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SUMMARY
OF THE
RECEIPTS AND PAYMENTS
OF THE
PUBLIC ACCOUNT
FOR THE
SIX MONTHS ENDED 30 SEPTEMBER 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	Six Months Ended 30 September 1987			Six Months Ended 30 September 1986
	\$(000)	\$(000)	\$(000)	\$(000)
RECEIPTS INTO PUBLIC ACCOUNT				
Taxation—				
Consolidated Account	8,517,169			6,560,803
National Roads Fund	284,465			196,337
		8,801,634		6,757,140
Interest, dividends and profits—				
Consolidated Account	634,521			712,824
Reserve Account	15,619			20,270
		650,140		733,094
Departmental and Special Receipts—				
Consolidated Account	1,071,548			542,756
National Roads Fund	16,012			6,450
		1,087,560		549,206
Repayment of loans and advances—				
Loans Redemption Account		28,887		37,066
Changes in balances—				
Increase in advances to Imprestees	(115,598)			(257,783)
Increase in Suspense Account	29,941			10,972
		(85,657)		(246,811)
			10,482,564	7,829,695
PAYMENTS FROM PUBLIC ACCOUNT				
Annual appropriations—				
Consolidated Account	10,647,232			8,953,477
Loans Account	274,600			205,175
		10,921,832		9,158,652
Permanent appropriations—				
Consolidated Account	2,907,766			2,028,486
Loans Account ¹	2,002			2,002
National Roads Fund	140,198			162,757
		3,049,966		2,193,245
Special Payments—				
Consolidated Account	533,794			(180,487)
Reserve Account	35,102			(48,860)
		568,896		(229,347)
Unauthorised expenditure for services and purposes not provided for—				
National Roads Fund		2		1
Changes in balances—				
Net payments from Trust Account		308,048		(13,541)
			14,848,744	11,109,010
Deficit on operations			\$4,366,180	\$3,279,315

Footnote:

¹ Excludes charges and expenses of raising loans \$112,795,206.

SECTION

TABLE 2—SUMMARY OF
PUBLIC ACCOUNT FINANCING

	Six Months Ended 30 September 1987		Six Months Ended 30 September 1986
	\$(000)	\$(000)	\$(000)
NEW BORROWING			
Loans Account			
Borrowing in New Zealand and Overseas	2,143,508		3,470,172
<i>Less</i> purchases through capital equipment credit arrangements	(20,230)		(352)
<i>Less</i> charges and expenses of raising loans	(112,795)		(208,787)
<i>Plus</i> premiums on issues	3,827		6,689
		2,014,310	3,267,722
Loans Redemption Account			
Borrowing in New Zealand and Overseas	11,200,706		10,199,407
<i>Less</i> charges and expenses of raising loans	(67,389)		(88,104)
		11,133,317	10,111,303
Net cash proceeds from new borrowing		13,147,627	13,379,025
REPAYMENTS			
Loans Redemption Account			
Repayments in New Zealand and Overseas	11,580,355		8,691,505
<i>Less</i> gains on redemption of securities	(8,806)		..
		11,571,549	8,691,505
Net cash flow from borrowing		1,576,078	4,687,520
CHANGES IN BALANCES OF—			
Cash at bank	493,860		(630,251)
Investments	2,296,242		(777,954)
		2,790,102	(1,408,205)
		\$4,366,180	\$3,279,315

CONSOLIDATED

RECEIPTS	Note	Six Months Ended 30 September 1987			Six Months Ended 30 September 1986
		\$(000)	\$(000)	\$(000)	\$(000)
Taxation					
Direct taxation—					
Income tax	1	4,992,537			4,951,541
Other tax	2	25,644			17,702
			5,018,181		4,969,243
Indirect taxation—					
Beer duty					109,024
Customs duty		495,457			355,240
Excise duties ¹		987,073			..
Goods and Services tax		1,771,206			..
Sales tax					774,147
Other taxation	3	245,252			353,149
			3,498,988		1,591,560
				8,517,169	6,560,803
Interest, Dividends and Profits—					
Interest on Capital Liabilities and Investments	4		495,941		685,524
Dividends	5		95,826		17,300
Profits	6		42,754		10,000
				634,521	712,824
Departmental Receipts	7			979,178	458,543
Total Ordinary Receipts				10,130,868	7,732,170
Special Receipts	8			92,370	84,213
Deficit at end of six months				3,865,554	2,985,093
				<u>\$14,088,792</u>	<u>\$10,801,476</u>
Opening balance, 1 April 1987				126,225	121,460
				<u>\$126,225</u>	<u>\$121,460</u>

Footnote:

¹ 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 5582 to 5593 form part of and

ACCOUNT

PAYMENTS	Note	Six Months Ended	Six Months Ended
		30 September 1987	30 September 1986
		\$(000)	\$(000)
Permanent appropriations	9	2,907,766	2,028,486
Annual appropriations <i>(For details, refer to Expenditure Statement on page 5577)</i>		10,647,232	8,953,477
Total Ordinary Payments		<u>13,554,998</u>	<u>10,981,963</u>
Special Payments	10	533,794	(180,487)
		<u>\$14,088,792</u>	<u>\$10,801,476</u>
Deficit at end of six months		3,865,554	2,985,093
Closing balance, 30 September 1987		(3,739,329)	(2,863,633)
		<u>\$126,225</u>	<u>\$121,460</u>

should be read in conjunction with the accounts.

