437
Transport .. .. .	85,209	76,530
Treasury .. .. .	3,332	5,420
Valuation .. .. .	8,311	5,110
Women's Affairs .. .. .	4	1
Works and Development .. .. .	11,867	19,153
	<b>\$694,808</b>	<b>\$618,723</b>

**9. Special Receipts**

The following are details of this category of receipts:

	1986	1985
	\$(000)	\$(000)
<b>Auckland Harbour Bridge Authority</b> .. .. .	<b>993</b>	1,653
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.		
<b>Capital gains on realisation of investments (net)</b> .. .. .	<b>19,892</b>	16,299
These are the net gains offset by losses made on the realisation of the investment of Public Account balances, etc.		
<b>Compensation from French Government—Rainbow Warrior Settlement</b> .. .. .	<b>13,158</b>	..
The receipt of \$13,157,895 is the settlement paid by the French Government to the New Zealand Government.		
<b>Import Licence Premiums</b> .. .. .	<b>30,064</b>	38,371
The receipts are in respect of increased import allocations offered by way of tender to interested parties. During 1985–86 the receipts were recorded as departmental receipts, Trade and Industry.		
<b>Gains/Losses obtained through currency conversion</b>		
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 .. .. .	<b>(3,039)</b>	(6,793)
Investments .. .. .	<b>7,986</b>	..
Public debt .. .. .	<b>(2,454)</b>	15,835
Sovereign note .. .. .	<b>8,420</b>	..
Swaps .. .. .	<b>(1,851)</b>	..
<b>Movements in Currency Values</b>		
Public Finance Act 1977, section 100—		
Adjustment to Imprest Account balances and value of investments consequent on changes in exchange rates (Additional information is contained in Note 27).		
Imprest Account Balances .. .. .	<b>1,183</b>	(8,068)
Investments .. .. .	<b>83,677</b>	54,859
<b>Notional tax payments</b> .. .. .	<b>31,456</b>	790
The receipts are payments to the Consolidated Account in lieu of Income Tax from—		
Government Printing Office .. .. .	\$1,456,000	
Energy: Electricity .. .. .	\$30,000,000	
<b>New Zealand Dairy Board</b> .. .. .	<b>2,533</b>	..
<b>Housing Corporation of New Zealand</b> .. .. .	<b>3,981</b>	..
The repayment is in respect of an overclaim of concessions on interest for general lending in 1985–86.		
	<b>\$195,999</b>	<b>\$112,946</b>

## 10. 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 .. .. .	40	62
Other expenses .. .. .	491	391
	<u>531</u>	<u>453</u>
Executive Council and Ministers—		
Salaries .. .. .	1,429	1,431
Allowances .. .. .	..	..
	<u>1,429</u>	<u>1,431</u>
Parliamentary Under-Secretaries—		
Salaries .. .. .	324	324
Allowances .. .. .	..	..
	<u>324</u>	<u>324</u>
Mr Speaker, House of Representatives—		
Salary .. .. .	70	61
Allowances .. .. .	3	3
	<u>73</u>	<u>64</u>
Chairman of Committees—		
Salary .. .. .	59	59
Allowances .. .. .	5	5
	<u>64</u>	<u>64</u>
Leader of the Opposition—		
Salary .. .. .	69	68
Allowances .. .. .	10	8
	<u>79</u>	<u>76</u>
Members of the House of Representatives—		
Salaries .. .. .	3,037	3,012
Allowances .. .. .	453	420
	<u>3,490</u>	<u>3,432</u>
Annuity to former Governor-General .. .. .	28	21
Annuity to former Prime Ministers .. .. .	34	4
Annuity to widows of former Prime Ministers .. .. .	2	2
	<u>64</u>	<u>27</u>
	<u>\$6,054</u>	<u>\$5,871</u>
DEBT SERVICES		
Administration and management—		
Charges and expenses of raising and repaying loans .. .. .	4,387	20,410
Management charges .. .. .	7,761	8,111
	<u>12,148</u>	<u>28,521</u>
Interest—		
In New Zealand .. .. .	1,875,669	1,690,562
Overseas .. .. .	983,032	779,274
	<u>2,858,701</u>	<u>2,469,836</u>
	<u>\$2,870,849</u>	<u>\$2,498,357</u>



