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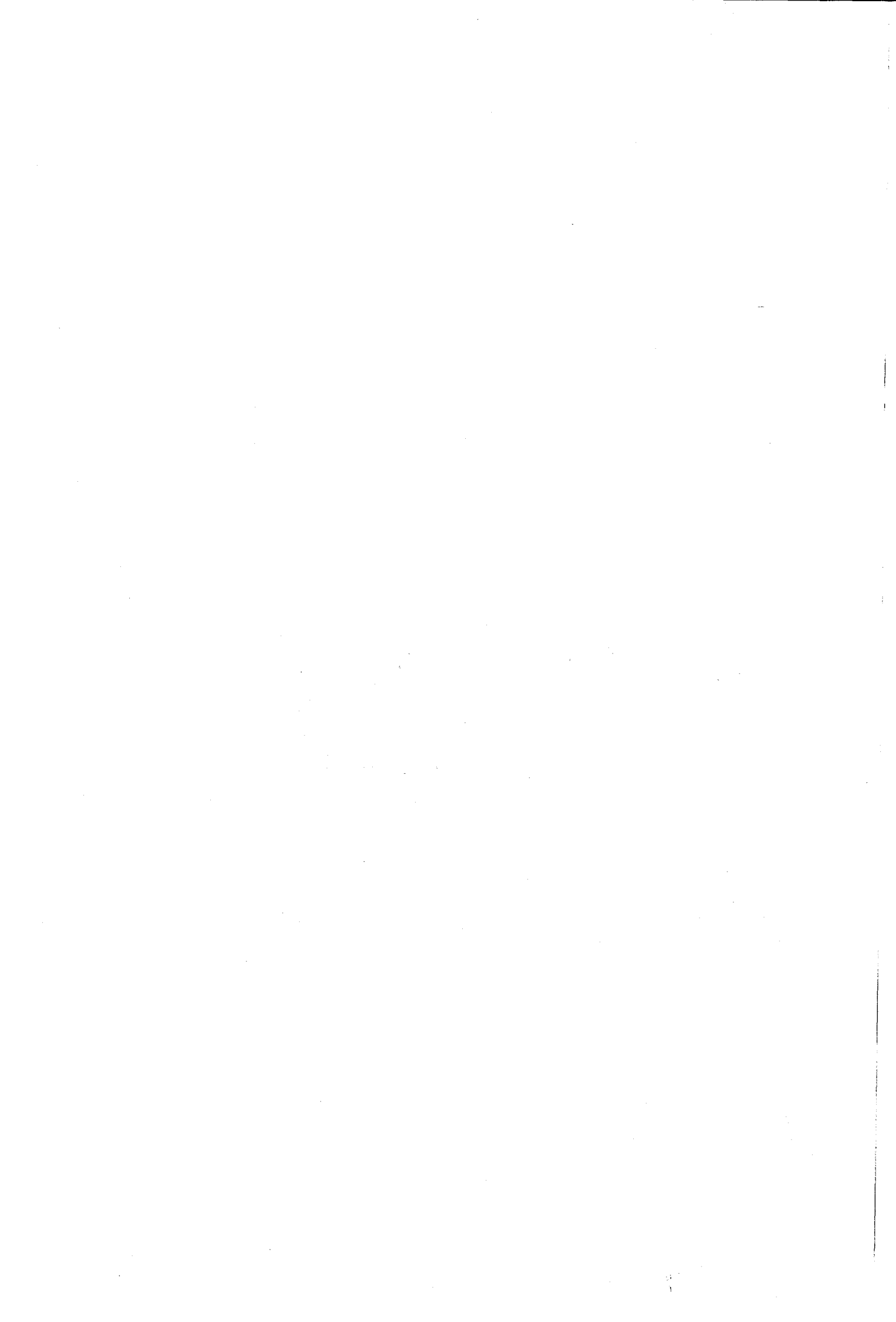
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**SUMMARY**  
OF THE  
**RECEIPTS AND PAYMENTS**  
OF THE  
**PUBLIC ACCOUNT**  
FOR THE  
NINE MONTHS ENDED 31 DECEMBER 1988