RECEIPTS										LOANS			
										Note	Six Months Ended 30 September 1987	Six Months Ended 30 September 1986	
											\$(000)	\$(000)	\$(000)
Loans raised—										11			
In New Zealand	..	..	..	..	..	..	..	..	..		2,123,278		3,032,263
Overseas	..	..	..	..	..	..	..	..	..		20,230		352
												<u>2,143,508</u>	<u>3,032,615</u>
Loan receipts unallocated	..	..	..	..	..	..	..	..	..				437,557
Other Securities issued	..	..	..	..	..	..	..	..	..	12		102,770	..
Premium on issues	..	..	..	..	..	..	..	..	..			3,827	6,689
												<u>\$2,250,105</u>	<u>\$3,476,861</u>
Opening balance, 1 April 1987	..	..	..	..	..	..	..	..	..			8,421	69,125
Surplus at end of six months	..	..	..	..	..	..	..	..	..			1,737,708	3,060,545
												<u>\$1,746,129</u>	<u>\$3,129,670</u>

LOANS REDEMPTION										LOANS REDEMPTION			
											\$(000)	\$(000)	\$(000)
Loans raised for the purpose of repaying loans—													
Overseas—													
Cash loans	..	..	..	..	..	..	..	..	..	15	1,128,640		4,057,062
Sovereign Notes	..	..	..	..	..	..	..	..	..	16	3,582,066		..
												<u>4,710,706</u>	<u>4,057,062</u>
Treasury bills issued	..	..	..	..	..	..	..	..	..			6,490,000	6,142,345
Money received for repayment of loans and advances	..	..	..	..	..	..	..	..	..	17		28,879	37,042
Other money received	..	..	..	..	..	..	..	..	..			8	24
Gains on redemption of securities	..	..	..	..	..	..	..	..	..	18		8,806	..
Deficit at end of six months	..	..	..	..	..	..	..	..	..			409,345	..
												<u>\$11,647,744</u>	<u>\$10,236,473</u>
Opening balance, 1 April 1987	..	..	..	..	..	..	..	..	..			385,362	1,857,299
Surplus at end of six months	..	..	..	..	..	..	..	..	..				1,456,864
												<u>\$385,362</u>	<u>\$3,314,163</u>

The notes on pages 5582 to 5593 form part of and

ACCOUNT

PAYMENTS	Note	Six Months Ended	Six Months Ended
		30 September 1987	30 September 1986
		\$(000)	\$(000)
Permanent appropriations	13	114,797	210,789
Annual appropriations (For details refer to Expenditure Statement on page 5577)		274,600	205,175
Capital equipment purchased under credit arrangements	14	20,230	352
Other Securities issued		102,770	..
Surplus at end of six months		1,737,708	3,060,545
		<u>\$2,250,105</u>	<u>\$3,476,861</u>
Closing balance, 30 September 1987		1,746,129	3,129,670
		<u>\$1,746,129</u>	<u>\$3,129,670</u>

ACCOUNT

		\$(000)	\$(000)	\$(000)
Loans repaid—	19			
In New Zealand		1,672,884		1,053,106
Overseas—				
General repayments and other purposes		2,770,959		1,575,664
Sovereign Notes	16	3,601,512		..
			8,045,355	2,628,770
Treasury bills redeemed			3,535,000	6,062,735
Charges and expenses of raising and repaying loans—				
General		11,989		47,414
Flexible financing facilities rollover expenses		2,924		13,785
Premium on redemption, Inflation-adjusted savings bonds		46,778		26,905
Premiums on overseas loans		5,698		..
			67,389	88,104
Surplus at end of six months .. .. .			..	1,456,864
			<u>\$11,647,744</u>	<u>\$10,236,473</u>
Deficit at end of six months			409,345	..
Closing balance, 30 September 1987			(23,983)	3,314,163
			<u>\$385,362</u>	<u>\$3,314,163</u>

should be read in conjunction with the accounts.

										NATIONAL ROADS		
RECEIPTS										Note	Six Months Ended 30 September 1987 \$(000)	Six Months Ended 30 September 1986 \$(000)
Taxation	..	..	..	..	..	..	..	..	..	20	284,465	196,337
Other receipts	..	..	..	..	..	..	..	..	..	21	16,012	6,450
											<u>\$300,477</u>	<u>\$202,787</u>
Opening balance, 1 April 1987	..	..	..	..	..	..	..	..	..		17,130	38,091
Surplus at end of six months	..	..	..	..	..	..	..	..	..		<u>160,277</u>	<u>40,029</u>
											<u>\$177,407</u>	<u>\$78,120</u>
										RESERVE		
											\$(000)	\$(000)
Interest on investments	..	..	..	..	..	..	..	..	..		15,619	20,270
Deficit at end of six months	..	..	..	..	..	..	..	..	..		<u>19,483</u>	<u>(69,130)</u>
											<u>\$35,102</u>	<u>\$(48,860)</u>
Opening balance, 1 April 1987	..	..	..	..	..	..	..	..	..		396,543	363,635
											<u>\$396,543</u>	<u>\$363,635</u>
										TRUST		
											\$(000)	\$(000)
Receipts through revolving funds	..	..	..	..	..	..	..	..	..		406,986	322,797
Other receipts	..	..	..	..	..	..	..	..	..		915,524	550,094
Deficit at end of six months	..	..	..	..	..	..	..	..	..		<u>308,048</u>	<u>..</u>
											<u>\$1,630,558</u>	<u>\$872,891</u>
Opening balance, 1 April 1987	..	..	..	..	..	..	..	..	..		5,924,026	93,776
Surplus at end of six months	..	..	..	..	..	..	..	..	..		<u>..</u>	<u>13,541</u>
											<u>\$5,924,026</u>	<u>\$107,317</u>

