

# SUPPLEMENT

TO THE

# NEW ZEALAND GAZETTE

OF

THURSDAY, 27 AUGUST 1987

*Published by Authority*

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## SUMMARY

OF THE

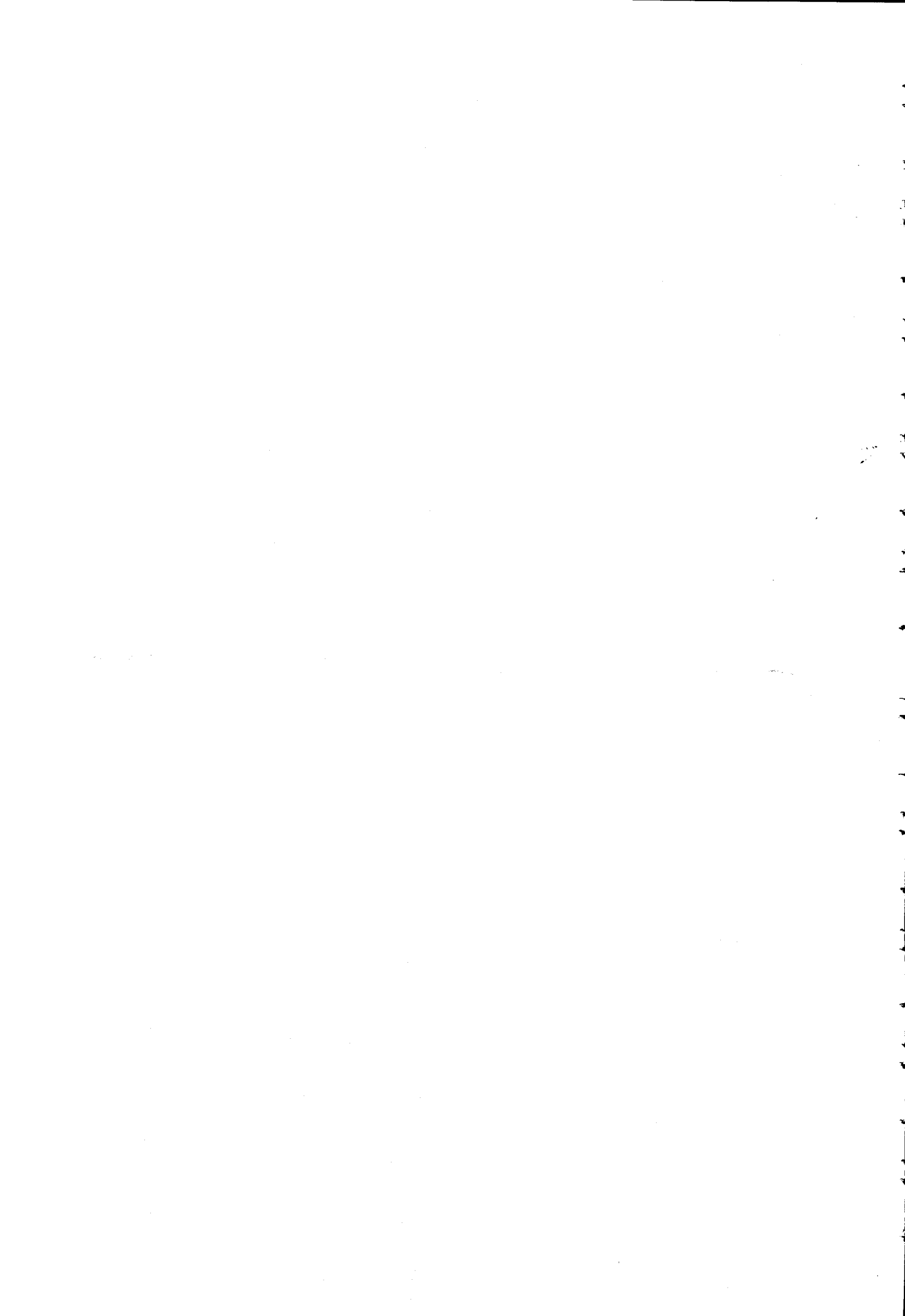
## RECEIPTS AND PAYMENTS

OF THE

## PUBLIC ACCOUNT

FOR THE

THREE MONTHS ENDED 30 JUNE 1987



**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*.
- *Expenditure Statement*, records 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 in two ways:

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

### Particular Accounting Policies

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

#### Recognition of Interdepartmental Transactions

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

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

#### Foreign Currencies

As a general rule receipts and payments are converted into New Zealand currency at the actual bank rate for each currency.

All rates are adjusted on an official revaluation and, in respect to investment and public debt transactions, on the last working day preceding the 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 the 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.

### Changes in Accounting Policies

There have been two changes 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. All foreign exchange rates were adjusted quarterly on 1 June, 1 September, 1 December and 1 March.

The changes in accounting policies are as follows:

- From 1 December 1986 all foreign currencies were converted into New Zealand currency at the actual bank rate prevailing on the 1st day of June, September, December and March.
- From 1 April 1987 all foreign currencies in respect of investment and public debt transactions, will be converted into New Zealand currency at the actual bank rate obtained on the last working day preceding 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	Three Months Ended 30 June 1987			Three Months Ended 30 June 1986
	\$(000)	\$(000)	\$(000)	\$(000)
<b>RECEIPTS INTO PUBLIC ACCOUNT</b>				
Taxation—				
Consolidated Account .. .. .	3,592,550			2,868,700
National Roads Fund .. .. .	135,076			99,701
		3,727,626		2,968,401
Interest, dividends and profits—				
Consolidated Account .. .. .	298,616			339,852
Reserve Account .. .. .	9,182			8,224
		307,798		348,076
Departmental and Special Receipts—				
Consolidated Account .. .. .	448,870			197,927
National Roads Fund .. .. .	1,143			2,313
		450,013		200,240
Repayment of loans and advances—				
Loans Redemption Account .. .. .		14,676		16,510
Changes in balances—				
Increase in advances to Imprestees .. .. .	(105,225)			(150,586)
Increase in Suspense Account .. .. .	10,532			89,989
		(94,693)		(60,597)
			4,405,420	3,472,630
<b>PAYMENTS FROM PUBLIC ACCOUNT</b>				
Annual appropriations—				
Consolidated Account .. .. .	5,137,057			3,868,937
Loans Account .. .. .	274,600			157,675
		5,411,657		4,026,612
Permanent appropriations—				
Consolidated Account .. .. .	1,368,000			864,175
Loans Account <sup>1</sup> .. .. .	907			2,000
National Roads Fund .. .. .	47,473			80,711
		1,416,380		946,886
Special Payments—				
Consolidated Account .. .. .	223,521			(56,098)
Reserve Account .. .. .	16,734			19,716
		240,255		(36,382)
Changes in balances—				
Net payments from Trust Account .. .. .		352,554		63,144
			7,420,846	5,000,260
<b>Deficit on operations</b> .. .. .			<b>\$3,015,426</b>	<b>\$1,527,630</b>