**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.
- *Consolidated Account*, the main operating account within the Public Account. All receipts must be credited to this account unless there is specific statutory provision to the contrary. e.g., proceeds of loans, and Road User Charges. The main revenue items in the account are direct and indirect taxation, interest received, dividends and profits from Corporations and trading undertakings, and departmental receipts.  
The bulk of Government expenditure is met from this account by way of annual appropriations through Votes (see the Estimates of Expenditure B. 7 [Pt. I]), and permanent appropriations made pursuant to various statutes.
- *Loans Account*, records the proceeds from all new loans raised (except those raised for redemption of loans) in New Zealand or Overseas during the financial year. The payments side of the account records the disbursement of these proceeds by annual and permanent appropriations, and by way of transfers to other accounts within the Public Account. A non cash item is included on both the receipts and payments side of the account to record the value of capital equipment purchased under credit arrangements.
- *Loans Redemption Account*, records how loan moneys received specifically for the purpose of repaying or redeeming public debt, together with other receipts credited to the account, have in fact been applied to convert or repay public debt. The account also records cash received and paid in respect of the issue and redemption of Treasury bills.
- *National Roads Fund*, is established under section 22 of the National Roads Act 1953. Its purpose is to record certain indirect taxation revenues specifically set aside to fund expenditure on construction and maintenance of roads. The account also records other moneys appropriated for these purposes.
- *Reserve Account*, records funds set aside to meet future contingencies. Transfers into this account are made from the Consolidated Account, but if a contingency arises the funds may be transferred to any of the other accounts within the Public Account.
- *Trust Account*, contains over 50 separate accounts and is primarily used to record moneys received or held in trust. Moneys paid into the account are generally available to be applied only for the specific purpose for which they were received.
- *The Summary of Balances and the Composition of Balances*.
- *Appropriation and Expenditure 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 five 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

Receipts and payments are translated into New Zealand currency at the actual bank rate for each currency.

All rates are adjusted on an official revaluation and on the last working day of June, September, December and March in each year. The rates so obtained are used to realign foreign investments, liabilities and cash balances. Balances in foreign imprest accounts are realigned at the bank rates applying on the last date Treasury is advised of imprest transactions for the quarter.

#### 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 the current financial year in respect of accounting for foreign currencies.

Prior to 1 April 1988, the accounting treatment was as follows:

- foreign currency transactions excluding the Sovereign Note Program were 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.
- in respect of the Sovereign Note Program the aggregate results of transactions for each month were converted into New Zealand currency at the actual bank rate prevailing on the last working day of the month.

From 1 April 1988 the accounting policy in respect of all foreign currency transactions is as follows:

- all receipts and payments will be translated and at the actual bank rate.
- all rates are now adjusted on the last working day in June, September, December and 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 1988			Nine Months Ended 31 December 1987
	\$(000)	\$(000)	\$(000)	\$(000)
<b>RECEIPTS INTO PUBLIC ACCOUNT</b>				
Taxation—				
Consolidated Account .. .. .	15,046,458			13,673,936
National Roads Fund .. .. .	427,660			388,539
		15,474,118		14,062,475
Interest, dividends and profits—				
Consolidated Account .. .. .	1,309,059			1,338,916
Reserve Account .. .. .	20,445			25,357
		1,329,504		1,364,273
Departmental and Special Receipts—				
Consolidated Account .. .. .	5,780,125			1,381,792
National Roads Fund .. .. .	30,465			29,270
Reserve Account .. .. .	4,689			..
		5,815,279		1,411,062
Repayment of loans and advances—				
Loans Redemption Account .. .. .		3,519,852		43,266
Changes in balances—				
Increase in advances to Impretees .. .. .	(99,768)			(223,210)
Increase in Suspense Account .. .. .	86,805			103,344
		(12,963)		(119,866)
			26,125,790	16,761,210
<b>PAYMENTS FROM PUBLIC ACCOUNT</b>				
Annual appropriations—				
Consolidated Account .. .. .	16,757,458			16,107,696
Loans Account .. .. .	7,491,952			274,600
		24,249,410		16,382,296
Permanent appropriations—				
Consolidated Account .. .. .	3,891,573			4,080,284
Loans Account <sup>1</sup> .. .. .	2,272			2,308
National Roads Fund .. .. .	375,341			222,839
		4,269,186		4,305,431
Special Payments—				
Consolidated Account .. .. .	(38,252)			311,919
Reserve Account .. .. .	..			50,840
		(38,252)		362,759
Unauthorised expenditure for services and purposes not provided for—				
Consolidated Account .. .. .	476			..
National Roads Fund .. .. .	..			2
		476		2
Changes in balances—				
Net payments from Trust Account .. .. .		1,286,974		561,829
			29,767,794	21,612,317
<b>Deficit on operations</b>			<b>\$3,642,004</b>	<b>\$4,851,107</b>

## Footnotes:

<sup>1</sup> Excludes charges and expenses of raising loans \$262,886,657.