The notes on pages 5582 to 5593 form part of and

FUND

PAYMENTS	Note	Six Months Ended	Six Months Ended
		30 September 1987	30 September 1986
		\$(000)	\$(000)
Expenditure	22	140,198	162,757
Unauthorised expenditure under section 28A National Roads Act 1953		2	1
Surplus at end of six months		160,277	40,029
		<u>\$300,477</u>	<u>\$202,787</u>
Closing balance, 30 September 1987		177,407	78,120
		<u>\$177,407</u>	<u>\$78,120</u>

ACCOUNT

	\$(000)	\$(000)
Adjustment of value of investments consequent on changes in exchange rates	35,102	(48,860)
	<u>\$35,102</u>	<u>\$(48,860)</u>
Deficit at end of six months	19,483	(69,130)
Closing balance, 30 September 1987	377,060	432,765
	<u>\$396,543</u>	<u>\$363,635</u>

ACCOUNT

	\$(000)	\$(000)
Payments through revolving funds	415,401	317,004
Other payments	1,215,157	542,346
Surplus at end of six months .. .. .	..	13,541
	<u>\$1,630,558</u>	<u>\$872,891</u>
Deficit at end of six months	308,048	..
Closing balance, 30 September 1987	5,615,978	107,317
	<u>\$5,924,026</u>	<u>\$107,317</u>

should be read in conjunction to the accounts.

SUMMARY OF BALANCES

	Note	At 30 September 1987	At 30 September 1986
		\$(000)	\$(000)
Consolidated Account		(3,739,329)	(2,863,633)
Loans Account		1,746,129	3,129,670
Loans Redemption Account		(23,983)	3,314,163
National Roads Fund		177,407	78,120
Reserve Account		377,060	432,765
Suspense Account	23	29,942	13,075
Trust Account		5,615,978	107,317
		<u>5,615,978</u>	<u>107,317</u>
		<u>\$4,183,204</u>	<u>\$4,211,477</u>

COMPOSITION OF BALANCES

	Note	At 30 September 1987	At 30 September 1986
		\$(000)	\$(000)
Cash		(367,625)	751,494
Imprests		220,845	370,892
Investments—	24		
In New Zealand		151,358	5,770
Overseas		4,178,626	3,083,321
		<u>4,329,984</u>	<u>3,089,091</u>
		<u>\$4,183,204</u>	<u>\$4,211,477</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	1986
		\$(000)	\$(000)
CONSOLIDATED ACCOUNT			
Accident Compensation		143	105
Agriculture and Fisheries		165,581	173,041
Audit		9,468	6,989
Broadcasting		170	178
Building Performance Guarantee Corporation		11	11
Conservation		40,192	46
Crown Law		4,172	2,101
Customs		34,579	27,615
Defence		553,742	449,580
Education		1,636,559	1,311,756
Energy (Programme I)		213,518	843,316
Environment, Commission for the		..	1,488
Environment		2,255	57
Environment, Parliamentary Commissioner for the		424	..
Foreign Affairs		111,461	111,259
Forest Service		..	161,663
Forestry		83,809	..
Government Life Insurance Corporation		18	19
Government Printing Office		..	113
Health		1,668,493	1,421,562
Housing Corporation (Programmes I and II)		136,915	155,821
Inland Revenue		294,519	81,265
Internal Affairs		98,414	86,278
Justice		196,336	118,894
Labour		318,971	266,117
Lands	25	12,058	..
Lands and Survey		..	50,729
Maori Affairs		97,492	42,518
Ombudsmen, Office of the		826	570
Parliamentary Service		18,023	11,255
Police		188,343	146,488
Post Office (part vote)		..	7,962
Prime Minister	25	1,128	..
Prime Minister's Department		..	1,259
Privacy Commissioner		89	48
Railways		126	69
Rural Banking and Finance Corporation (Programmes I and II)		26,667	31,245
Scientific and Industrial Research		78,024	70,535
Security Intelligence Service		4,342	3,619
Social Welfare		3,309,235	2,870,601
State Services Commission		84,164	67,216
Statistics		18,023	18,536
Survey and Land Information		24,188	..
Tourist and Publicity		27,387	16,824
Trade and Industry		80,360	86,524
Transport		192,444	159,764
Treasury		185,506	12,220
Valuation		12,262	10,595
Women's Affairs		761	592
Works and Development		716,034 ¹	125,034
Total, Consolidated Account		\$10,647,232	\$8,953,477
LOANS ACCOUNT			
Capital Participation in Crown and other organisations		250,600	..
Energy (Programme II)		24,000	131,175
Post Office		..	74,000
Total, Loans Account		\$274,600	\$205,175

Footnote:

¹ In previous years Ministry of Works and Developments' internal and external receipts were 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 September 1987 \$(000)		As at 30 September 1986 \$(000)	
		New Zealand	Overseas	New Zealand	Overseas
1987		..	..	1,217,964	671,451
1988		1,626,066	585,982	2,069,787	1,661,939
1989		2,992,671	710,091	3,008,684	1,106,083
1990		3,448,302	2,010,191	2,031,265	2,541,739
1991		1,934,599	1,219,061	1,869,617	1,502,486
1992		3,848,059	2,510,837	2,719,916	2,537,708
1993		1,808,477	1,640,588	1,080,669	1,371,517
1994		766,250	2,133,629	773,754	1,982,640
1995		1,266,344	828,848	1,266,344	1,274,235
1996		456,100	837,491	456,100	405,844
1997		523,100	595,409	457,630	714,989
1998		..	843,039	..	600,240
1999		..	239,080	..	..
2000		85,000	51,110	85,000	..
2001		..	876,465	..	1,014,610
2002		125,000	51,110	125,000	..
2003		..	353,260	..	..
2004		..	51,110	..	..
2005		..	51,110	..	..
2006		..	381,252	..	405,844
2007		..	546,323	..	..
2008		..	50,970	..	..
2009		..	289,507	..	283,613
2010		..	26,496	..	..
2011		..	247,606	..	304,383
2015		..	269,397	..	288,115
2017		..	577,748	..	717,371
Infl. Bonds	26	585,178	..	682,518	..
Kiwi Bonds		345,666	..	265,072	..
Kiwi Sav. Stock		188,269	..	322,991	..
Our N.Z. Bonds		25,231	..	30,307	..
Prem. Stock		..	..	12,608	..
Tsy. Bills		4,125,000	..	859,590	..
Sovereign Notes		..	972,812	..	..
Totals		\$24,149,312	\$ 18,950,522	\$19,334,816	\$ 19,384,807
		<u>\$ 43,099,834</u>		<u>\$ 38,719,623</u>	