## Footnotes:

<sup>1</sup> Excludes charges and expenses of raising loans \$55,438,000

## SECTION

TABLE 2—SUMMARY OF  
PUBLIC ACCOUNT FINANCING

	Three Months Ended 30 June 1987		Three Months Ended 30 June 1986
	\$(000)	\$(000)	\$(000)
<b>NEW BORROWING</b>			
Loans Account			
Borrowing in New Zealand and Overseas .. .. .	1,388,561		2,232,831
<i>Less</i> purchases through capital equipment credit arrangements .. .. .	(6,868)		(101,652)
<i>Less</i> charges and expenses of raising loans .. .. .	(55,438)		912
<i>Plus</i> premiums on issues .. .. .	3,826		
		<b>1,330,081</b>	<b>2,132,089</b>
Loans Redemption Account			
Borrowing in New Zealand and Overseas .. .. .	6,393,626		4,961,056
<i>Less</i> charges and expenses of raising loans .. .. .	(44,207)		(39,293)
		<b>6,349,419</b>	<b>4,921,761</b>
<b>Net cash proceeds from new borrowing</b> .. .. .		<b>7,679,500</b>	<b>7,053,850</b>
<b>REPAYMENTS</b>			
Loans Redemption Account			
Repayments in New Zealand and Overseas .. .. .	6,838,739		4,718,137
<i>Less</i> gains on redemption of securities .. .. .	(8,371)		
		<b>6,830,368</b>	<b>4,718,137</b>
<b>Net cash flow from borrowing</b> .. .. .		<b>849,132</b>	<b>2,335,713</b>
<b>CHANGES IN BALANCES OF—</b>			
Cash at bank .. .. .	770,225		(1,975,887)
Investments .. .. .	1,396,069		1,167,804
		<b>2,166,294</b>	<b>(808,083)</b>
		<b>\$3,015,426</b>	<b>\$1,527,630</b>

## CONSOLIDATED

RECEIPTS	Note	Three Months Ended 30 June 1987			Three Months Ended 30 June 1986
		\$(000)	\$(000)	\$(000)	\$(000)
<b>Taxation</b>					
Direct taxation—					
Income tax .. .. .	1	1,933,541			2,076,564
Other tax .. .. .	2	11,696			7,240
			1,945,237		2,083,804
Indirect taxation—					
Beer duty .. .. .					57,900
Customs duty .. .. .		260,662			153,051
Excise duties <sup>1</sup> .. .. .		481,241			..
Goods and Services tax .. .. .		809,542			..
Sales tax .. .. .					422,658
Other taxation .. .. .	3	95,868			151,287
			1,647,313		784,896
				3,592,550	2,868,700
<b>Interest, Dividends and Profits—</b>					
Interest on Capital Liabilities and Investments .. .. .	4		266,028		339,852
Profits .. .. .	5		32,588		..
				298,616	339,852
<b>Departmental Receipts .. .. .</b>	6			389,587	182,651
<b>Total Ordinary Receipts .. .. .</b>				4,280,753	3,391,203
<b>Special Receipts .. .. .</b>	7			59,283	15,276
Deficit at end of three months .. .. .				2,388,542	1,270,535
				<u>\$6,728,578</u>	<u>\$4,677,014</u>
Opening balance, 1 April 1987 .. .. .				126,225	121,460
				<u>\$126,225</u>	<u>\$121,460</u>

## Footnote:

<sup>1</sup> This item includes duties levied on alcoholic drinks, motor vehicles, petroleum fuels and tobacco products from 1 October 1986. Tax on these items was previously collected as Beer duty and Sales tax, both of which were abolished on 30 September 1986.

The notes on pages 4131 to 4142 form part of and



## ACCOUNT

PAYMENTS	Note	Three Months Ended	Three Months Ended
		30 June 1987	30 June 1986
		\$(000)	\$(000)
Permanent appropriations .. .. .	8	1,368,000	864,175
Annual appropriations .. .. . (For details, refer Expenditure Statement on page 4127)		5,137,057	3,868,937
<b>Total Ordinary Payments .. .. .</b>		<b>6,505,057</b>	<b>4,733,112</b>
Special Payments .. .. .	9	223,521	(56,098)
		<u><u>\$6,728,578</u></u>	<u><u>\$4,677,014</u></u>
Deficit at end of three months .. .. .		2,388,542	1,270,535
Closing balance, 30 June 1987 .. .. .		(2,262,317)	(1,149,075)
		<u><u>\$126,225</u></u>	<u><u>\$121,460</u></u>

should be read in conjunction with the accounts.

RECEIPTS										LOANS			
										Three Months Ended 30 June 1987	Three Months Ended 30 June 1986		
										Note	\$(000)	\$(000)	\$(000)
Loans raised—										10			
In New Zealand	..	..	..	..	..	..	..	..	..		1,381,693		1,660,220
Overseas	..	..	..	..	..	..	..	..	..		6,868		..
												1,388,561	1,660,220
Loan receipts unallocated	..	..	..	..	..	..	..	..	..			..	572,611
Other Securities issued	..	..	..	..	..	..	..	..	..	11		102,770	..
Premium on issues	..	..	..	..	..	..	..	..	..			3,826	912
												<u>\$1,495,157</u>	<u>\$2,233,743</u>
Opening balance, 1 April 1987	..	..	..	..	..	..	..	..	..			8,421	69,125
Surplus at end of three months	..	..	..	..	..	..	..	..	..			1,054,574	1,972,414
												<u>\$1,062,995</u>	<u>\$2,041,539</u>

										LOANS REDEMPTION			
											\$(000)	\$(000)	\$(000)
Loans raised for the purpose of repaying loans—													
Overseas—													
Cash loans	..	..	..	..	..	..	..	..	..	14	1,128,640		1,480,989
Sovereign Notes	..	..	..	..	..	..	..	..	..	15	1,792,977		..
												2,921,617	1,480,989
Treasury bills issued	..	..	..	..	..	..	..	..	..			3,472,009	3,480,065
Money received for repayment of loans and advances	..	..	..	..	..	..	..	..	..	16		14,671	16,490
Other money received	..	..	..	..	..	..	..	..	..			5	20
Gains on redemption of securities	..	..	..	..	..	..	..	..	..	17		8,371	..
Deficit at end of three months	..	..	..	..	..	..	..	..	..			466,273	..
												<u>\$6,882,946</u>	<u>\$4,977,564</u>
Opening balance, 1 April 1987	..	..	..	..	..	..	..	..	..			385,362	1,857,299
Surplus at end of three months	..	..	..	..	..	..	..	..	..			..	220,134
												<u>\$385,362</u>	<u>\$2,077,433</u>