## 10. Payments Under Permanent Appropriations—Consolidated Account—continued

	1986	1985
	\$(000)	\$(000)
SUPERANNUATION		
Contribution to Government Superannuation Fund .. .. .	174,187	135,214
Subsidy to Parliamentary Superannuation Account .. .. .	292	322
Judges retiring allowances, annuities, and refunds of contributions .. .. .	853	613
Contributions to other superannuation schemes .. .. .	66	58
Contributions on refunds and transfer values .. .. .	2,769	1,798
	<u>\$178,167</u>	<u>\$138,005</u>
MISCELLANEOUS		
Crown Proceedings Act 1950, Section 24 (3)		
Judgement damages awarded to—		
Takaro Properties Ltd. .. .. .	762	..
Subsidy to National Provident Fund .. .. .	7,175	8,601
Land Settlement interest on capital liability .. .. .	..	30,224
Payment in respect of land and improvements, etc. .. .. .	541	960
Annual payments to Maori Trust Boards .. .. .	62	64
Contributions to national superannuation schemes .. .. .	900	901
Coal Mines Amendment Act 1979 section 28—		
Payments to public authorities entitled .. .. .	..	3
Exemptions from taxation, etc. .. .. .	234	266
Grants for Maori purposes .. .. .	8	13
Mining Act 1971—		
Grants to local authorities .. .. .	291	179
Payments to parties entitled .. .. .	11	22
Payments in terms of guarantees on loans to industry, etc.—		
Public Finance Act 1977, section 86 (2)—		
Development Finance Corporation .. .. .	..	26,594
Other Acts .. .. .	365	286
Salaries of—		
Chief Judge and Judges of the Maori Land Court .. .. .	537	454
Controller and Auditor-General and Deputy .. .. .	128	132
District Court Judges .. .. .	5,207	4,720
Family Court Judges .. .. .	989	1,107
Judges of Arbitration Court and of Compensation Court .. .. .	315	179
Judges of Court of Appeal and High Court .. .. .	2,798	2,486
Ombudsmen .. .. .	130	130
	<u>\$20,453</u>	<u>\$77,321</u>
<b>Total, Consolidated Account Permanent Appropriations .. .. .</b>	<u><b>\$3,075,523</b></u>	<u><b>\$2,719,554</b></u>

**11. Loans Raised in New Zealand**

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

	1986	1985
	\$(000)	\$(000)
<b>Kiwi Savings Stock—</b>		
	..	49,448
<b>Kiwi Bonds—</b>		
14 percent various .. .. .	3,055	
14.5 percent various .. .. .	5,093	
15 percent various .. .. .	1,861	
15.5 percent various .. .. .	8,439	
17 percent various .. .. .	1,418	
17.5 percent various .. .. .	6,237	
18.5 percent various .. .. .	3,538	
19.5 percent various .. .. .	34	
20 percent various .. .. .	16	
	<u>29,691</u>	109,040
<b>Special Issues .. .. .</b>		280,400
<b>Tender Stock—</b>		
14 percent 15 February 1988 .. .. .	368,617	
16 percent 15 September 1989 .. .. .	461,000	
14 percent 15 November 1989 .. .. .	820,000	
14 percent 15 March 1990 .. .. .	638,932	
16 percent 15 June 1991 .. .. .	371,400	
14 percent 15 September 1991 .. .. .	821,650	
14 percent 15 February 1992 .. .. .	1,053,491	
16 percent 15 July 1994 .. .. .	271,700	
14 percent 15 October 1996 .. .. .	523,100	
	<u>5,329,890</u>	1,955,018
	<u>\$5,359,581</u>	<u>\$2,393,906</u>
<b>12. Loans Raised Overseas</b>		
<b>Capital equipment credit arrangements—</b>		
Var percent 22 July 1992 .. .. .	1,231	
6.2 percent 26 December 1992 .. .. .	7,544	
	<u>8,775</u>	30,767
	<u>\$8,775</u>	<u>\$30,767</u>

	1986	1985
	\$(000)	\$(000)
<b>13. Other Securities Issued</b>		
Details of these are as follows:		
Securities issued Asian Development Bank— Non-negotiable, non-interest bearing notes .. .. .	1,946	1,611
Securities issued to International Monetary Fund— Non-negotiable, non-interest bearing notes .. .. .	..	270,377
Securities issued I.B.R.D.— Non-negotiable, non-interest bearing notes .. .. .	..	4,208
	<u>1,946</u>	<u>\$276,196</u>