The notes on pages 5582 to 5593 form part of and

DETAILS OF OVERSEAS DOMICILED PUBLIC DEBT AS AT 30 SEPTEMBER 1987

\$(000)

<i>Maturing Year Ending 31 March</i>	Total	<i>£Stg.</i>	<i>Deutsche- mark</i>	<i>Dutch Guilders</i>	<i>Japanese Yen</i>	<i>US\$</i>	<i>Swiss Francs</i>	<i>Aust.\$</i>	<i>Can.\$</i>	<i>European Currency Unit</i>	<i>Misc.</i>
1988	585,982	17,313	2,124	32,323	271,624	15,020	240,260	907	5,543	..	868
1989	710,091	31,351	4,249	32,323	360,040	16,280	258,282	286	5,543	..	1,737
1990	2,010,191	281,622	186,349	80,808	552,441	512,609	395,461	..	..	..	901
1991	1,219,061	8,169	49,774	..	657,979	170,959	142,966	..	..	188,608	606
1992	2,510,837	7,848	459,498	..	1,153,858	747,867 ¹	141,530	..	..	..	236
1993	1,640,588	45,232	2,124	..	458,045	826	568,537	..	..	565,824 ²	..
1994	2,133,629	2,732	..	..	490,852 ³	1,568,174	71,871	..	..	..	..
1995	828,848	..	..	..	697,269	..	131,579	..	..	..	..
1996	837,491	269,397	..	..	232,423	330,142	5,529	..	..	..	..
1997	595,409	..	..	..	12,132	577,748	5,529	..	..	..	..
1998	843,039	538,793	..	..	51,110	247,607	5,529	..	..	..	..
1999	239,080	..	..	..	51,110	..	187,970	..	..	..	..
2000	51,110	..	..	..	51,110	..	..	..	..	..	..
2001	876,465	..	..	..	51,110	825,355	..	..	..	..	..
2002	51,110	..	..	..	51,110	..	..	..	..	..	..
2003	353,260	..	..	..	353,260	..	..	..	..	..	..
2004	51,110	..	..	..	51,110	..	..	..	..	..	..
2005	51,110	..	..	..	51,110	..	..	..	..	..	..
2006	381,252	..	..	..	51,110	330,142	..	..	..	..	..
2007	546,323	..	..	..	51,110	495,213	..	..	..	..	..
2008	50,970	..	..	..	50,970	..	..	..	..	..	..
2009	289,507	262,662	..	..	26,845	..	..	..	..	..	..
2010	26,496	..	..	..	26,496	..	..	..	..	..	..
2011	247,606	..	..	..	..	247,606	..	..	..	..	..
2015	269,397	269,397	..	..	..	..	..	..	..	..	..
2017	577,748	..	..	..	..	577,748	..	..	..	..	..
Sovereign Notes	972,812	..	..	..	..	972,812	..	..	..	..	..
	\$18,950,522	1,734,516	704,118	145,454	5,804,224	7,636,108	2,155,043	1,193	11,086	754,432	4,348

Footnotes:

^{1 2 3} Refer to Note 27 "Swap Transactions".

should be read in conjunction with the accounts.

CHANGES IN THE PUBLIC DEBT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 1987

	Outstanding 30 September 1987	Outstanding 31 March 1987	Increase (Decrease)
	\$(000)	\$(000)	\$(000)
External debt—			
Pounds Sterling	1,734,516	1,819,039	(84,523)
Deutschemark	704,118	1,404,736	(700,618)
Dutch Guilders	145,454	157,108	(11,654)
Japanese Yen	5,804,224	6,055,083	(250,859)
United States dollars	7,636,108	8,968,997	(1,332,889)
Swiss Francs	2,155,043	2,491,208	(336,165)
Australian dollars	1,193	1,840	(647)
Canadian dollars	11,086	11,939	(853)
European Currency Unit	754,432	814,416	(59,984)
Miscellaneous	4,348	10,593	(6,245)
Internal debt—			
Long-term debt	20,024,312	19,573,918	450,394
Floating debt	4,125,000	1,170,000	2,955,000
Total	\$43,099,834	\$42,478,877	\$620,957

