



The New Zealand
Gazette

OF THURSDAY, 25 FEBRUARY 1988

WELLINGTON: WEDNESDAY, 2 MARCH 1988 — ISSUE NO. 36

SUMMARY
OF THE
RECEIPTS ~~AND PAYMENTS~~
OF THE
PUBLIC ACCOUNT
FOR THE
NINE MONTHS ENDED 31 DECEMBER 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 has been one change in respect of accounting for foreign currencies. Previously these 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

	Nine Months Ended 31 December 1987			Nine Months Ended 31 December 1986
	(000)	(000)	\$(000)	(000)
RECEIPTS INTO PUBLIC ACCOUNT				
Taxation—				
Consolidated Account	13,673,936			9,906,753
National Roads Fund	<u>388,539</u>			<u>299,532</u>
		14,062,475		<u>10,206,285</u>
Interest, dividends and profits—				
Consolidated Account	1,338,916			1,132,957
Reserve Account	<u>25,357</u>			<u>29,333</u>
		1,364,273		<u>1,162,290</u>
Departmental and Special Receipts—				
Consolidated Account	1,371,912			796,885
National Roads Fund	<u>29,270</u>			<u>9,722</u>
		1,401,182		<u>806,607</u>
Repayment of loans and advances—				
Loans Redemption Account		43,266		<u>66,308</u>
Changes in balances—				
Increase in advances to Imprestees	(223,210)			(308,655)
Increase in Suspense Account	<u>103,344</u>			<u>182,771</u>
		(119,866)		<u>(125,884)</u>
			16,751,330	<u>12,115,606</u>
PAYMENTS FROM PUBLIC ACCOUNT				
Annual appropriations—				
Consolidated Account	16,107,696			15,003,687
Loans Account	<u>274,600</u>			<u>264,000</u>
		16,382,296		<u>15,267,687</u>
Permanent appropriations—				
Consolidated Account	4,080,284			3,075,523
Loans Account ¹	2,308			3,299
National Roads Fund	<u>222,839</u>			<u>231,539</u>
		4,305,431		<u>3,310,361</u>
Special Payments—				
Consolidated Account	302,039			(93,922)
Reserve Account	<u>50,840</u>			<u>(28,308)</u>
		352,879		<u>(122,230)</u>
Unauthorised expenditure for services and purposes not provided for—				
National Roads Fund		2		<u>3</u>
Changes in balances—				
Net payments from Trust Account		<u>561,829</u>		<u>455</u>
			21,602,437	<u>18,456,276</u>
Deficit on operations			<u>\$4,851,107</u>	<u>\$6,340,670</u>

Footnote:

¹ Excludes charges and expenses of raising loans \$150,370,333.

SECTION

TABLE 2—SUMMARY OF
PUBLIC ACCOUNT FINANCING

	Nine Months Ended 31 December 1987		Nine Months Ended 31 December 1986
	\$(000)	\$(000)	\$(000)
NEW BORROWING			
Loans Account			
Borrowing in New Zealand and Overseas	2,802,289		5,368,356
<i>Less purchases through capital equipment credit arrangements</i>	(20,230)		(8,775)
<i>Less charges and expenses of raising loans</i>	(150,370)		(325,525)
<i>Plus premiums on issues</i>	3,826		20,099
		2,635,515	5,054,155
Loans Redemption Account			
Borrowing in New Zealand and Overseas	14,889,168		17,329,482
<i>Less charges and expenses of raising loans</i>	(89,066)		(138,303)
		14,800,102	17,191,179
Net cash proceeds from new borrowing		17,435,617	22,245,334
REPAYMENTS			
Loans Redemption Account			
Repayments in New Zealand and Overseas	15,611,632		11,444,733
<i>Less gains on redemption of securities</i>	(8,806)		
		15,602,826	11,444,733
Net cash flow from borrowing		1,832,791	10,800,601
CHANGES IN BALANCES OF—			
Cash at bank	345,589		(890,693)
Investments	2,672,727		(3,569,238)
		3,018,316	(4,459,931)
		\$4,851,107	\$6,340,670

CONSOLIDATED

RECEIPTS	Note	Nine Months Ended 31 December 1987			Nine Months Ended 31 December 1986
		\$(000)	\$(000)	\$(000)	\$(000)
Taxation					
Direct taxation—					
Income tax	1	8,296,323			7,199,496
Other tax	2	107,336			87,503
			8,403,659		7,286,999
Indirect taxation—					
Beer duty		694,506			116,011
Customs duty		1,494,383			484,250
Excise duties ¹		2,711,265			248,095
Goods and Services tax					254,071
Sales tax					1,017,412
Other taxation	3	370,123			499,915
			5,270,277		2,619,754
				13,673,936	9,906,753
Interest, Dividends and Profits—					
Interest on Capital Liabilities and Investments	4		1,152,671		1,067,394
Dividends	5		143,491		55,563
Profits	6		42,754		10,000
				1,338,916	1,132,957
Departmental Receipts	7			1,268,923	694,808
Total Ordinary Receipts				16,281,775	11,734,518
Special Receipts	8			102,989	102,077
Deficit at end of nine months				4,105,255	6,148,693
				<u>\$20,490,019</u>	<u>\$17,985,288</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 31 December 1986.