**14. 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 .. .. .	1,297	1,074
Subscription to IBRD .. .. .	..	468
Subscription to International Monetary Fund .. .. .	..	2
Encashment of securities—Asian Development Bank .. .. .	2,000	3,000
Encashment of securities—IBRD .. .. .	..	80
Encashment of securities—International Monetary Fund .. .. .	2	..
Charges and expenses of raising loans— In New Zealand— Discounts on tender stock .. .. .	325,525	211,499
Overseas— Commissions .. .. .	..	7,817
Discounts .. .. .	..	3,291
	<u>\$328,824</u>	<u>\$227,231</u>

**15. Capital equipment purchased under credit arrangements**

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

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

Defence .. .. .	1,231	..
Energy: Electricity .. .. .	..	18,150
Post Office .. .. .	7,544	12,617
	<u>\$8,775</u>	<u>\$30,767</u>





**20. Taxation, National Roads Fund**

Taxation paid into this Fund during the nine months are as follows:

	1986	1985
	\$(000)	\$(000)
Motor spirits duty <sup>1</sup> .. .. .	146,956	136,063
Less refunds .. .. .	4,772	4,506
	<u>142,184</u>	<u>131,557</u>
Road user charges .. .. .	151,333	101,527
Less refunds .. .. .	9,038	10,453
	<u>142,295</u>	<u>91,074</u>
Mileage tax .. .. .	15	2
Sales tax on compressed natural gas <sup>1</sup> .. .. .	9,156	10,075
Less refunds .. .. .	222	188
	<u>8,934</u>	<u>9,887</u>
Sales tax on liquefied petroleum gas <sup>1</sup> .. .. .	7,376	7,137
Less refunds .. .. .	1,272	810
	<u>6,104</u>	<u>6,327</u>
	<u><u>\$299,532</u></u>	<u><u>\$238,847</u></u>

Footnote:

<sup>1</sup> As from 1 October 1986 revenue for these items will be collected as Excise Duty.**21. Other Receipts, National Roads Fund**

These are as follows—

Miscellaneous .. .. .	1,005	952
Receipts from land and property .. .. .	8,717	4,942
	<u>\$9,722</u>	<u>\$5,894</u>

**22. Expenditure, National Roads Fund**

State highways construction .. .. .	32,206	30,491
State highways maintenance .. .. .	78,227	73,159
Local authorities subsidised works .. .. .	99,395	91,717
Purchases of land and property .. .. .	3,156	2,280
Administration .. .. .	14,680	11,804
General .. .. .	3,875	2,196
	<u>\$231,539</u>	<u>\$211,647</u>

**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 decreased by \$1,186,100,000 and those held overseas increased by \$4,755,338,000. The following table summarises, by currency, investment holdings for the nine months ended 31 December 1986 and corresponding period in 1985:

*Currency*

Canadian dollar .. .. .	11,277	9,079
Deutschemmark .. .. .	59,592	41,172
Dutch Guilder .. .. .	42,427	27,529
French franc .. .. .	..	211
Japanese yen .. .. .	1,473,506	590,193
Pound sterling .. .. .	107,431	91,545
Swiss franc .. .. .	5,923	4,663
United States dollar .. .. .	4,174,449	376,940
Total Overseas .. .. .	<u>5,874,605</u>	<u>1,141,332</u>
New Zealand dollar .. .. .	5,770	5,913
Total Investments held .. .. .	<u>\$5,880,375</u>	<u>\$1,147,245</u>

**25. Appropriation and Expenditure Statement****New Votes:****Government Computing Service—**

The Government Computing Service came into existence on 1 October 1985 as an autonomous agency within the Public Service. Prior to 1983–84 all expenditure of the Computer Services Division was annually appropriated through Vote State Services Commission, but since then the annual appropriation has consisted of the net transfer to the revolving fund held in Trust Account operated first by Computer Services Division and now by the Government Computing Services.

**Ministry of Forestry—**

The functions of this new Ministry are to be transferred from the New Zealand Forest Service.

**Department of Survey and Land Information—**

The majority of the functions of this new Department are being transferred from the Department of Lands and Survey. Expenditure recorded are only the costs of establishing the new Department.

**Department of Conservation—**

The majority of the functions of this Department are being transferred from the Departments of Lands and Survey, Internal Affairs, and the New Zealand Forest Service. Expenditure recorded are only the costs of establishing the new Department.