**TRANSACTIONS IN CONNECTION WITH THE PUBLIC DEBT FOR THE SIX MONTHS
ENDED 30 SEPTEMBER 1987**

	<i>\$(000)</i>											
	New Zealand	Overseas	£Stg.	Deutsche-mark	Dutch Guilders	Japanese Yen	US\$	Swiss Francs	Aust.\$	Can.\$	European Currency Unit	Misc.
Loans raised (gross value)—												
For general purposes	2,123,278	..	..	..	..	..	..	..	..	..	..	..
Capital equipment credit arrangements .. .. .	..	20,230	..	..	..	20,230	..	..	..	..	..	..
For repayment of loans (incl. Tsy Bills and Sovereign Notes)	6,490,000	4,710,706	282,645	..	..	571,524	3,856,537	..	..	..	..	..
Total, loans raised	8,613,278	4,730,936	282,645	..	..	591,754	3,856,537	..	..	..	..	..
Loans repaid—												
For general repayments (incl. Tsy Bills and Sovereign Notes)	5,207,884	6,348,401	290,334	604,171	..	751,791	4,492,480	203,776	314	..	..	5,535
Capital equipment credit arrangements .. .. .	..	23,767	17,754	2,221	..	..	2,317	1,180	295	..	..	..
IBRD .. .. .	..	303	..	..	..	..	..	..	..	..	..	303
Total, loans repaid	5,207,884	6,372,471	308,088	606,392	..	751,791	4,494,797	204,956	609	..	..	5,838
Increase (decrease) in debt due to—												
29 May 1987 realignment .. .. .	..	(298,820)	22,182	(47,992)	(4,940)	122,550	(315,649)	(50,624)	24	(479)	(23,746)	(146)
31 August 1987 realignment .. .. .	..	(844,082)	(81,262)	(46,234)	(6,714)	(213,372)	(378,980)	(80,585)	(62)	(374)	(36,238)	(261)
Total realignments increase (decrease) .. .. .	..	(1,142,902)	(59,080)	(94,226)	(11,654)	(90,822)	(694,629)	(131,209)	(38)	(853)	(59,984)	(407)
Net increase (decrease) during the year	3,405,394	(2,784,437)	(84,523)	(700,618)	(11,654)	(250,859)	(1,332,889)	(336,165)	(647)	(853)	(59,984)	(6,245)
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
Public debt at 30 September 1987	24,149,312	18,950,522	1,734,516	704,118	145,454	5,804,224	7,636,108	2,155,043	1,193	11,086	754,432	4,348
	\$ 43,099,834											

The notes on pages 5582 to 5593 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	344,814	216,601
Fringe benefit tax	97,715	77,040
Individuals	4,475,654	4,596,823
Miscellaneous	74,354	61,077
	<u>\$4,992,537</u>	<u>\$4,951,541</u>

Income tax is net of refunds.

Refunds to exporters in terms of the Income Tax Act 1976 were \$115,949,320 for the six months ended 30 September 1987 and \$116,695,674 for the corresponding period in 1986.

2. Other Direct Taxation

Details of other direct taxation are as follows:

Estate and gift duty	22,062	15,783
Land tax	3,582	1,779
Property speculation tax .. .. .	..	140
	<u>\$25,644</u>	<u>\$17,702</u>

3. Other Indirect Taxation

Details of other indirect taxation are as follows:

Domestic air travel tax	5	9,596
Energy resources levy	40,361	43,256
Film hire tax .. .. .	..	1
Gaming duties—		
Totalisator	23,783	34,680
Lottery	2,983	5,025
	<u>26,766</u>	
International departure tax	(4)	9,806
Instrument duty—		
Stamp duty	111,924	78,771
Cheque duty	9,004	8,734
	<u>120,928</u>	
Motor spirits tax .. .. .	..	105,260
less refunds	(52)	(960)
Motor vehicles, fees and charges	57,248	58,882
Payroll tax .. .. .	..	98
	<u>\$245,252</u>	<u>\$353,149</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)
On capital liability—		
Air New Zealand Ltd.	105	140
Development Finance Corporation of New Zealand Ltd. . . . .	..	193
Energy: Electricity . . . . .	..	177,004
Energy: Geothermal	802	..
Energy: Mines	305	33,914
Housing	70,666	61,890
Housing Corporation of New Zealand	137,178	156,174
New Zealand Railways Corporation	956	1,208
Post Office	256	74,855
Revolving funds—		
Government Computing Service Fund	1,101	..
Government Printing Office Fund	1,620	1,433
Rural Banking and Finance Corporation of New Zealand	140,695	152,746
	353,684	659,557
On other public money—		
New Zealand's investment in—		
Winstone-Pulp Industries Ltd.	232	372
Investments made in respect of the—		
Consolidated Account	1,529	..
Trust Account	562	183
Loans Account	72,010	2,445
Loans Redemption Account	67,732	20,106
	141,833	22,734
On advances to—		
Petroleum Corporation of New Zealand Ltd. . . . .	..	2,668
Loans and advances to hospitals, local authorities etc.	142	118
Loans to local authorities for harbour projects (IBRD loans)	50	75
	192	2,861
	142,257	25,967
	\$495,941	\$685,524

5. Dividends

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

Air New Zealand Ltd.	28,000	..
Bank of New Zealand	20,000	14,000
Development Finance Corporation of New Zealand Ltd.	3,300	3,300
Energy: Electricity	42,000	..
Fletcher Challenge Ltd.	1	..
Government Computing Service Fund	2,525	..
	\$95,826	\$17,300

6. Profits

The following profits were received during the six months:

Housing Corporation of New Zealand	10,166	10,000
Reserve Bank of New Zealand	32,588	..
	\$42,754	\$10,000