The notes on pages 4131 to 4142 form part of and

## ACCOUNT

PAYMENTS	Note	\$(000)	Three Months Ended	Three Months Ended
			30 June 1987	30 June 1986
			\$(000)	\$(000)
Permanent appropriations .. .. .	12		56,345	103,654
Annual appropriations .. .. . (For details, refer Expenditure Statement on page 4127)			274,600	157,675
Capital equipment purchased under credit arrangements .. .. .	13		6,868	..
Other Securities issued .. .. .			102,770	..
Surplus at end of three months .. .. .			1,054,574	1,972,414
			<u>\$1,495,157</u>	<u>\$2,233,743</u>
Closing balance, 30 June 1987 .. .. .			1,062,995	2,041,539
			<u>\$1,062,995</u>	<u>\$2,041,539</u>

## ACCOUNT

		\$(000)	\$(000)	\$(000)
Loans repaid—	18			
In New Zealand .. .. .		1,073,550		609,860
Overseas—				
General repayments and other purposes .. .. .		1,894,730		1,355,542
Sovereign Notes .. .. .	15	1,794,459		..
			4,762,739	1,965,402
Treasury bills redeemed .. .. .			2,076,000	2,752,735
Charges and expenses of raising and repaying loans—				
General .. .. .		11,989		20,113
Flexible financing facilities rollover expenses .. .. .		2,923		7,697
Premium on redemption, Inflation-adjusted savings bonds .. .. .		24,507		11,483
Premiums on overseas loans .. .. .		4,788		..
			44,207	39,293
Surplus at end of three months .. .. .			..	220,134
			<u>\$6,882,946</u>	<u>\$4,977,564</u>
Deficit at end of three months .. .. .			466,273	..
Closing balance, 30 June 1987 .. .. .			(80,911)	2,077,433
			<u>\$385,362</u>	<u>\$2,077,433</u>

should be read in conjunction with the accounts.

												<b>NATIONAL ROADS</b>		
RECEIPTS												Note	Three Months Ended 30 June 1987 \$(000)	Three Months Ended 30 June 1986 \$(000)
Taxation	..	..	..	..	..	..	..	..	..	..	..	19	135,076	99,701
Other receipts	..	..	..	..	..	..	..	..	..	..	..	20	1,143	2,313
												<u>\$136,219</u>	<u>\$102,014</u>	
Opening balance, 1 April 1987	..	..	..	..	..	..	..	..	..	..	..		17,130	38,091
Surplus at end of three months	..	..	..	..	..	..	..	..	..	..	..		88,746	21,303
												<u>\$105,876</u>	<u>\$59,394</u>	
												<b>RESERVE</b>		
												\$(000)	\$(000)	
Interest on investments	..	..	..	..	..	..	..	..	..	..	..		9,182	8,224
Deficit at end of three months	..	..	..	..	..	..	..	..	..	..	..		7,552	11,492
												<u>\$16,734</u>	<u>\$19,716</u>	
Opening balance, 1 April 1987	..	..	..	..	..	..	..	..	..	..	..		396,543	363,635
												<u>\$396,543</u>	<u>\$363,635</u>	
												<b>TRUST</b>		
												\$(000)	\$(000)	
Receipts through revolving funds	..	..	..	..	..	..	..	..	..	..	..		170,705	122,273
Other receipts	..	..	..	..	..	..	..	..	..	..	..		495,185	308,233
Deficit at end of three months	..	..	..	..	..	..	..	..	..	..	..		352,554	63,144
												<u>\$1,018,444</u>	<u>\$493,650</u>	
Opening balance, 1 April 1987	..	..	..	..	..	..	..	..	..	..	..		5,924,026	93,776
												<u>\$5,924,026</u>	<u>\$93,776</u>	

The notes on pages 4131 to 4142 form part of and

**FUND**

PAYMENTS	Note	Three Months Ended	Three Months Ended
		30 June 1987	30 June 1986
		\$(000)	\$(000)
Expenditure .. .. .	21	47,473	80,711
Surplus at end of three months .. .. .		88,746	21,303
		<u>\$136,219</u>	<u>\$102,014</u>
Closing balance, 30 June 1987 .. .. .		105,876	59,394
		<u>\$105,876</u>	<u>\$59,394</u>

**ACCOUNT**

	\$(000)	\$(000)
Adjustment of value of investments consequent on changes in exchange rates .. .. .	16,734	19,716
	<u>\$16,734</u>	<u>\$19,716</u>
Deficit at end of three months .. .. .	7,552	11,492
Closing balance, 30 June 1987 .. .. .	388,991	352,143
	<u>\$396,543</u>	<u>\$363,635</u>

**ACCOUNT**

	\$(000)	\$(000)
Payments through revolving funds .. .. .	182,385	131,925
Other payments .. .. .	836,059	361,725
	<u>\$1,018,444</u>	<u>\$493,650</u>
Deficit at end of three months .. .. .	352,554	63,144
Closing balance, 30 June 1987 .. .. .	5,571,472	30,632
	<u>\$5,924,026</u>	<u>\$93,776</u>

should be read in conjunction to the accounts.

## SUMMARY OF BALANCES

	Note	At 30 June 1987	At 30 June 1986
		\$(000)	\$(000)
Consolidated Account .. ..		(2,262,317)	(1,149,075)
Loans Account .. .. .		1,062,995	2,041,539
Loans Redemption Account ..		(80,911)	2,077,433
National Roads Fund .. ..		105,876	59,394
Reserve Account .. .. .		388,991	352,143
Suspense Account .. .. .	22	10,533	92,092
Trust Account .. .. .		5,571,472	30,632
		<u>\$4,796,639</u>	<u>\$3,504,158</u>

## COMPOSITION OF BALANCES

	Note	At 30 June 1987	At 30 June 1986
		\$(000)	\$(000)
Cash .. .. .		(643,990)	2,097,130
Imprests .. .. .		210,472	263,695
Investments—	23		
In New Zealand .. .. .		127,570	5,770
Overseas .. .. .		5,102,587	1,137,563
		<u>5,230,157</u>	<u>1,143,333</u>
		<u>\$4,796,639</u>	<u>\$3,504,158</u>

## EXPENDITURE STATEMENT

## Expenditure in Anticipation of Appropriation Act

This statement records expenditure relating to each Vote of the Accounts within Public Account. The Public Finance Act 1977 provides for three distinctive categories under sections 53 and 54 by which public money may be issued and applied in any financial year.

The first category relates to the period 1 April to 30 June of any financial year when money issued and applied is not permitted to exceed, without the approval of the Minister of Finance the total of—

- (a) the unexpended balance of the amount appropriated for that Vote in the immediately preceding financial year; and  
 (b) a sum equal to one-fourth of the amount appropriated in the previous year.

The second category allows for expenditure on or after 1 July to be issued and applied under a new authority namely the Imprest Supply Bill. Imprest Supply Bills are the method utilised for carrying on financial requirements of the State until the Appropriation Bill is dealt with later in the year.