The notes on pages 751 to 762 form part of and

ACCOUNT

PAYMENTS	Note	Nine Months Ended 31 December 1987	Nine Months Ended 31 December 1986
Permanent appropriations	9	\$(000) 4,080,284	\$(000) 3,075,523
Annual appropriations <i>(For details, refer to the Appropriation and Expenditure Statement on page 747)</i>		16,107,696	15,003,687
Total Ordinary Payments		20,187,980	18,079,210
Special Payments	10	302,039	(93,922)
		\$20,490,019	\$17,985,288
Deficit at end of nine months		4,105,255	6,148,693
Closing balance, 31 December 1987		(3,979,030)	(6,027,233)
		\$126,225	\$121,460

should be read in conjunction with the accounts.

RECEIPTS	Note	LOANS	
		Nine Months Ended 31 December 1987	Nine Months Ended 31 December 1986
		\$(000)	\$(000)
Loans raised—	11		
In New Zealand		2,782,059	5,359,581
Overseas		20,230	8,775
		<u>2,802,289</u>	<u>5,368,356</u>
Other Securities issued	12	104,335	1,946
Premium on issues		3,826	20,099
		<u>\$2,910,450</u>	<u>\$5,390,401</u>
Opening balance, 1 April 1987		8,421	69,125
Surplus at end of nine months		<u>2,358,607</u>	<u>4,786,856</u>
		<u>\$2,367,028</u>	<u>\$4,855,981</u>

		LOANS REDEMPTION	
		\$(000)	\$(000)
Loans raised for the purpose of repaying loans—			
Overseas—			
Cash loans	15	1,554,523	6,836,788
Sovereign Notes	16	4,501,449	1,984,939
		<u>6,055,972</u>	<u>8,821,727</u>
Treasury bills issued		8,833,196	8,507,755
Money received for repayment of loans and advances	17	43,247	66,277
Other money received		19	31
Gains on redemption of securities	18	8,806	..
Deficit at end of nine months		759,458	..
		<u>\$15,700,698</u>	<u>\$17,395,790</u>
Opening balance, 1 April 1987		385,362	1,857,299
Surplus at end of nine months		..	5,812,754
		<u>\$385,362</u>	<u>\$7,670,053</u>

The notes on pages 751 to 762 form part of and

ACCOUNT

PAYMENTS	Note	Nine Months Ended	Nine Months Ended
		31 December 1987	31 December 1986
		\$(000)	\$(000)
Permanent appropriations	13	152,678	328,824
Annual appropriations (For details refer to the Appropriation and Expenditure Statement on page 747)		274,600	264,000
Capital equipment purchased under credit arrangements	14	20,230	8,775
Other Securities issued	12	104,335	1,946
Surplus at end of nine months		2,358,607	4,786,856
		<u>\$2,910,450</u>	<u>\$5,390,401</u>
Closing balance, 31 December 1987		2,367,028	4,855,981
		<u>\$2,367,028</u>	<u>\$4,855,981</u>

ACCOUNT

		\$(000)	\$(000)	\$(000)
Loans repaid—	19			
In New Zealand		2,289,373		1,549,897
Overseas—				
General repayments and other purposes		3,426,221		2,321,239
Sovereign Notes		4,933,863		635,862
			10,649,457	4,506,998
Treasury bills redeemed			4,962,175	6,937,735
Charges and expenses of raising and repaying loans—				
General		14,601		79,356
Flexible financing facilities rollover expenses		2,923		19,567
Premium on redemption, Inflation-adjusted savings bonds		63,441		38,390
Premiums on overseas loans		8,101		990
			89,066	138,303
Surplus at end of nine months				5,812,754
			<u>\$15,700,698</u>	<u>\$17,395,790</u>
Deficit at end of nine months			759,458	
Closing balance, 31 December 1987			(374,096)	7,670,053
			<u>\$385,362</u>	<u>\$7,670,053</u>

should be read in conjunction with the accounts.

		NATIONAL ROADS		
RECEIPTS		Note	Nine Months Ended	Nine Months Ended
			31 December 1987	31 December 1986
			\$(000)	\$(000)
Taxation		20	388,539	299,532
Other receipts		21	29,270	9,722
			<u>\$417,809</u>	<u>\$309,254</u>
Opening balance, 1 April 1987			17,130	38,091
Surplus at end of nine months			<u>194,968</u>	<u>77,712</u>
			<u>\$212,098</u>	<u>\$115,803</u>

		\$(000)	\$(000)
		RESERVE	
Interest on investments		25,357	29,333
Deficit at end of nine months		<u>25,483</u>	<u>..</u>
		<u>\$50,840</u>	<u>\$29,333</u>
Opening balance, 1 April 1987		396,543	363,635
Surplus at end of nine months .. .. .		..	57,641
		<u>\$396,543</u>	<u>\$421,276</u>

		\$(000)	\$(000)
		TRUST	
Receipts through revolving funds		585,669	423,225
Other receipts		1,177,712	853,804
Deficit at end of nine months		<u>561,829</u>	<u>455</u>
		<u>\$2,325,210</u>	<u>\$1,277,484</u>
Opening balance, 1 April 1987		5,924,026	93,776
		<u>\$5,924,026</u>	<u>\$93,776</u>

The notes on pages 751 to 762 form part of and

FUND

PAYMENTS	Note	Nine Months	Nine Months
		Ended 31 December 1987	Ended 31 December 1986
		\$(000)	\$(000)
Expenditure	22	222,839	231,539
Unauthorised expenditure under section 28A National Roads Act 1953		2	3
Surplus at end of nine months		<u>194,968</u>	<u>77,712</u>
		<u>\$417,809</u>	<u>\$309,254</u>
Closing balance, 31 December 1987		212,098	115,803
		<u>\$212,098</u>	<u>\$115,803</u>