**Ministry for the Environment and Parliamentary Commissioner for the Environment—**

The Commission for the Environment is to be disestablished on 31 December 1986 and its functions transferred to the new Ministry for the Environment, Department of Conservation, and Parliamentary Commissioner for the Environment. Expenditure recorded are only the costs of establishing the new Ministries.

**Payments for Major Debt Refinancing Projects:****Vote Agriculture and Fisheries—**

Includes a payment of \$600.0 million to the Reserve Bank of New Zealand as compensation for the writing off of the New Zealand Dairy Boards debt with the Bank.

**Vote: Energy (part vote)**

Includes payments totalling \$858.4 million for major debt refinancing projects.

**Details are:**

—\$743.4 million being part of the \$800 million debt restructure of Petrocorp. The remaining debt of \$56.5 million has been written off.

—\$115.0 million for the New Zealand Refining Company Limited.

**Vote: Trade and Industry—**

Includes payments of \$695.1 million for major debt restructuring of New Zealand Steel Development.

**Vote Transport—**

Includes a payment of \$20.0 million to the Shipping Corporation of New Zealand Limited to write-off past losses.

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

This figure does not include the sum of \$420,568,634 being the assessment by the Reserve Bank of New Zealand of the obligation at 31 December 1986 in respect of the premium on redemption.

## 27. Movements in Currency Values

In accordance with the Particular Accounting Policy adopted in respect of foreign currencies exchange rates were officially realigned on 1 December 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 quarter which necessitated adjustment to the New Zealand dollar values of the overseas investments and cash holdings concerned.

The total net decrease in the public debt of \$383,356,000 arising from 1 December 1986 realignment consisted of:

	Realignment 1 December 1986	
	Increase (\$000)	Decrease \$000)
Loans denominated in—		
Australian dollar .. .. .	84	..
Canadian dollar .. .. .	..	286
Deutschemark .. .. .	33,064	..
European currency unit .. .. .	153,012	..
French franc .. .. .	95	..
Indian rupee .. .. .	..	336
Japanese yen .. .. .	..	301,325
Dutch guilder .. .. .	1,248	..
Pound sterling .. .. .	..	113,523
Swiss franc .. .. .	..	25,298
United States dollar .. .. .	..	130,058
	<u>187,503</u>	<u>570,826</u>
IBRD loans (various currencies) .. .. .	..	33
Net decrease .. .. .	383,356	..
	<u>\$570,859</u>	<u>\$570,859</u>

The total net increase of \$115,486,000 in the overseas investments consisted of:

	Realignment 1 December 1986	
	Increase \$000)	Decrease \$000)
Investments denominated in—		
Canadian dollar .. .. .	124	..
Deutschemark .. .. .	12,595	..
Dutch guilder .. .. .	1,596	..
Japanese yen .. .. .	3,389	..
Pound sterling .. .. .	2,384	..
Swiss franc .. .. .	239	..
United States dollar .. .. .	95,159	..
	<u>115,486</u>	<u>..</u>
Net Increase .. .. .	..	115,486
	<u>\$115,486</u>	<u>\$115,486</u>

## 28. SWAP Transactions

As permitted by S91A of the Public Finance Act, the Government entered into two currency swap arrangements during the quarter. Under such arrangements the proceeds of a borrowing are converted into a different currency and, simultaneously, a forward exchange agreement is executed providing for a schedule of future exchanges of the two currencies in order to recover the currency converted. The effect is to transform the cost of the original borrowing to a cost which reflects the market yield of the currency obtained in the conversion.

While it is impracticable to record the details of the swap arrangements in the public debt tables, the following schedule shows the effect of swap transactions undertaken during the quarter. The foreign currencies have been converted at bank rates prevailing on 1 December 1986.

Year	US Dollar (NZ\$000)	Yen (NZ\$000)
1992	247,788 cr	245,048 dr
1994	246,598 dr	245,761 cr

G. C. Scott  
Secretary to the Treasury.  
30 January 1987

R. C. W Hamilton,  
Director, Financial Management, Treasury.  
30 January 1987



## 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 nine months ended 31 December 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 1092 to 1118 properly reflects, in accordance with the statement of accounting policies on page 1091 the balance of the public debt outstanding as at 31 December 1986 and the transactions of the Public Account for the nine months ended on that date.

J. W. Cameron,  
Deputy Controller and Auditor-General.  
13 February 1987.