The third and final category is the Appropriation Bill which gives final authority. Once the Bill has been passed by Parliament and assented to by the Governor-General, its provisions are enacted and the Bill becomes an Act.

Expenditure	Note	1987 \$(000)	1986 \$(000)
<b>CONSOLIDATED ACCOUNT</b>			
Accident Compensation .. .. .		69	56
Agriculture and Fisheries .. .. .		78,858	74,880
Audit .. .. .		4,214	3,246
Broadcasting .. .. .		80	78
Building Performance Guarantee Corporation .. .. .		5	6
Conservation .. .. .		15,469	..
Crown Law .. .. .		1,764	985
Customs .. .. .		15,724	14,130
Defence .. .. .		246,510	189,667
Education .. .. .		855,505	609,481
Energy (Programme 1) .. .. .		124,900	13,872
Environment, Commission for the .. .. .		..	629
Environment .. .. .		1,064	..
Environment, Parliamentary Commissioner for the .. .. .		217	..
Foreign Affairs .. .. .		46,971	50,125
Forest Service .. .. .		..	79,144
Forestry .. .. .		65,664	..
Government Life Insurance Corporation .. .. .		10	10
Government Printing Office .. .. .		..	20
Health .. .. .		816,294	705,504
Housing Corporation (Programmes I and II) .. .. .		68,513	77,432
Inland Revenue .. .. .		128,710	36,952
Internal Affairs .. .. .		41,728	29,775
Justice .. .. .		85,054	57,166
Labour .. .. .		137,795	144,108
Lands .. .. .	24	10,244	..
Lands and Survey .. .. .		..	21,654
Maori Affairs .. .. .		22,000	19,251
Ombudsmen, Office of the .. .. .		375	304
Parliamentary Service .. .. .		7,789	5,353
Police .. .. .		88,827	77,884
Post Office (part vote) .. .. .		..	888
Prime Minister .. .. .	24	416	..
Prime Minister's Department .. .. .		..	592
Privacy Commissioner .. .. .		38	18
Railways .. .. .		65	35
Rural Banking and Finance Corporation (Programmes I and II) .. .. .		12,138	16,155
Scientific and Industrial Research .. .. .		39,174	35,742
Security Intelligence Service .. .. .		1,851	2,270
Social Welfare .. .. .		1,521,040	1,340,686
State Services Commission .. .. .		14,866	30,739
Statistics .. .. .		9,490	9,739
Survey and Land Information .. .. .		8,937	..
Tourist and Publicity .. .. .		11,325	8,017
Trade and Industry .. .. .		47,362	52,869
Transport .. .. .		85,372	80,423
Treasury .. .. .		167,853	6,156
Valuation .. .. .		5,468	5,693
Women's Affairs .. .. .		369	169
Works and Development .. .. .		346,940 <sup>1</sup>	67,034
Total, Consolidated Account .. .. .		<u>\$5,137,057</u>	<u>\$3,868,937</u>
<b>LOANS ACCOUNT</b>			
Capital Participation in Crown and other organisations .. .. .		250,600	..
Energy (Programme II) .. .. .		24,000	83,675
Post Office .. .. .		..	74,000
Total, Loans Account .. .. .		<u>\$274,600</u>	<u>\$157,675</u>

## Footnote:

<sup>1</sup> In previous years Ministry of Works and Developments' internal and external receipts was netted off expenditure. Commencing 1 April 1987 these are now credited to departmental receipts.

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 Account, 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 30 June 1987 \$(000)		As at 30 June 1986 \$(000)	
		New Zealand	Overseas	New Zealand	Overseas
1987		..	..	1,612,146	682,352
1988		2,164,630	921,576	2,069,787	1,377,856
1989		2,992,673	931,583	3,008,684	896,607
1990		3,182,528	2,235,819	1,461,495	1,585,671
1991		1,934,605	1,270,386	1,869,662	1,255,004
1992		3,848,074	2,854,945	2,252,310	1,803,158
1993		1,356,600	1,699,364	1,080,669	1,122,671
1994		766,251	2,231,078	773,754	826,621
1995		1,266,344	859,478	1,266,344	1,060,939
1996		456,100	875,236	456,100	361,011
1997		523,100	624,691	132,122	451,264
1998		..	882,620	..	543,331
1999		..	52,994	..	..
2000		85,000	52,994	85,000	..
2001		..	1,114,244	..	902,527
2002		125,000	52,995	125,000	..
2003		..	366,285	..	..
2004		..	52,995	..	..
2005		..	52,995	..	..
2006		..	399,494	..	361,011
2007		..	52,995	..	..
2008		..	52,850	..	..
2009		..	822,544	..	256,724
2010		..	27,473	..	..
2011		..	259,875	..	270,758
2015		..	282,008	..	260,799
2017		..	606,376	..	361,011
Infl. Bonds	25	611,887	..	706,748	..
Kiwi Bonds		322,577	..	256,426	..
Kiwi Sav. Stock		220,458	..	331,326	..
Our N.Z. Bonds		26,234	..	32,182	..
Prem. Stock		..	..	26,674	..
Tsy. Bills		2,566,009	..	1,507,310	..
Sovereign Notes	15	..	1,039,542	..	..
Totals		\$22,448,070	\$ 20,675,435	\$19,053,739	\$ 14,379,315
		\$ 43,123,505		\$33,433,054	