7. 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	80,064	24,066
Audit	4,783	3,748
Conservation	3,072	..
Crown Law	395	32
Customs	1,471	1,205
Defence	7,719	8,414
Education	14,766	10,633
Energy (Programme I)	20,324	51,092
Environment, Commission for the .. .. .	..	5
Environment	18	..
Foreign Affairs	3,629	2,928
Forest Service .. .. .	..	94,633
Forestry	3,159	..
Health	3,970	1,405
Inland Revenue	262	1,758
Internal Affairs	12,973	5,841
Justice	69,460	49,396
Labour	9,117	1,859
Lands	435	..
Lands and Survey .. .. .	..	22,607
Maori Affairs	21,482	22,590
Parliamentary Service	2	3
Police	2,563	1,845
Post Office (part vote) .. .. .	..	28
Prime Minister	3	..
Prime Minister's Department .. .. .	..	3
Scientific and Industrial Research	1	6,557
Social Welfare	23,606	32,134
State Services Commission	3,587	36,229
Statistics	888	349
Survey and Land Information	5,800	..
Tourist and Publicity	5,279	1,887
Trade and Industry	3,882	1,979
Transport	25,690	59,615
Treasury	3,814	2,049
Valuation	9,472	6,492
Women's Affairs	9	4
Works and Development	637,483 ¹	7,157
	<u>\$979,178</u>	<u>\$458,543</u>

Footnote:

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

8. Special Receipts

The following are details of this category of receipts:

	1987	1986
	\$(000)	\$(000)
Auckland Harbour Bridge Authority The Auckland Harbour Bridge Authority was dissolved on 31 March 1984. Investments in property and securities have been acquired by the New Zealand Government and these are being administered by the Ministry of Works and Development. The receipt represents principal repayment of short term investments.	250	993
Capital gains on realisation of investments (net) These are the net gains offset by losses made on the realisation of the investment of Public Account balances, etc.	17,742	11,777
Compensation from French Government—Rainbow Warrior Settlement	..	13,158
Fletcher Challenge Limited The proceeds relate to the sale of Crown held shares in the company.	31	..
Housing Corporation of New Zealand	..	3,981
Import Licence Premiums The receipts are in respect of import licence allocations offered by way of tender to interested parties.	39,571	22,848
Ministry of Energy: Electricity Division The proceeds are the available cash held by the Ministry of Energy: Electricity Division at 31 March 1987. In terms of the provisions of the Public Finance Act 1977 and in accordance with agreements with State Owned Enterprise Boards the "cash" held was required to be returned to Public Account.	7,876	..
New Zealand Post Office The proceeds is in respect to the sale of Crown Land	21,800	..
New Zealand Refining Company Limited The receipt is in respect of a reimbursement from the New Zealand Refining Company Limited for major project debt costs met by the Crown.	1,759	..
Notional tax payments The receipts are payments to the Consolidated Account in lieu of Income Tax from—	3,250	31,456
Government Computing Service Fund	\$1,558,000	
Government Printing Office Fund	\$1,692,000	
Phosphate Commission The proceeds are the available funds received in respect of New Zealand's share of the net assets and liabilities of the British Phosphate Commission which has been wound up.	91	..
	<u>\$92,370</u>	<u>\$84,213</u>

9. Payments Under Permanent Appropriations—Consolidated Account

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

	CIVIL LIST	
	1987 \$(000)	1986 \$(000)
His Excellency the Governor-General—		
Salary	36	30
Other Expenses	448	319
	<u>484</u>	<u>349</u>
Executive Council and Ministers—		
Salaries	1,016	929
Allowances	128	..
	<u>1,144</u>	<u>929</u>
Parliamentary Under-Secretaries—		
Salary	225	210
Allowances	27	..
	<u>252</u>	<u>210</u>
Mr Speaker, House of Representatives—		
Salary	59	45
Allowances	5	3
	<u>64</u>	<u>48</u>
Chairman of Committees—		
Salary	46	39
Allowances	6	3
	<u>52</u>	<u>42</u>
Leader of the Opposition—		
Salary	53	45
Allowances	9	7
	<u>62</u>	<u>52</u>
Members of the House of Representatives—		
Salaries	2,451	1,974
Allowances	407	306
	<u>2,858</u>	<u>2,280</u>
Annuity to former Governor-General	15	12
Annuity to former Prime Minister	12	29
Annuity to widow of former Prime Minister	1	1
Annuity to widow of former Governor-General	7	7
	<u>35</u>	<u>49</u>
	<u>\$4,951</u>	<u>\$3,959</u>
DEBT SERVICES		
Administration and management—		
Charges and expenses of raising and repaying loans	6,499	1,542
Management charges	4,825	4,103
	<u>11,324</u>	<u>5,645</u>
Interest—		
In New Zealand	1,873,568	1,234,879
Overseas	831,696	651,264
	<u>2,705,264</u>	<u>1,886,143</u>
	<u>\$2,716,588</u>	<u>\$1,891,788</u>

9. Payments Under Permanent Appropriations—Consolidated Account—continued

	1987	1986
	\$(000)	\$(000)
SUPERANNUATION		
Contribution to Government Superannuation Fund	151,763	116,373
Subsidy to Parliamentary Superannuation Account	230	202
Judges retiring allowances, annuities, and refunds of contributions	912	781
Contributions to other superannuations schemes	..	41
Contributions on refunds and transfers values	7,644	1,960
	<u>160,549</u>	<u>119,357</u>
MISCELLANEOUS		
Crown Proceedings Act 1950, Section 24(3)		
Judgment damages awarded to—		
Takaro Properties Ltd	..	762
Export Guarantee Act 1964 Section 10(7)		
Reimbursement to Export Guarantee Office re settlement claim from—		
Kraft Foods Ltd	8,817	..
Subsidy to National Provident Fund	6,384	4,350
Payment in respect of land and improvements, etc.	147	307
Annual payments to Maori Trust Boards	77	62
Contributions to national superannuation schemes	1,902	600
Coal Mines Amendment Act 1979, Section 28—		
Payments to Public Authorities entitled	3	..
Exemptions from taxation, etc.	244	152
Grants for Maori purposes	4	6
Mining Act 1971—		
Grants to local authorities	227	291
Payments to parties entitled	20	11
Payments in terms of guarantees on loans to industry, etc.		
Development Finance Corporation Amendment Act 1977, Section 9(5)	79	365
Salaries of—		
Chief Judge and Judges of the Maori Land Court	416	332
Controller and Auditor-General and Deputy	100	82
District Court Judges	3,737	3,372
Family Court Judges	1,110	642
Judges of Arbitration Court and of Compensation Court	241	205
Judges of Court of Appeal and High Court	2,083	1,759
Ombudsmen	87	84
	<u>25,678</u>	<u>13,382</u>
Total, Consolidated Account Permanent Appropriations	<u><u>\$2,907,766</u></u>	<u><u>\$2,028,486</u></u>