ACCOUNT

	\$(000)	\$(000)
Adjustment of value of investments consequent on changes in exchange rates	50,840	(28,308)
Surplus at end of nine months	<u>..</u>	<u>57,641</u>
	<u>\$50,840</u>	<u>\$29,333</u>
Deficit at end of nine months	25,483	..
Closing balance, 31 December 1987	371,060	421,276
	<u>\$396,543</u>	<u>\$421,276</u>

ACCOUNT

	\$(000)	\$(000)
Payments through revolving funds	586,480	408,276
Other payments	1,738,730	869,208
	<u>\$2,325,210</u>	<u>\$1,277,484</u>
Deficit at end of nine months	561,829	455
Closing balance, 31 December 1987	<u>5,362,197</u>	<u>93,321</u>
	<u>\$5,924,026</u>	<u>\$93,776</u>

should be read in conjunction to the accounts.

SUMMARY OF BALANCES

	Note	At 31 December 1987	At 31 December 1986
		\$(000)	\$(000)
Consolidated Account		(3,979,030)	(6,027,233)
Loans Account		2,367,028	4,855,981
Loans Redemption Account ..		(374,096)	7,670,053
National Roads Fund		212,098	115,803
Reserve Account		371,060	421,276
Suspense Account	23	103,345	184,874
Trust Account		5,362,197	93,321
		<u>\$4,062,602</u>	<u>\$7,314,075</u>

COMPOSITION OF BALANCES

	Note	At 31 December 1987	At 31 December 1986
		\$(000)	\$(000)
Cash		(219,354)	1,011,936
Imprests		328,457	421,764
Investments—	24		5,770
In New Zealand		209,436	5,874,605
Overseas		<u>3,744,063</u>	<u>5,880,375</u>
		<u>3,953,499</u>	<u>5,880,375</u>
		<u>\$4,062,602</u>	<u>\$7,314,075</u>

The notes on pages 751 to 762 form part of and

APPROPRIATION AND EXPENDITURE STATEMENT

This statement records moneys appropriated to various votes in the Appropriation Act 1988, together with expenditure incurred for the nine months ending 31 December 1987 and the corresponding period in 1986

Expenditure	Note	Appropriation 1987 (000)	1987 \$(000)	1986 \$(000)
CONSOLIDATED ACCOUNT				
Accident Compensation		262	199	209
Agriculture and Fisheries		347,188	244,866	1,837,055
Audit		21,350	14,107	15,732
Broadcasting		350	290	253
Building Performance Guarantee Corporation		28	17	21
Capital Participation in crown and other organisation		20,000	438	..
Conservation		111,024	68,256	3,095
Crown Law		7,841	6,305	5,732
Customs		68,628	47,635	60,502
Defence		1,292,939	841,637	1,059,574
Domestic and External Security Secretariat		329	..	..
Education		3,190,175	2,567,493	2,603,903
Energy (Programme 1)		576,843	476,421	5,724,347
Environment, Commission for the		..	..	2,279
Environment		5,218	3,351	1,143
Environment, Parliamentary Commissioner for the		1,024	650	193
Foreign Affairs		288,281	173,359	272,507
Forest Service		..	..	401,667
Forestry		122,667	95,401	1,060
Government Computing Service		1	..	1
Government Life Insurance Corporation		80	30	40
Government Printing Office		3,430	..	45
Health		3,445,662	2,547,586	2,895,204
Housing Corporation (Programmes I and II)		278,374	204,909	316,600
Inland Revenue		664,152	460,258	425,341
Internal Affairs		205,799	135,334	168,450
Justice		427,190	279,363	283,678
Labour		578,215	431,196	496,821
Lands	25	25,648	19,142	..
Lands and Survey		..	..	143,650
Maori Affairs		236,248	188,541	145,182
Ombudsmen, Office of the		1,672	1,230	1,437
Parliamentary Service		44,629	27,556	25,119
Police		390,738	272,775	328,723
Post Office (part vote)		..	..	19,194
Prime Minister	25	2,587	1,730	..
Prime Minister's Department		..	..	3,223
Privacy Commissioner		197	114	155
Railways		274	195	236
Rural Banking and Finance Corporation (Programmes I and II)		89,318	44,501	63,185
Scientific and Industrial Research		167,640	127,105	147,781
Security Intelligence Service		9,435	6,752	7,600
Social Welfare		7,162,407	5,238,941	6,162,056
State Services Commission		136,995	107,433	195,292
Statistics		40,304	27,551	37,207
Survey and Land Information		66,231	35,579	1,088
Tourist and Publicity		89,805	43,961	49,692
Trade and Industry		181,845	112,764	2,272,678
Transport		303,173	239,316	454,828
Treasury		210,469	195,930	28,996
Valuation		26,034	18,468	23,973
Women's Affairs		1,983	1,246	1,501
Works and Development		1,714,785	797,765 ¹	159,932
Total, Consolidated Account		<u>\$22,559,467</u>	<u>\$16,107,696</u>	<u>\$26,848,180</u>