The notes on pages 4131 to 4142 form part of and



## DETAILS OF OVERSEAS DOMICILED PUBLIC DEBT AS AT 30 JUNE 1987

\$(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>
1988	<b>921,576</b>	23,138	289,938	33,815	282,305	19,678	264,491	954	5,730	..	1,527
1989	<b>931,583</b>	32,819	194,772	33,815	372,752	17,087	272,529	301	5,730	..	1,778
1990	<b>2,235,819</b>	294,805	337,521	84,538	569,740	538,008	410,249	..	..	..	958
1991	<b>1,270,386</b>	8,552	52,024	..	679,169	179,430	152,901	..	..	197,667	643
1992	<b>2,854,945</b>	8,215	480,269	..	1,193,332	958,173 <sup>1</sup>	214,705	..	..	..	251
1993	<b>1,699,364</b>	47,349	2,220	..	471,863	867	584,062	..	..	593,003 <sup>2</sup>	..
1994	<b>2,231,078</b>	2,860	..	..	507,783 <sup>3</sup>	1,645,877	74,558	..	..	..	..
1995	<b>859,478</b>	..	..	..	722,979	..	136,499	..	..	..	..
1996	<b>875,236</b>	282,008	..	..	240,993	346,500	5,735	..	..	..	..
1997	<b>624,691</b>	..	..	..	12,580	606,376	5,735	..	..	..	..
1998	<b>882,620</b>	564,016	..	..	52,994	259,875	5,735	..	..	..	..
1999	<b>52,994</b>	..	..	..	52,994	..	..	..	..	..	..
2000	<b>52,994</b>	..	..	..	52,994	..	..	..	..	..	..
2001	<b>1,114,244</b>	..	..	..	52,994	866,251	194,999	..	..	..	..
2002	<b>52,995</b>	..	..	..	52,995	..	..	..	..	..	..
2003	<b>366,285</b>	..	..	..	366,285	..	..	..	..	..	..
2004	<b>52,995</b>	..	..	..	52,995	..	..	..	..	..	..
2005	<b>52,995</b>	..	..	..	52,995	..	..	..	..	..	..
2006	<b>399,494</b>	..	..	..	52,994	346,500	..	..	..	..	..
2007	<b>52,995</b>	..	..	..	52,995	..	..	..	..	..	..
2008	<b>52,850</b>	..	..	..	52,850	..	..	..	..	..	..
2009	<b>822,544</b>	274,958	..	..	27,835	519,751	..	..	..	..	..
2010	<b>27,473</b>	..	..	..	27,473	..	..	..	..	..	..
2011	<b>259,875</b>	..	..	..	..	259,875	..	..	..	..	..
2015	<b>282,008</b>	282,008	..	..	..	..	..	..	..	..	..
2017	<b>606,376</b>	..	..	..	..	606,376	..	..	..	..	..
Sovereign Notes	<b>1,039,542</b>	..	..	..	..	1,039,542	..	..	..	..	..
	<b>\$20,675,435</b>	1,820,728	1,356,744	152,168	6,004,889	8,210,166	2,322,198	1,255	11,460	790,670	5,157

## Footnotes:

<sup>1,2,3</sup> Refer to note 26 "Swap Transactions".

should be read in conjunction with the accounts.

## CHANGES IN THE PUBLIC DEBT FOR THE THREE MONTHS ENDED 30 JUNE 1987

	Outstanding 30 June 1987	Outstanding 31 March 1987	Increase (Decrease)
	\$(000)	\$(000)	\$(000)
<b>External debt—</b>			
Pounds Sterling .. .. .	1,820,728	1,819,039	1,689
Deutschemark .. .. .	1,356,744	1,404,736	(47,992)
Dutch Guilders .. .. .	152,168	157,108	(4,940)
Japanese Yen .. .. .	6,004,889	6,055,083	(50,194)
United States dollars .. .. .	8,210,166	8,968,997	(758,831)
Swiss Francs .. .. .	2,322,198	2,491,208	(169,010)
Australian dollars .. .. .	1,255	1,840	(585)
Canadian dollars .. .. .	11,460	11,939	(479)
European Currency Unit .. .. .	790,670	814,416	(23,746)
Miscellaneous .. .. .	5,157	10,593	(5,436)
<b>Internal debt—</b>			
Long-term debt .. .. .	19,882,061	19,573,918	308,143
Floating debt .. .. .	2,566,009	1,170,000	1,396,009
<b>Total</b> .. .. .	<b>43,123,505</b>	<b>42,478,877</b>	<b>644,628</b>

## TRANSACTIONS IN CONNECTION WITH THE PUBLIC DEBT FOR THE THREE MONTHS ENDED 30 JUNE 1987

	\$ (000)											
	New Zealand	Overseas	£Stg.	Deutsche-mark	Dutch Guilders	Japanese Yen	US\$	Swiss Francs	Aust.\$	Can.\$	European Currency Unit	Misc.
<b>Loans raised (gross value)—</b>												
For general purposes	1,381,693	..	..	..	..	..	..	..	..	..	..	..
Capital equipment credit arrangements	..	6,868	..	..	..	6,868	..	..	..	..	..	..
For repayment of loans (incl. Tsy Bills and Sovereign Notes)	3,472,009	2,921,617	282,645	..	..	571,524	2,067,448	..	..	..	..	..
<b>Total, loans raised</b>	<b>4,853,702</b>	<b>2,928,485</b>	<b>282,645</b>	..	..	<b>578,392</b>	<b>2,067,448</b>	..	..	..	..	..
<b>Loans repaid—</b>												
For general repayments (incl. Tsy Bills and Sovereign Notes)	3,149,550	3,674,518	289,942	..	..	751,136	2,510,630	117,206	314	..	..	5,290
Capital equipment credit arrangements	..	14,671	13,196	..	..	..	..	1,180	295	..	..	..
<b>Total, loans repaid</b>	<b>3,149,550</b>	<b>3,689,189</b>	<b>303,138</b>	..	..	<b>751,136</b>	<b>2,510,630</b>	<b>118,386</b>	<b>609</b>	..	..	<b>5,290</b>
<b>Increase (decrease) in debt due to—</b>												
29 May 1987 realignment	..	(298,820)	22,182	(47,992)	(4,940)	122,550	(315,649)	(50,624)	24	(479)	(23,746)	(146)
<b>Net increase (decrease) during the year</b>	<b>1,704,152</b>	<b>(1,059,524)</b>	1,689	(47,992)	(4,940)	(50,194)	(758,831)	(169,010)	(585)	(479)	(23,746)	(5,436)
Public debt at 1 April 1987	20,743,918	21,734,959	1,819,039	1,404,736	157,108	6,055,083	8,968,997	2,491,208	1,840	11,939	814,416	10,593
<b>Public debt at 30 June 1987</b>	<b>22,448,070</b>	<b>20,675,435</b>	<b>1,820,728</b>	<b>1,356,744</b>	<b>152,168</b>	<b>6,004,889</b>	<b>8,210,166</b>	<b>2,322,198</b>	<b>1,255</b>	<b>11,460</b>	<b>790,670</b>	<b>5,157</b>
	<b>\$ 43,123,505</b>											

The notes on pages 4131 to 4142 form part of and should be read in conjunction with the accounts.

## NOTES TO THE ACCOUNTS

**1. Income Tax**

Details of income tax are as follows:

	1987	1986
	\$(000)	\$(000)
Company .. .. .	(38,736)	(20,407)
Fringe benefit tax .. .. .	45,199	36,776
Individuals .. .. .	1,886,091	2,029,055
Miscellaneous .. .. .	40,987	31,140
	<u>\$1,933,541</u>	<u>\$2,076,564</u>

Income tax is net of refunds.

Refunds to exporters in terms of the Income Tax Act 1976 were \$55,163,568 for the three months ended 30 June 1987 and \$48,054,955 for the corresponding period in 1986.

**2. Other Direct Taxation**

Details of other direct taxation are as follows:

Estate and gift duty .. .. .	10,371	6,220
Land tax .. .. .	1,325	1,020
	<u>\$11,696</u>	<u>\$7,240</u>

**3. Other Indirect Taxation**

Details of other indirect taxation are as follows:

Domestic air travel tax .. .. .		5	5,136
Energy resources levy .. .. .		13,444	21,729
Gaming duties—			
Totalisator .. .. .	12,797		18,241
Lottery .. .. .	1,292		2,700
		<u>14,089</u>	
International departure tax .. .. .		(2)	4,282
Instrument duty—			
Stamp duty .. .. .	50,324		36,074
Cheque duty .. .. .	4,377		4,365
		<u>54,701</u>	
Motor spirits tax .. .. .			50,939
less refunds .. .. .		(29)	(516)
Motor vehicles, fees and charges .. .. .		13,660	8,239
Payroll tax .. .. .			98
		<u>\$95,868</u>	<u>\$151,287</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.