## SECTION

TABLE 2—SUMMARY OF  
PUBLIC ACCOUNT FINANCING

	Nine Months Ended 31 December 1988		Nine Months Ended 31 December 1987
	\$(000)	\$(000)	\$(000)
<b>NEW BORROWING</b>			
Loans Account			
Borrowing in New Zealand and Overseas	2,888,923		2,802,289
<i>Less</i> purchases through capital equipment credit arrangements	(262,886)		(20,230)
<i>Less</i> charges and expenses of raising loans	20,559		(150,370)
<i>Plus</i> premiums on issues			3,826
		<b>2,646,596</b>	<b>2,635,515</b>
Loans Redemption Account			
Borrowing in New Zealand and Overseas	15,684,738		14,889,168
<i>Less</i> charges and expenses of raising loans	(188,641)		(89,066)
		<b>15,496,097</b>	<b>14,800,102</b>
<b>Net cash proceeds from new borrowing</b>		<b>18,142,693</b>	<b>17,435,617</b>
<b>REPAYMENTS</b>			
Loans Redemption Account			
Repayments in New Zealand and Overseas	15,163,750		15,611,632
<i>Less</i> gains on redemption of securities	(13,762)		(8,806)
		<b>15,149,988</b>	<b>15,602,826</b>
<b>Net cash flow from borrowing</b>		<b>2,992,705</b>	<b>1,832,791</b>
<b>CHANGES IN BALANCES OF—</b>			
Cash at bank	742,654		345,589
Investments	(93,355)		2,672,727
		<b>649,299</b>	<b>3,018,316</b>
		<b>\$3,642,004</b>	<b>\$4,851,107</b>

## CONSOLIDATED

RECEIPTS	Note	Nine Months Ended 31 December 1988			Nine Months Ended 31 December 1987
		\$(000)	\$(000)	\$(000)	\$(000)
Taxation					
Direct taxation—					
Income tax .. .. .	1	9,582,988			8,296,323
Other taxation .. .. .	2	200,467			107,336
			9,783,455		8,403,659
Indirect taxation—					
Customs duty .. .. .		367,993			694,506
Excise duties .. .. .		1,387,565			1,494,015
Goods and services tax .. .. .		3,222,731			2,711,265
Other taxation .. .. .	3	284,714			370,491
			5,263,003		5,270,277
				15,046,458	13,673,936
Interest, Dividends and Profits—					
Interest on Capital Liabilities and Investments .. .. .	4		927,298		1,152,671
Dividends .. .. .	5		292,397		143,491
Profits .. .. .	6		89,364		42,754
				1,309,059	1,338,916
Departmental Receipts .. .. .	7			737,243	1,268,923
<b>Total Ordinary Receipts</b> .. .. .				<b>17,092,760</b>	<b>16,281,775</b>
Special Receipts .. .. .	8			5,042,882	112,869
Deficit at end of nine months .. .. .				..	4,105,255
				<b>\$22,135,642</b>	<b>\$20,499,899</b>
Opening balance, 1 April 1988 .. .. .				134,655	126,225
Surplus at end of nine months .. .. .				1,524,387	..
				<b>\$1,659,042</b>	<b>\$126,225</b>



## ACCOUNT

PAYMENTS	Note	Nine Months Ended 31 December 1988	Nine Months Ended 31 December 1987
Permanent appropriations .. .. .	9	\$(000) 3,891,573	\$(000) 4,080,284
Annual appropriations <i>(For details, refer Expenditure Statement on page 773)</i> .. .. .		16,757,458	16,107,696
Unauthorised Expenditure for services and purposes not provided for .. .. .		476	..
Total Ordinary Payments .. .. .		<u>20,649,507</u>	<u>20,187,980</u>
Special Payments .. .. .	10	(38,252)	311,919
Surplus at end of nine months .. .. .		1,524,387	..
		<u>\$22,135,642</u>	<u>\$20,499,899</u>
Deficit at end of nine months .. .. .		..	4,105,255
Closing balance, 31 December 1988 .. .. .		1,659,042	(3,979,030)
		<u>\$1,659,042</u>	<u>\$126,225</u>

should be read in conjunction with the accounts.

RECEIPTS										LOANS			
										Note	Nine Months Ended 31 December 1988		Nine Months Ended 31 December 1987
											\$(000)	\$(000)	\$(000)
Loans raised—													
In New Zealand	..	..	..	..	..	..	..	..	..	11	2,888,923		2,782,059
Overseas	..	..	..	..	..	..	..	..	..		..		20,230
												<b>2,888,923</b>	<b>2,802,289</b>
Other Securities issued	..	..	..	..	..	..	..	..	..			17,747	104,335
Premium on issues	..	..	..	..	..	..	..	..	..			20,559	3,826
Deficit at end of nine months	..	..	..	..	..	..	..	..	..			<b>4,847,628</b>	..
												<b>\$7,774,857</b>	<b>\$2,910,450</b>
Opening balance, 1 April 1988	..	..	..	..	..	..	..	..	..			54,906	8,421
Surplus at end of nine months	..	..	..	..	..	..	..	..	..			..	2,358,607
												<b>\$54,906</b>	<b>\$2,367,028</b>