LOANS ACCOUNT

Capital Participation in Crown and other organisations	15,750,800	250,600	..
Energy (Programme II)	42,300	24,000	190,000
Housing Corporation (Programme III)	88,620	..	..
Post Office	..	..	74,000
Total, Loans Account	<u>\$15,881,720</u>	<u>\$274,600</u>	<u>\$264,000</u>

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 31 December 1987 \$(000)		As at 31 December 1986 \$(000)	
		New Zealand	Overseas	New Zealand	Overseas
1987		..	..	755,441	336,044
1988		1146,293	118,371	2,438,400	1,408,182
1989		2,992,669	699,683	3,008,681	1,075,739
1990		3,448,302	2,029,811	2,864,997	2,472,462
1991		2,307,562	1,208,935	1,869,611	1,524,528
1992		3,848,059	2,362,404	3,773,406	3,469,648
1993		2,076,172	2,048,397	1,080,669	1,406,076
1994		766,245	2,031,319	773,751	2,575,191
1995		1,266,344	834,983	1,266,344	1,219,688
1996		456,100	828,357	456,100	397,614
1997		523,100	557,588	523,100	695,825
1998		..	850,836	..	565,451
1999		..	245,753	..	..
2000		85,000	51,223	85,000	..
2001		..	822,233	..	994,036
2002		125,000	51,223	125,000	..
2003		..	354,042	..	..
2004		..	51,223	..	..
2005		..	51,223	..	..
2006		..	359,627	..	397,614
2007		..	513,829	..	600,480
2008		..	51,083	..	..
2009		..	301,166	..	267,175
2010		..	26,555	..	359,281
2011		..	231,303	..	298,211
2015		..	281,294	..	271,416
2017		..	539,707	..	695,825
Infl. Bonds	26	566,020	..	665,020	..
Kiwi Bonds		265,907	..	270,744	..
Kiwi Sav. Stock		169,685	..	315,253	..
Our N.Z. Bonds		24,147	..	28,997	..
Prem. Stock		..	..	5,239	..
Tsy. Bills		5,041,020	..	2,350,000	..
Sovereign Notes		..	534,436	..	1,362,616
Totals		\$25,107,625	\$ 18,036,604	\$22,655,753	\$ 22,393,102
		<u>\$ 43,144,229</u>		<u>\$ 45,048,855</u>	

The notes on pages 751 to 762 form part of and

DETAILS OF OVERSEAS DOMICILED PUBLIC DEBT AS AT 31 DECEMBER 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	118,371	3,778	2,191	33,386	39,662	5,635	30,085	419	2,612	..	603
1989	699,683	32,736	4,381	33,386	339,535	15,208	267,296	264	5,225	..	1,652
1990	2,029,811	294,059	192,139	83,465	536,571	518,041	404,686	..	..	..	850
1991	1,208,935	8,530	51,321	..	648,731	159,703	147,956	..	..	192,123	571
1992	2,362,404	8,195	473,776	..	1,149,546 ¹	698,624 ²	32,040	..	..	..	223
1993	2,048,397	47,229	2,190	..	452,481	387,470	582,658	..	..	576,369 ³	..
1994	2,031,319	2,853	..	..	489,168 ⁴	1,464,919	74,379	..	..	..	..
1995	834,983	..	..	..	698,812	..	136,171	..	..	..	..
1996	828,357	281,294	..	..	232,937	308,404	5,722	..	..	..	..
1997	557,588	..	..	..	12,159	539,707	5,722	..	..	..	..
1998	850,836	562,588	..	..	51,223	231,303	5,722	..	..	..	..
1999	245,753	..	..	..	51,223	..	194,530	..	..	..	..
2000	51,223	..	..	..	51,223	..	..	..	..	..	..
2001	822,233	..	..	..	51,223	771,010	..	..	..	..	..
2002	51,223	..	..	..	51,223	..	..	..	..	..	..
2003	354,042	..	..	..	354,042	..	..	..	..	..	..
2004	51,223	..	..	..	51,223	..	..	..	..	..	..
2005	51,223	..	..	..	51,223	..	..	..	..	..	..
2006	359,627	..	..	..	51,223	308,404	..	..	..	..	..
2007	513,829	..	..	..	51,223	462,606	..	..	..	..	..
2008	51,083	..	..	..	51,083	..	..	..	..	..	..
2009	301,166	274,262	..	..	26,904	..	..	..	..	..	..
2010	26,555	..	..	..	26,555	..	..	..	..	..	..
2011	231,303	..	..	..	..	231,303	..	..	..	..	..
2015	281,294	281,294	..	..	..	..	..	..	..	..	..
2017	539,707	..	..	..	..	539,707	..	..	..	..	..
Sovereign Notes	534,436	..	..	..	..	534,436	..	..	..	..	..
	\$18,036,604	1,796,818	725,998	150,237	5,519,193	7,176,480	1,886,967	683	7,837	768,492	3,899

Footnotes:

^{1 2 3 4} Refer to Note 27 "Swap Transactions".

should be read in conjunction with the accounts.