	1987	1986
	\$(000)	\$(000)
<b>On capital liability—</b>		
Development Finance Corporation of New Zealand Ltd .. .. .	..	193
Energy: Electricity .. .. .	..	87,806
Energy: Geothermal .. .. .	401	498
Energy: Mines .. .. .	305	15,526
Housing .. .. .	35,332	30,946
Housing Corporation of New Zealand .. .. .	75,116	78,087
New Zealand Railways Corporation .. .. .	507	602
Post Office .. .. .	256	37,791
<b>Revolving funds—</b>		
Government Printing Office Fund .. .. .	1,461	..
Rural Banking and Finance Corporation of New Zealand .. .. .	70,348	76,273
	<u>183,726</u>	<u>327,722</u>
<b>On other public money—</b>		
<b>Investments made in respect of the—</b>		
Consolidated Account .. .. .	1	..
Trust Account .. .. .	534	155
Loans Account .. .. .	41,542	..
Loans Redemption Account .. .. .	40,120	11,821
	<u>82,197</u>	<u>11,976</u>
<b>On advances to—</b>		
Loans and advances to hospitals, local authorities etc. .. .. .	105	154
	<u>\$266,028</u>	<u>\$339,852</u>
<b>5. Profits</b>		
The following profits were received during the period:		
Reserve Bank of New Zealand .. .. .	\$32,588	..

**6. Departmental Receipts**

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

	1987	1986
	\$(000)	\$(000)
Agriculture and Fisheries .. .. .	36,801	8,249
Audit .. .. .	1,914	1,127
Conservation .. .. .	1,122	..
Crown Law .. .. .	71	6
Customs .. .. .	816	744
Defence .. .. .	2,669	3,015
Education .. .. .	5,454	3,504
Energy (Programme I) .. .. .	8,188	22,270
Environment .. .. .	17	..
Foreign Affairs .. .. .	2,963	1,045
Forest Service .. .. .	..	44,498
Forestry .. .. .	970	..
Health .. .. .	2,916	678
Inland Revenue .. .. .	5	36
Internal Affairs .. .. .	4,091	2,671
Justice .. .. .	32,956	21,325
Labour .. .. .	1,154	816
Lands .. .. .	269	..
Lands and Survey .. .. .	..	7,450
Maori Affairs .. .. .	10,355	10,641
Parliamentary Service .. .. .	1	1
Police .. .. .	1,352	901
Post Office (part vote) .. .. .	..	20
Prime Minister's Department .. .. .	..	1
Scientific and Industrial Research .. .. .	..	1,818
Social Welfare .. .. .	12,533	10,167
State Services Commission .. .. .	12,059	646
Statistics .. .. .	282	168
Survey and Land Information .. .. .	1,891	..
Tourist and Publicity .. .. .	1,299	907
Trade and Industry .. .. .	1,552	896
Transport .. .. .	11,563	28,716
Treasury .. .. .	1,479	1,121
Valuation .. .. .	5,637	3,172
Women's Affairs .. .. .	4	3
Works and Development .. .. .	227,204 <sup>1</sup>	6,039
	<u>\$389,587</u>	<u>\$182,651</u>

## Footnote:

<sup>1</sup> In previous years Ministry of Works and Development's internal and external receipts was netted off expenditure. Commencing 1 April 1987 these are now credited to departmental receipts.

**7. Special Receipts**

The following are details of this category of receipts:

	<b>1987</b>	<i>1986</i>
	<b>\$(000)</b>	<b>\$(000)</b>
<b>Auckland Harbour Bridge Authority</b> .. .. .	..	932
<b>Capital gains on realisation of investments (net)</b> These are the net gains offset by losses made on the realisation of the investment of Public Account balances, etc.	<b>31,138</b>	365
<b>Import Licence Premiums</b> .. .. . The receipts are in respect of import licence allocations offered by way of tender to interested parties.	<b>26,386</b>	13,979
<b>New Zealand Refining Company Limited</b> .. .. . The receipt is in respect of a reimbursement from the New Zealand Refining Company Limited for major project debt costs met by the Crown.	<b>1,759</b>	..
	<u><b>\$59,283</b></u>	<u><b>\$15,276</b></u>

## 8. Payments Under Permanent Appropriations—Consolidated Account

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

		1987	1986
	\$(000)	\$(000)	\$(000)
<b>CIVIL LIST</b>			
His Excellency the Governor-General—			
Salary .. .. .	19		15
Other Expenses .. .. .	232		177
		<b>251</b>	<b>192</b>
Executive Council and Ministers—			
Salaries .. .. .	484		500
Allowances .. .. .	61		..
		<b>545</b>	<b>500</b>
Parliamentary Under-Secretaries—			
Salary .. .. .	110		113
Allowances .. .. .	13		..
		<b>123</b>	<b>113</b>
Mr Speaker, House of Representatives—			
Salary .. .. .	26		24
Allowances .. .. .	3		..
		<b>29</b>	<b>24</b>
Chairman of Committees—			
Salary .. .. .	23		21
Allowances .. .. .	3		1
		<b>26</b>	<b>22</b>
Leader of the Opposition—			
Salary .. .. .	26		24
Allowances .. .. .	5		4
		<b>31</b>	<b>28</b>
Members of the House of Representatives—			
Salaries .. .. .	1,134		1,064
Allowances .. .. .	230		141
		<b>1,364</b>	<b>1,205</b>
Annuity to former Governor-General .. .. .	7		8
Annuity to former Prime Minister .. .. .	5		24
Annuity to widow of former Prime Minister .. .. .	1		..
Annuity to widow of former Governor-General .. .. .	2		..
		<b>15</b>	<b>32</b>
		<b>\$2,384</b>	<b>\$2,116</b>
<b>DEBT SERVICES</b>			
Administration and management—			
Charges and expenses of raising and repaying loans .. .. .	5,924		378
Management charges .. .. .	2,092		2,243
		<b>8,016</b>	<b>2,621</b>
Interest—			
In New Zealand .. .. .	848,018		518,750
Overseas .. .. .	406,938		273,869
		<b>1,254,956</b>	<b>792,619</b>
		<b>\$1,262,972</b>	<b>\$795,240</b>