10. 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	4,781	3,282
Investments	373,949	(24,882)
Public Debt	3,256	31,163
Sovereign Note	12,637	..
	<u>394,623</u>	<u>9,563</u>

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 28)

Imprest Account Balances	1,377	(5,960)
Investments	137,774	(184,090)
	<u>139,171</u>	<u>\$(190,050)</u>
	<u><u>\$533,794</u></u>	<u><u>\$(180,487)</u></u>

11. Loans Raised:

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

	1987	1986
	\$(000)	\$(000)
In New Zealand		
Kiwi Bonds—		
15.5 percent various	4,049	
16 percent various	1,800	
16.75 percent various	20,342	
17 percent various	9	
17.5 percent various	12,175	
18.5 percent various	12,468	
	<u>50,843</u>	23,684
Non-Discountable Securities ¹	509,000	..
Tender Stock—		
14 percent 15 February 1988	15,560	
14 percent 15 July 1989	322,875	
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	806,500	
	<u>1,563,435</u>	3,008,579
	<u>2,123,278</u>	<u>3,032,263</u>
Overseas		
Capital equipment credit arrangements—		
6.2 percent 26 June 1993	20,230	352
	<u>\$2,143,508</u>	<u>\$3,032,615</u>

12. Other Securities Issued

Details of these are as follows:

Securities issued to IMF—

Non-negotiable, non-interest-bearing notes

\$102,770 ..

Footnote:

¹ Promissory notes issued to the Post Office Bank Limited by the Crown.**13. Permanent Appropriations, Loans Account**

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

	1987	1986
	\$(000)	\$(000)
Encashment of securities—ADB	900	2,000
Encashment of securities—IMF .. .. .	..	2
Subscription to IMF	7	..
Subscription to International Finance Corporation	1,095	..
Charges and expenses of raising loans—		
In New Zealand—		
Discounts on tender stock	112,795	208,787
	<u>\$114,797</u>	<u>\$210,789</u>

14. Capital equipment purchased under credit arrangements

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

Defence .. .. .	..	352
Telecom Corporation of New Zealand Ltd	20,230	..
	<u>\$20,230</u>	<u>\$352</u>

15. Loans raised overseas for the purpose of repaying loans

These are as follows:

Maturity Year Ending 31 March	1987	1986
	\$(000)	\$(000)
1990	8,749	608,766
1991	..	187,970
1992	..	454,060
1994	..	1,457,934
1996	532,209	..
1997	..	658,948
1998	265,722	..
2003	321,960	..
2017	..	689,384
	<u>\$1,128,640</u>	<u>\$4,057,062</u>

16. Sovereign Notes

For the six months ended 30 September 1987 the provision in the Sovereign Note Program was:

Balance outstanding 31 March 1987	.. .. .	1,080,840	..
Plus Issued Par amount	.. .. .	3,582,066	..
Less Repayments	.. .. .	(3,601,512)	..
Less Realignments	.. .. .	(88,582)	..
Balance	.. .. .	<u>\$972,812</u>	..

17. Money Received for Repayment of Loans and Advances

Details are as follows:

	1987	1986
\$(000)	\$(000)	\$(000)
Capital Equipment Credit Arrangements—		
Energy: Electricity	.. .. .	11,453
Energy: Mines	7,278	329
New Zealand Railways Corporation	2,924	3,806
Post Office	.. .. .	14,825
Vote Defence	13,373	5,668
Vote Foreign Affairs	184	225
Vote Transport (Airport Development)	8	321
	<u>23,767</u>	<u>\$36,627</u>
IBRD Loans—		
Harbour Boards	303	\$265
Other Loans and Advances—		
Rural Banking and Finance Corporation of New Zealand	4,809	..
Tourist Hotel Corporation of New Zealand	..	\$150
	<u>\$28,879</u>	<u>\$37,042</u>

18. Gains on Redemption of Securities

This item is derived from the redemption of Treasury bills totalling \$386,000,000 from the Reserve Bank of New Zealand at a settlement of \$377,194,000