CHANGES IN THE PUBLIC DEBT FOR THE NINE MONTHS ENDED 31 DECEMBER 1987

	Outstanding	Outstanding	Increase
	31 December 1987	31 March 1987	(Decrease)
	\$(000)	\$(000)	\$(000)
External debt—			
Pounds Sterling	1,796,818	1,819,039	(22,221)
Deutschemark	725,998	1,404,736	(678,738)
Dutch Guilders	150,237	157,108	(6,871)
Japanese Yen	5,519,193	6,055,083	(535,890)
United States dollars	7,176,480	8,968,997	(1,792,517)
Swiss Francs	1,886,967	2,491,208	(604,241)
Australian dollars	683	1,840	(1,157)
Canadian dollars	7,837	11,939	(4,102)
European Currency Unit	768,492	814,416	(45,924)
Miscellaneous	3,899	10,593	(6,694)
Internal debt—			
Long-term debt	20,066,605	19,573,918	492,687
Floating debt	5,041,020	1,170,000	3,871,020
Total	\$43,144,229	\$42,478,877	\$665,352

TRANSACTIONS IN CONNECTION WITH THE PUBLIC DEBT FOR THE NINE MONTHS ENDED 31 DECEMBER 1987

	\$(000)											
	New Zealand	Overseas	£Sig.	Deutsche-mark	Dutch Guilders	Japanese Yen	US\$	Swiss Francs	Aust.\$	Can.\$	European Currency Unit	Misc.
Loans raised (gross value)—												
For general purposes	2,782,059	..	..	..	..	..	..	..	..	..	..	..
Capital equipment credit arrangements .. .. .	..	20,230	..	..	..	20,230	..	..	..	..	..	..
For repayment of loans (incl. Tsy Bills and Sovereign Notes)	8,833,196	6,055,972	282,645	..	..	571,524	5,201,803	..	..	..	..	..
Total, loans raised	11,615,255	6,076,202	282,645	..	..	591,754	5,201,803	..	..	..	..	..
Loans repaid—												
For general repayments (incl. Tsy Bills and Sovereign Notes)	7,251,548	8,325,965	298,010	604,171	..	1,049,400	5,829,756	535,488	600	2,772	..	5,768
Capital equipment credit arrangements .. .. .	..	33,816	23,784	2,221	..	..	6,169	1,180	462	..	..	..
IBRD .. .. .	..	303	..	..	..	..	..	..	..	..	..	303
Total, loans repaid	7,251,548	8,360,084	321,794	606,392	..	1,049,400	5,835,925	536,668	1,062	2,772	..	6,071
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)
30 November 1987 realignment .. .. .	..	(271,571)	76,008	21,880	4,783	12,578	(463,766)	63,636	(57)	(477)	14,060	(216)
Total realignments increase (decrease) .. .. .	..	(1,414,473)	16,928	(72,346)	(6,871)	(78,244)	(1,158,395)	(67,573)	(95)	(1,330)	(45,924)	(623)
Net increase (decrease) during the year	4,363,707	(3,698,355)	(22,221)	(678,738)	(6,871)	(535,890)	(1,792,517)	(604,241)	(1,157)	(4,102)	(45,924)	(6,694)
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 31 December 1987	25,107,625	18,036,604	1,796,818	725,998	150,237	5,519,193	7,176,480	1,886,967	683	7,837	768,492	3,899
	\$ 43,144,229											

The notes on pages 751 to 762 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	810,959	358,773
Fringe benefit tax	153,824	120,073
Individuals	7,218,802	6,622,259
Miscellaneous	112,738	98,391
	<u>8,296,323</u>	<u>\$7,199,496</u>

Income tax is net of refunds, and advance payments to the Accident Compensation Corporation in respect of self-employed levies.

Refunds to exporters in terms of the Income Tax Act 1976 were \$253,458,419 for 1987-88 and \$178,560,740 for 1986-87.

Advance payments to Accident Compensation Corporation were \$34,147,628 for 1987-88 and \$16,476,782 for 1986-87.

2. Other Direct Taxation

Details of other direct taxation are as follows:

Estate and gift duty	37,662	25,285
Land tax	69,674	62,169
Property speculation tax .. .. .	..	49
	<u>107,336</u>	<u>87,503</u>

3. Other Indirect Taxation

Details of other indirect taxation are as follows:

Domestic air travel tax	(3)	11,691
Energy resources levy	47,331	56,463
Film hire tax .. .. .	..	12
Gaming duties—		
Totalisator	37,537	49,669
Lottery	<u>5,723</u>	6,483
	43,260	
International departure tax	(12)	10,563
Instrument duty—		
Stamp duty	181,837	147,595
Cheque duty	<u>13,698</u>	
	195,535	
Motor spirits tax .. .. .	..	122,416
less refunds	(58)	1,296
Motor vehicles, fees and charges	84,070	96,221
Payroll tax .. .. .	..	98
	<u>370,123</u>	<u>\$499,915</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 . . . . .	..	266,855
Energy: Geothermal	1,203	..
Energy: Mines	305	53,891
Housing	106,000	92,828
Housing Corporation of New Zealand	205,657	234,245
Lands and Survey	9,518	..
New Zealand Railways Corporation	1,153	1,490
Post Office . . . . .	..	113,073
Revolving funds—		
Government Computing Service Fund	1,101	..
Government Printing Office Fund	3,282	1,433
Ministry of Works (Vogel computing services)	656	..
Rural Banking and Finance Corporation of New Zealand	216,021	229,218
	545,001	993,366
On other public money—		
New Zealand's investment in—		
Winstone-Pulp Industries Ltd.	232	372
Investments made in respect of the—		
Consolidated Account	4,578	..
Trust Account	701	322
Loans Account	90,931	32,446
Loans Redemption Account	94,361	37,926
	190,571	70,694
On advances to—		
Petroleum Corporation of New Zealand Ltd. . . . .	..	2,668
Loans and advances to hospitals, local authorities, etc.	1,367	219
Loans to local authorities for harbour projects (IBRD loans)	50	75
	1,417	2,962
	192,220	74,028
Interim payments received from State Owned Enterprises—		
Electricorp of New Zealand	221,000	..
Land Corporation Ltd.	9,450	..
New Zealand Forestry Corporation Ltd.	20,000	..
Telecom Corporation of New Zealand Ltd.	165,000	..
	415,450	..
	\$1,152,671	\$1,067,394