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

	1987	1986
	\$(000)	\$(000)
<b>SUPERANNUATION</b>		
Contribution to Government Superannuation Fund .. .. .	81,376	58,560
Subsidy to Parliamentary Superannuation Account .. .. .	106	94
Judges retiring allowances, annuities, and refunds of contributions .. .. .	484	488
Contributions to other superannuations schemes .. .. .	..	22
Contributions on refunds and transfers values .. .. .	3,896	783
	<u>85,862</u>	<u>59,947</u>
<b>MISCELLANEOUS</b>		
Crown Proceedings act 1950, Section 24 (3)		
Judgment damages awarded to—		
Takarua Properties Ltd .. .. .	..	762
Export Guarantee Act 1964 Section 10 (7)		
Reimbursement to Export Guarantee Office re settlement claim from—		
Kraft Foods Ltd .. .. .	7,370	..
Subsidy to National Provident Fund .. .. .	3,767	1,973
Payment in respect of land and improvements, etc. .. .. .	..	42
Annual payments to Maori Trust Boards .. .. .	77	62
Contributions to national superannuation schemes .. .. .	1,452	300
Exemptions from taxation, etc. .. .. .	162	65
Grants for Maori purposes .. .. .	1	3
Mining Act 1971—		
Grants to local authorities .. .. .	180	141
Payments to parties entitled .. .. .	2	4
Payments in terms of guarantees on loans to industry, etc. .. .. .	..	72
Salaries of—		
Chief Judge and Judges of the Maori Land Court .. .. .	197	163
Controller and Auditor-General and Deputy .. .. .	43	44
District Court Judges .. .. .	1,945	1,806
Family Court Judges .. .. .	424	346
Judges of Arbitration Court and of Compensation Court .. .. .	119	95
Judges of Court of Appeal and High Court .. .. .	1,007	948
Ombudsmen .. .. .	36	46
	<u>16,782</u>	<u>6,872</u>
<b>Total, Consolidated Account Permanent Appropriations .. .. .</b>	<u><u>1,368,000</u></u>	<u><u>864,175</u></u>

## 9. Special Payments

**Realised Gains/Losses through currency conversion**

The following realised gains/losses were obtained as a result of the daily conversion from NZ\$ to foreign currency and vice versa, of transactions in respect of—

Imprest .. .. .	(2,863)	(1,615)
Investments .. .. .	114,760	(24,882)
Public Debt .. .. .	17,620	(7,753)
Sovereign Note .. .. .	3,489	..

**Realignment of Balances—Unrealised Gains/Losses**

The following discloses the realignment of Imprest Account balances and value of investments consequent on changes in exchange rates (*Additional information is contained in Note 27*)

Imprest Account Balances .. .. .	1,397	439
Investments .. .. .	89,118	(22,287)
	<u>223,521</u>	<u>\$(56,098)</u>



**10. Loans Raised:**

The following are details of loans raised during the three months:

	1987	1986
	\$(000)	\$(000)
<b>In New Zealand</b>		
<b>Kiwi Bonds—</b>		
15.5 percent various .. .. .	99	
16 percent various .. .. .	1,799	
16.75 percent various .. .. .	381	
17 percent various .. .. .	9	
17.5 percent various .. .. .	12,152	
18.5 percent various .. .. .	12,468	
	<b>26,908</b>	14,529
<b>Non-Discountable Securities<sup>1</sup> .. .. .</b>	<b>509,000</b>	..
<b>Tender Stock—</b>		
14 percent 15 February 1988 .. .. .	15,560	
14 percent 15 July 1989 .. .. .	57,101	
14 percent 15 March 1990 .. .. .	253,500	
16 percent 15 October 1990 .. .. .	30,000	
16 percent 15 June 1991 .. .. .	50,000	
16 percent 15 October 1991 .. .. .	50,000	
14 percent 15 February 1992 .. .. .	35,000	
14 percent 15 July 1992 .. .. .	354,624	
	<b>845,785</b>	1,645,691
	<b>1,381,693</b>	1,660,220
<b>Overseas</b>		
<b>Capital equipment credit arrangements—</b>		
6.2 percent 26 June 1993 .. .. .	6,868	..
	<b>\$1,388,561</b>	<b>\$1,660,220</b>
<b>11. Other Securities Issued</b>		
Details of these are as follows:		
<b>Securities issued to IMF—</b>		
Non-negotiable, non-interest-bearing notes .. .. .	<b>\$102,770</b>	..

**Footnote:**<sup>1</sup> Promissory notes issued to the Post Office Bank Limited by the Crown.

**12. Permanent Appropriations, Loans Account**

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

	1987	1986
	\$(000)	\$(000)
Subscription to IMF .. .. .	7	..
Encashment of securities—ADB .. .. .	900	2,000
Charges and expenses of raising loans— In New Zealand— Discounts on tender stock .. .. .	55,438	101,654
	<u>\$56,345</u>	<u>\$103,654</u>

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

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

Telecom Corporation of New Zealand Ltd .. .. .	\$6,868	..
	<u>\$6,868</u>	..

**14. Loans raised overseas for the purpose of repaying loans**

These are as follows:

	Maturity Year Ending 31 March		
	1990	8,749	..
	1991	..	187,970
	1994	..	463,898
	1996	532,209	..
	1997	..	451,263
	1998	265,722	..
	2003	321,960	..
	2017	..	377,858
		<u>\$1,128,640</u>	<u>\$1,480,989</u>

**15. Sovereign Notes**

On 4 September 1986 a combined Sovereign Note/Medium Term Note Program was launched as a major component in the programme to refinance major project debt. For the three months ended 30 June 1987 the provision was:

Balance outstanding 31 March 1987 .. .. .	1,080,840	..
Plus Issued Par amount .. .. .	1,792,977	..
Less Repayments .. .. .	1,794,459	..
Less Realignments .. .. .	39,816	..
Balance .. .. .	<u>\$1,039,542</u>	..

**16. Money Received for Repayment of Loans and Advances**

Details are as follows:

Capital Equipment Credit Arrangements—			
Energy: Electricity .. .. .			6,766
Energy: Mines .. .. .		7,278	329
New Zealand Railways Corporation .. .. .		1,823	2,654
Post Office .. .. .			6,563
Vote Defence .. .. .		5,570	..
Vote Transport (Airport Development) .. .. .		..	178
		<u>\$14,671</u>	<u>\$16,490</u>

**17. Gains on Redemption of Securities**

This item is derived from the redemption of Treasury bills totalling \$211,000,000 from the Reserve Bank of New Zealand at a settlement of \$202,629,000.