19. Summary of Loans Repaid

<i>Six months ended 30 September 1986 \$(000)</i>			<i>Six months ended 30 September 1987 Currency \$(000)</i>								
<i>New Zealand</i>	<i>Overseas</i>	<i>Maturing Year Ending 31 March</i>	<i>New Zealand</i>	<i>Overseas</i>	<i>£Stg.</i>	<i>Deut- schemark</i>	<i>Japanese Yen</i>	<i>US\$</i>	<i>Swiss Franc</i>	<i>Aust.\$</i>	<i>Misc</i>
459,834	138,769	1987	..	..	..	..	..	..	..	..	..
..	670,632	1988	373,768	575,139	291,517	277,265	..	1,009	..	314	5,034
..	5,731	1989	16,000	201,388	7,209	190,331	3,250	..	..	295	303
..	9,222	1990	450	142,984	3,291	136,575	..	3,118	..	..	..
..	3,600	1991	..	4,166	2,210	..	..	441	1,515	..	..
..	112,107	1992	..	831,638	..	..	9,630	618,066	203,441	..	501
..	1,071	1993	14,000	184,868	1,036	2,221	180,744	867	..	..	..
..	2,863	1994	..	2,825	2,825	..	..	..	..	..	..
..	631,769	1995	..	827,951	..	..	558,167	269,784	..	..	..
180	..	Death Duty	102	..	..	..	..	..	..	..	..
44,379	..	Infl. Bonds	57,844	..	..	..	..	..	..	..	..
406	..	Kiwi Bonds	1,782	..	..	..	..	..	..	..	..
31,352	..	Kiwi Sav. Stock	61,633	..	..	..	..	..	..	..	..
..	..	Non-Discount- able Securities	509,000	..	..	..	..	..	..	..	..
10,454	..	Our N.Z. Bonds	1,821	..	..	..	..	..	..	..	..
37,770	..	Prem. Stock	..	..	..	..	..	..	..	..	..
..	..	Special Issues	60,000	..	..	..	..	..	..	..	..
..	..	Tap Issue	153,627	..	..	..	..	..	..	..	..
468,731	..	Tender Stock	422,857	..	..	..	..	..	..	..	..
6,062,735	..	Tsy. Bills	3,535,000	..	..	..	..	..	..	..	..
..	..	Sovereign Notes	..	3,601,512	..	..	..	3,601,512	..	..	..
<u>7,115,841</u>	<u>1,575,664</u>	Totals	<u>5,207,884</u>	<u>6,372,471</u>	<u>308,088</u>	<u>606,392</u>	<u>751,791</u>	<u>4,494,797</u>	<u>204,956</u>	<u>609</u>	<u>5,838</u>
<u>\$8,691,505</u>			<u>\$ 11,580,355</u>								

20. Taxation, National Roads Fund

Taxation into this Fund during the six months are:

	1987	1986
	\$(000)	\$(000)
Excise duty	143,925	102,843
Road User Charges	140,540	93,494
	<u>\$284,465</u>	<u>\$196,337</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.

21. Other Receipts, National Roads Fund

These are as follows—

Interest	2,903	..
Miscellaneous	682	723
Receipts from land and property	12,427	5,727
	<u>\$16,012</u>	<u>\$6,450</u>

22. 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.

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 **\$334,412,000** and those held overseas decreased by **\$1,961,830,000** during the six months. The following table summarises, by currency, investment holdings for the six months ended **30 September 1987** and the corresponding period in 1986:

<i>Currency</i>			
Canadian dollar		10,618	11,223
Deutschemark		125,657	58,059
Dutch guilder		42,026	42,148
Japanese yen		1,246,756	659,338
Pound sterling		106,789	114,135
Swiss franc		259,296	2,984
United States dollar		2,387,484	2,195,434
		<u>4,178,626</u>	<u>3,083,321</u>
Total Overseas			
New Zealand dollar ¹		151,358	5,770
		<u>\$4,329,984</u>	<u>\$3,089,091</u>
Total Investments held			

Footnote:

¹ Includes investments of **\$146,200,000** held by the National Roads Fund.

25. 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.

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

This figure does not include the sum of \$513,995,582 being the assessment by the Reserve Bank of New Zealand of the obligation at 30 September 1987 in respect of the premium on redemption.

27. 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 31 August 1987.

Maturing Year Ending 31 March	Currency \$(000)		European Currency Unit
	US\$	Japanese Yen	
1992	205,740 Cr.	231,749 Dr.	..
1992	80,720 Dr.	92,969 Cr.	..
1993	373,060 Dr.	..	376,556 Cr.
1994	204,752 Dr.	232,423 Cr.	..

28. Movements in Currency Values

In accordance with the Particular Accounting Policy adopted in respect of foreign currencies the exchange rates were officially realigned on 31 August 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 \$844,082,000 arising from 31 August 1987 realignment consisted of:

	Realignment 31 August 1987	
	Increase (\$000)	Decrease (\$000)
Loans denominated in—		
Australian dollar .. .. .	..	62
Canadian dollar .. .. .	..	374
Deutschemark .. .. .	..	46,234
European currency unit .. .. .	..	36,238
Indian rupee .. .. .	..	203
Japanese yen .. .. .	..	213,372
Dutch guilder .. .. .	..	6,714
Pound sterling .. .. .	..	81,262
Swiss franc .. .. .	..	80,585
United States dollar .. .. .	..	378,980
IBRD loans (various currencies) .. .. .	..	844,024
Net decrease	844,082	58
	<u>\$844,082</u>	<u>\$844,082</u>

The total net decrease in the overseas investments of \$67,024,000 arising from 31 August 1987 realignment consisted of:

	Realignment 31 August 1987	
	Increase (\$000)	Decrease \$(000)
Investments denominated in—		
Canadian dollar .. .. .	..	243
Deutschemark	266	..
Dutch guilder .. .. .	..	1,867
Japanese yen .. .. .	..	12,893
Pound sterling .. .. .	..	3,247
Swiss franc .. .. .	..	389
United States dollar .. .. .	..	48,651
	<hr/>	<hr/>
	266	67,290
Net decrease	67,024	..
	<hr/>	<hr/>
	\$67,290	\$67,290
	<hr/>	<hr/>

G. C. SCOTT,
Secretary to the Treasury.
30 October 1987

M. GODDARD,
Director, Finance and Management, Treasury
30 October 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 six months ended 30 September 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 5568 to 5593 properly reflects, in accordance with the statement of accounting policies on page 5567 the balance of the public debt outstanding at 30 September 1987 and the transactions of the Public Account for the six months ended on that date.

J. W. CAMERON,
Deputy Controller and Auditor-General.
13 November 1987