5. Dividends

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

Air New Zealand Ltd.	37,000	37,000
Bank of New Zealand	40,910	14,000
Broadcasting Corporation of New Zealand . . . . .	..	1,000
Department of Scientific and Industrial Research, Science Fund	8,475	..
Development Finance Corporation of New Zealand Ltd.	3,300	3,300
Energy: Electricity	42,000	..
Fletcher Challenge Ltd.	1	1
Government Computing Service Fund	2,525	..
New Zealand Post Ltd.	9,280	..
Tourist Hotel Corporation . . . . .	..	262
	\$143,491	\$55,563

6. Profits

The following profits were received during the nine 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	103,224	40,375
Audit	8,911	5,912
Conservation	4,934	..
Crown Law	533	94
Customs	2,045	1,941
Defence	13,959	14,440
Education	34,884	14,453
Energy (Programme I)	41,184	53,491
Environment, Commission for the	..	6
Environment	19	1
Foreign Affairs	13,925	8,488
Forest Service	..	150,872
Forestry	5,146	..
Health	4,520	2,155
Inland Revenue	4,183	3,316
Internal Affairs	23,407	9,214
Justice	104,068	76,921
Labour	10,622	2,353
Lands	5,547	..
Lands and Survey	..	29,719
Maori Affairs	66,622	45,137
Parliamentary Service	6	3
Police	4,540	5,658
Post Office (part vote)	..	42
Prime Minister	8	..
Prime Minister's Department	..	3
Scientific and Industrial Research	1	15,548
Social Welfare	37,272	41,847
State Services Commission	35,004	57,326
Statistics	3,111	760
Survey and Land Information	8,374	..
Tourist and Publicity	9,142	3,756
Trade and Industry	7,470	2,254
Transport	44,078	85,209
Treasury	10,284	3,332
Valuation	12,083	8,311
Women's Affairs	12	4
Works and Development	649,805 ¹	11,867
	<u>\$1,268,923</u>	<u>\$694,808</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.	(9,880)	19,892
Compensation from French Government—Rainbow Warrior Settlement	..	13,158
Crown Proceedings Act The receipt is in respect to the restitution of judgement damages in respect to Takaro Properties Limited	1,029	..
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.	54,264	30,064
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	..
National Provident Fund The receipt is in respect of loan principal repayments received by the National Provident Fund from Supply Authorities and is part settlement of the debt to the Crown.	15,308	..
New Zealand Dairy Board	..	2,533
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.	3,211	..
New Zealand Superannuation Corporation The proceeds are derived from the sale of the remaining assets of the New Zealand Superannuation Corporation.	2,509	..
Notional tax payments The receipts are payments to the Consolidated Account in lieu of Income Tax from— Government Computing Service Fund \$3,116,000 Government Printing Office Fund \$3,384,000	6,500	31,456
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	..
	\$102,989	\$102,077

9. Payments Under Permanent Appropriations—Consolidated Account

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

	CIVIL LIST	
	1987	1986
	\$(000)	\$(000)
His Excellency the Governor-General—		
Salary	52	40
Other Expenses	663	491
	715	531
Executive Council and Ministers—		
Salaries	1,537	1,429
Allowances	181	..
	1,718	1,429
Parliamentary Under-Secretaries—		
Salary	296	324
Allowances	35	..
	331	324
Mr Speaker, House of Representatives—		
Salary	86	70
Allowances	8	3
	94	73
Chairman of Committees—		
Salary	66	59
Allowances	8	5
	74	64
Leader of the Opposition—		
Salary	76	69
Allowances	10	10
	86	79
Members of the House of Representatives—		
Salaries	3,515	3,037
Allowances	607	453
	4,122	3,490
Annuity to former Governor-General	22	28
Annuity to former Prime Minister	17	34
Annuity to widow of former Prime Minister	2	2
Annuity to widow of former Governor-General	11	..
	52	64
	\$7,192	\$6,054
DEBT SERVICES		
Administration and management—		
Charges and expenses of raising and repaying loans	6,499	4,387
Management charges	11,438	7,761
	17,937	12,148
Interest—		
In New Zealand	2,579,792	1,875,669
Overseas	1,197,911	983,032
	3,777,703	2,858,701
	\$3,795,640	\$2,870,849