## 18. Summary of Loans Repaid

Three months ended 30 June 1986 \$(000)		Three months ended 30 June 1987 Currency \$(000)									
New Zealand	Overseas	Maturing Year Ending 31 March	New Zealand	Overseas	£Sig.	Japanese Yen	US\$	Swiss Franc	Aust.\$	Misc	
260,652	41,009	1987	..	..	..	..	..	..	..	..	
..	668,083	1988	102,110	294,606	289,258	..	..	..	314	5,034	
..	3,089	1989	16,000	8,459	5,569	2,595	..	..	295	..	
..	3,337	1990	450	4,862	3,291	..	1,571	..	..	..	
..	2,861	1991	..	2,999	1,819	..	..	1,180	..	..	
..	2,152	1992	..	571,908	..	9,630	444,816	117,206	..	256	
..	379	1993	14,000	181,120	376	180,744	..	..	..	..	
..	2,863	1994	..	2,825	2,825	..	..	..	..	..	
..	631,769	1995	..	827,951	..	558,167	269,784	..	..	..	
129	..	Death Duty	32	..	..	..	..	..	..	..	
20,148	..	Infl. Bonds	31,134	..	..	..	..	..	..	..	
48	..	Kiwi Bonds	935	..	..	..	..	..	..	..	
23,019	..	Kiwi Sav. Stock	29,486	..	..	..	..	..	..	..	
..	..	Non-Discountable Securities	509,000	..	..	..	..	..	..	..	
8,579	..	Our N.Z. Bonds	824	..	..	..	..	..	..	..	
23,554	..	Prem. Stock	..	..	..	..	..	..	..	..	
..	..	Special Issues	60,000	..	..	..	..	..	..	..	
273,731	..	Tender Stock	309,579	..	..	..	..	..	..	..	
2,752,735	..	Tsy. Bills	2,076,000	..	..	..	..	..	..	..	
..	..	Sovereign Notes	..	1,794,459	..	..	1,794,459	..	..	..	
3,362,595	1,355,542	Totals	3,149,550	3,689,189	303,138	751,136	2,510,630	118,386	609	5,290	
<u>\$4,718,137</u>			<u>\$6,838,739</u>								

**19. Taxation, National Roads Fund**

Taxation into this Fund during the three months are:

	1987	1986
	\$(000)	\$(000)
Excise duty .. .. .	64,560	50,662
Road User Charges .. .. .	70,516	49,039
	<u>\$135,076</u>	<u>\$99,701</u>

Excise duty comprises motor spirits duty and sales tax on liquefied petroleum gas and compressed natural gas prior to 1 October 1986. Subsequently collected as excise duty on petrol, liquefied petroleum gas and compressed natural gas.

**20. Other Receipts, National Roads Fund**

These are as follows—

Interest .. .. .	822	..
Miscellaneous .. .. .	321	440
Receipts from land and property .. .. .	..	1,873
	<u>\$1,143</u>	<u>\$2,313</u>

**21. Expenditure, National Roads Fund**

From 1 April 1987 the National Roads Board now reimburses Local Authorities on receipt of claims for subsidised work. Previously 50 percent of a Local Authorities Subsidy entitlement was advanced during the first quarter.

**22. 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.

**23. Investments—Public Account Balances**

Investments held in New Zealand decreased by \$358,200,000 and those held overseas decreased by \$1,037,869,000. The following table summaries, by currency, investment holdings for the three months ended 30 June 1987 and the corresponding period in 1986:

<i>Currency</i>		
Canadian dollar .. .. .	10,964	10,064
Deutschemark .. .. .	352,150	47,152
Dutch guilder .. .. .	42,937	34,300
Japanese yen .. .. .	1,326,273	550,065
Pound sterling .. .. .	111,879	102,369
Swiss franc .. .. .	111,687	1,099
United States dollar .. .. .	3,146,697	392,514
Total Overseas .. .. .	<u>5,102,587</u>	<u>1,137,563</u>
New Zealand dollar <sup>1</sup> .. .. .	127,570	5,770
Total Investments held .. .. .	<u>\$5,230,157</u>	<u>\$1,143,333</u>

Footnote:

<sup>1</sup> Includes investments of \$121,800,000 held by the National Roads Fund.

**24. Expenditure Statement**

New Votes:

**Lands—**

This is a new Vote established on 1 April 1987 to cover the expenses of a transitional unit under the fourth schedule of the State-Owned Enterprises Act 1986 to carry out residual functions of the former Department of Lands and Survey.

**Prime Minister—**

This is a new Vote established from 1 April 1987. The principal functions are to provide services to the Prime Minister and Cabinet. The External Intelligence Bureau, formerly funded by Vote Prime Minister's Department was transferred to the Ministry of Foreign Affairs from 1 April 1987.

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

This figure does not include the sum of \$500,194,832 being the assessment by the Reserve Bank of New Zealand of the obligation at 30 June 1987 in respect of the premium on redemption.

**26. Swap Transactions**

As permitted by Section 91A of the Public Finance Act, the Government has entered into three currency swap arrangements. 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 the swap transactions undertaken. The foreign currencies have been converted at bank rates prevailing on 29 May 1987.

Maturing Year Ending 31 March	Currency \$(000)		European Currency Unit
	US\$	Japanese Yen	
1992	215,935 Cr	240,294 Cr	..
1992	84,719 Dr	96,397 Cr	..
1993	391,545 Dr	..	394,643 Cr
1994	214,897 Dr	240,993 Cr	..

**27. Movements in Currency Values**

In accordance with the Particular Accounting Policy adopted in respect of foreign currencies the exchange rates were officially realigned on 29 May 1987. 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 \$298,820,000 arising from 29 May 1987 realignment consisted of:

	Realignment 29 May 1987	
	Increase (\$000)	Decrease \$(000)
Loans denominated in—		
Australian dollar	24	..
Canadian dollar	..	479
Deutschemark	..	47,992
European currency unit	..	23,746
Indian rupee	..	89
Japanese yen	122,550	..
Dutch guilder	..	4,940
Pound sterling	22,182	..
Swiss franc	..	50,624
United States dollar	..	315,649
	<hr/>	<hr/>
	144,756	443,519
IBRD loans (various currencies)	..	57
Net decrease	298,820	..
	<hr/>	<hr/>
	\$443,576	\$443,576

The total net decrease \$105,852,000 in the overseas investments consisted of:

	<b>Realignment 29 May 1987</b>	
	Increase (\$000)	Decrease \$(000)
Investments denominated in—		
Canadian dollar .. .. .	..	318
Deutschemark .. .. .	..	13,571
Dutch guilder .. .. .	..	1,248
Japanese yen .. .. .	..	37,372
Pound sterling .. .. .	..	778
Swiss franc .. .. .	..	6,658
United States dollar .. .. .	..	45,907
	<hr/>	<hr/>
Net decrease .. .. .	105,852	105,852
	<hr/>	<hr/>
	<u>\$105,852</u>	<u>\$105,852</u>

T. M. Berthold  
Assistant Secretary to the Treasury.  
30 July 1987

M. Goddard  
Director, Finance and Management, Treasury  
30 July 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 three months ended 30 June 1987 as required by section 67 of that Act.

In the opinion of the Audit Office, the Summary of Receipts and Payments appearing on pages 4118 to 4142 properly reflects, in accordance with the statement of accounting policies on page 4117 the balance of the public debt outstanding at 30 June 1987 and the transactions of the Public Account for the three months ended on that date.

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