9. Payments Under Permanent Appropriations—Consolidated Account—continued

	1987	1986
	\$(000)	\$(000)
SUPERANNUATION		
Contribution to Government Superannuation Fund	222,150	174,187
Subsidy to Parliamentary Superannuation Account	334	292
Judges retiring allowances, annuities, and refunds of contributions	1,262	853
Contributions to other superannuations schemes	..	66
Contributions on refunds and transfers values	9,779	2,769
Refund of superannuation annuities and allowances	6	..
	<u>\$233,531</u>	<u>\$178,167</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	10,623	..
Subsidy to National Provident Fund	9,000	7,175
Payment in respect of land and improvements, etc.	378	541
Annual payments to Maori Trust Boards	77	62
Contributions to national superannuation schemes	2,202	900
Coal Mines Amendment Act 1979, Section 28—		
Payments to Public Authorities entitled	3	..
Exemptions from taxation, etc.	396	234
Grants for Maori purposes	6	8
Land settlement interest on capital liability	9,518	..
Mining Act 1971—		
Grants to local authorities	228	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)	274	365
Salaries of—		
Chief Judge and Judges of the Maori Land Court	623	537
Controller and Auditor-General and Deputy	143	128
District Court Judges	5,245	5,207
Family Court Judges	1,699	989
Judges of Arbitration Court and of Compensation Court	362	315
Judges of Court of Appeal and High Court	2,994	2,798
Ombudsmen	130	130
	<u>\$43,921</u>	<u>\$20,453</u>
Total, Consolidated Account Permanent Appropriations	<u>\$4,080,284</u>	<u>\$3,075,523</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	6,404	3,039
Investments	147,785	(7,986)
Public Debt	(1,280)	2,454
Sovereign Note	(33,261)	(8,420)
Swap	(15,055)	1,851
	<u>\$104,593</u>	<u>\$(9,062)</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	1,397	(1,183)
Investments	196,049	(83,677)
	<u>\$197,446</u>	<u>\$(84,860)</u>
	<u>\$302,039</u>	<u>\$(93,922)</u>

11. Loans Raised:

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

	1987	1986
	\$(000)	\$(000)
In New Zealand		
Kiwi Bonds—		
15.5 percent various	7,007	
16 percent various	1,800	
16.75 percent various	35,495	
17 percent various	9	
17.5 percent various	12,175	
18.5 percent various	12,468	
	68,954	29,691
Non-Discountable Securities¹	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	
14 percent 15 October 1990	372,966	
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	1,074,204	
	2,204,105	5,329,890
	2,782,059	5,359,581
Overseas		
Capital equipment credit arrangements—		
6.2 percent 26 June 1993	20,230	8,775
	\$2,802,289	\$5,368,356

Footnote:

¹ Promissory notes issued to the Post Office Bank Limited by the Crown.

12. Other Securities Issued

Details of these are as follows:

Securities issued to ADB—

Non-negotiable, non-interest-bearing notes

1,565

1,946

Securities issued to IMF—

Non-negotiable, non-interest-bearing notes

102,770

..

\$104,335

\$1,946

13. Permanent Appropriations, Loans Account

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

Encashment of securities—ADB	900	2,000
Encashment of securities—IBRD	50	..
Encashment of securities—IMF .. .. .	..	2
Subscription to ADB .. .. .	..	1,297
Subscription to IBRD	256	..
Subscription to IMF	7	..
Subscription to International Finance Corporation	1,095	..
Charges and expenses of raising loans—		
In New Zealand—		
Discounts on tender stock	150,370	325,525
	\$152,678	\$328,824

14. Capital equipment purchased under credit arrangements

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

Defence .. .. .	..	1,231
Telecom Corporation of New Zealand Ltd	20,230	7,544
	\$20,230	\$8,775

15. Loans raised overseas for the purpose of repaying loans

These are as follows:

Maturity Year Ending 31 March	1987 \$(000)	1986 \$(000)
1990	47,934	608,766
1991	..	187,970
1992	..	1,629,250
1993	386,698	..
1994	..	2,703,189
1996	532,209	..
1997	..	658,948
1998	265,722	..
2003	321,960	..
2010	..	359,281
2017	..	689,384
	<u>\$1,554,523</u>	<u>\$6,836,788</u>

16. Sovereign Notes

For the nine months ended 31 December 1987 the provision in the Sovereign Note Program was:

Balance outstanding 31 March 1987	1,080,840	..
Plus Issued Par amount	4,501,449	1,984,939
Less Repayments	(4,933,863)	(635,862)
Less Realignments	(113,990)	13,539
Balance	<u>\$534,436</u>	<u>\$1,362,616</u>

17. Money Received for Repayment of Loans and Advances

Details are as follows:

	\$(000)	
Capital Equipment Credit Arrangements—		
Energy: Electricity	..	24,943
Energy: Mines	7,278	630
New Zealand Railways Corporation	3,734	4,748
Post Office	..	22,310
Vote Defence	18,761	12,685
Vote Foreign Affairs	4,035	225
Vote Transport (Airport Development)	8	321
	<u>33,816</u>	<u>65,862</u>
IBRD Loans—		
Harbour Boards	303	265
Other Loans and Advances—		
Rural Banking and Finance Corporation of New Zealand	9,128	..
Tourist Hotel Corporation of New Zealand	..	150
	<u>\$43,247</u>	<u>\$66,277</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>Nine months ended 31 December 1986 \$(000)</i>		<i>Nine months ended 31 December 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>Can\$</i>	<i>Misc</i>
594,850	563,656	1987	..	..	..	..	..	..	..	..	..	..
..	931,513	1988	428,299	1,021,752	291,783	277,265	221,188	4,860	221,141	481	..	5,034
..	21,081	1989	16,000	215,276	12,597	190,331	7,036	1,942	..	295	2,772	303
..	12,769	1990	450	147,852	6,475	136,575	..	4,516	..	286	..	..
..	5,996	1991	..	5,926	3,970	..	..	441	1,515	..	..	..
..	114,513	1992	..	983,501	..	..	49,103	619,652	314,012	..	..	734
..	1,482	1993	14,000	185,244	1,412	2,221	180,744	867	..	..	..	..
..	5,908	1994	..	38,719	5,557	..	33,162	..	..	..	..	..
..	664,321	1995	..	827,951	..	..	558,167	269,784	..	..	..	..
218	..	Death Duty	151	..	..	..	..	..	..	..	..	..
61,877	..	Infl. Bonds	74,396	..	..	..	..	..	..	..	..	..
742	..	Kiwi Bonds	102,258	..	..	..	..	..	..	..	..	..
39,071	..	Kiwi Sav. Stock	80,203	..	..	..	..	..	..	..	..	..
..	..	Non-Discountable Securities	509,000	..	..	..	..	..	..	..	..	..
11,763	..	Our N.Z. Bonds	2,895	..	..	..	..	..	..	..	..	..
45,139	..	Prem. Stock	..	..	..	..	..	..	..	..	..	..
..	..	Special Issues	90,460	..	..	..	..	..	..	..	..	..
282,684	..	Tap Issue	153,627	..	..	..	..	..	..	..	..	..
513,553	..	Tender Stock	817,634	..	..	..	..	..	..	..	..	..
6,937,735	..	Tsy. Bills	4,962,175	..	..	..	..	..	..	..	..	..
..	635,862	Sovereign Notes	..	4,933,863	..	..	..	4,933,863	..	..	..	..
8,487,632	2,957,101	Totals	7,251,548	8,360,084	321,794	606,392	1,049,400	5,835,925	536,668	1,062	2,772	6,071
<u>\$11,444,733</u>			<u>\$ 15,611,632</u>									

20. Taxation, National Roads Fund

Taxation into this Fund during the nine months are:

	1987	1986
	\$(000)	\$(000)
Excise duty	200,386	157,237
Road User Charges	188,153	142,295
	<u>\$388,539</u>	<u>\$299,532</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	11,507	..
Miscellaneous	16,364	1,005
Receipts from land and property	1,399	8,717
	<u>\$29,270</u>	<u>\$9,722</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 \$276,334,000 and those held overseas decreased by \$2,396,393,000 during the nine months. The following table summarises, by currency, investment holdings for the nine months ended 31 December 1987 and the corresponding period in 1986:

Currency		
Canadian dollar	10,351	11,277
Deutschemark	431,566	59,592
Dutch guilder	43,509	42,427
Japanese yen	1,964,796	1,473,506
Pound sterling	118,988	107,431
Swiss franc	13,347	5,923
United States dollar	1,161,506	4,174,449
	<u>3,744,063</u>	<u>5,874,605</u>
Total Overseas		
New Zealand dollar ¹	209,436	5,770
	<u>\$3,953,499</u>	<u>\$5,880,375</u>
Total Investments held		

Footnote:

¹ Includes investments of \$204,278,136. 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 \$512,098,276 being the assessment by the Reserve Bank of New Zealand of the obligation at 31 December 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 30 November 1987.

Maturing Year Ending 31 March	N.Z.\$	Currency \$(000)		European Currency Unit
		US\$	Japanese Yen	
1992		192,193 Cr.	232,262 Dr.	..
1992		75,405 Dr.	93,175 Cr.	..
1992	122,695 Dr.		116,649 Cr.	..
1993		348,497 Dr.		383,573 Cr.
1994		191,270 Dr.	232,937 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 30 November 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 \$271,571,000 arising from 30 November 1987 realignment consisted of:

	Realignment 30 November 1987	
	Increase (\$000)	Decrease (\$000)
Loans denominated in—		
Australian dollar .. ..	..	57
Canadian dollar .. ..	..	477
Deutschemerk	21,880	..
European currency unit	14,060	..
Indian rupee .. ..	..	170
Japanese yen	12,578	..
Dutch guilder	4,783	..
Pound sterling	76,008	..
Swiss franc	63,636	..
United States dollar .. ..	..	463,766
IBRD loans (various currencies)	192,945	464,470
Net decrease .. ..	..	46
	<u>271,571</u>	..
	<u>\$464,516</u>	<u>\$464,516</u>

The total net decrease in the overseas investments of \$74,012,000 arising from 30 November 1987 realignment consisted of:

	Realignment 30 November 1987	
	Increase (\$000)	Decrease \$(000)
Investments denominated in—		
Canadian dollar .. .. .	..	492
Deutschemark .. .. .	..	7,584
Dutch guilder	1,341	..
Japanese yen .. .. .	..	41,051
Pound sterling	3,162	..
Swiss franc .. .. .	..	2,555
United States dollar .. .. .	..	26,833
	<u>4,503</u>	<u>78,515</u>
Net decrease	<u>74,012</u>	<u>..</u>
	<u>\$78,515</u>	<u>\$78,515</u>

G. C. SCOTT,
Secretary to the Treasury.
29 January, 1988.

R. C. W. HAMILTON,
Director, Finance and Management, Treasury
29 January, 1988.

REPORT OF THE AUDIT OFFICE

The Audit Office, having been appointed in terms of section 25 of the Public Finance Act 1977, has audited the summary of the receipts and payments for the nine months ended 31 December 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 738 to 762 properly reflects, in accordance with the statement of accounting policies on page 737 the balance of the public debt outstanding at 31 December 1987 and the transactions of the Public Account for the nine months ended on that date.

J. W. CAMERON,
Deputy Controller and Auditor-General.
12 February 1988