										LOANS REDEMPTION			
											\$(000)	\$(000)	\$(000)
Loans raised for the purpose of repaying loans—													
Overseas—													
Cash loans	..	..	..	..	..	..	..	..	..	14	1,900,519		1,554,523
Sovereign Notes	..	..	..	..	..	..	..	..	..		3,924,271		4,501,449
												<b>5,824,790</b>	<b>6,055,972</b>
Reserve Bank Notes	..	..	..	..	..	..	..	..	..	15	1,676,948		..
Treasury bills issued	..	..	..	..	..	..	..	..	..		8,183,000		8,833,196
												<b>9,859,948</b>	<b>8,833,196</b>
Money received for repayment of loans and advances	..	..	..	..	..	..	..	..	..	16		3,519,817	43,247
Other money received	..	..	..	..	..	..	..	..	..			35	19
Gains on redemption of securities	..	..	..	..	..	..	..	..	..	17		13,762	8,806
Deficit at end of nine months	..	..	..	..	..	..	..	..	..			..	759,458
												<b>\$19,218,352</b>	<b>\$15,700,698</b>
Opening balance, 1 April 1988	..	..	..	..	..	..	..	..	..			162,431	385,362
Surplus at end of nine months	..	..	..	..	..	..	..	..	..			<b>3,865,961</b>	..
												<b>\$4,028,392</b>	<b>\$385,362</b>

## ACCOUNT

	PAYMENTS	Note	Nine Months Ended		Nine Months Ended
			31 December 1988	31 December 1987	31 December 1987
			\$(000)	\$(000)	\$(000)
Permanent appropriations .. .. .		12		265,158	152,678
Annual appropriations .. .. . (For details refer Expenditure Statement on page 773)				7,491,952	274,600
Capital equipment purchased under credit arrangements .. .. .				..	20,230
Other Securities issued .. .. .				17,747	104,335
Surplus at end of nine months .. .. .				..	2,358,607
				<u>\$7,774,857</u>	<u>\$2,910,450</u>
Deficit at end of nine months .. .. .				4,847,628	..
Temporary transfer from Trust Account repaid .. .. .		13		1,700,000	..
Closing balance, 31 December 1988 .. .. .				(6,492,722)	2,367,028
				<u>\$54,906</u>	<u>\$2,367,028</u>

## ACCOUNT

			\$(000)	\$(000)	\$(000)
Loans repaid—		18			
In New Zealand .. .. .			1,553,271		2,289,373
Overseas—					
General repayments and other purposes .. .. .			2,519,970		3,426,221
Sovereign Notes .. .. .			3,789,644		4,933,863
				<u>7,862,885</u>	<u>10,649,457</u>
Reserve Bank Notes redeemed .. .. .			420,100		..
Treasury bills redeemed .. .. .			6,880,765		4,962,175
				<u>7,300,865</u>	<u>4,962,175</u>
Charges and expenses of raising and repaying loans—					
General .. .. .			57,390		14,601
Flexible financing facilities rollover expenses .. .. .			..		2,923
Premium on redemption, Inflation-adjusted savings bonds .. .. .			124,091		63,441
Premiums on overseas loans .. .. .			7,160		8,101
				<u>188,641</u>	<u>89,066</u>
Surplus at end of nine months .. .. .				3,865,961	..
				<u>\$19,218,352</u>	<u>\$15,700,698</u>
Deficit at end of nine months .. .. .				..	759,458
Closing balance, 31 December 1988 .. .. .				4,028,392	(374,096)
				<u>\$4,028,392</u>	<u>\$385,362</u>

should be read in conjunction with the accounts.

## NATIONAL ROADS

RECEIPTS	Note	Nine Months Ended	Nine Months Ended
		31 December 1988	31 December 1987
		\$(000)	\$(000)
Taxation .. .. .	19	427,660	388,539
Other receipts .. .. .	20	30,465	29,270
		<u>458,125</u>	<u>417,809</u>
Opening balance, 1 April 1988 .. .. .		113,516	17,130
Surplus at end of nine months .. .. .		<u>82,784</u>	<u>194,968</u>
		<u>\$196,300</u>	<u>\$212,098</u>

## RESERVE

	\$(000)	\$(000)
Interest on investments .. .. .	20,445	25,357
Adjustment of value of investments consequent on changes in exchange rates .. .. .	4,689	(50,840)
Deficit at end of nine months .. .. .	..	25,483
	<u>\$25,134</u>	<u>..</u>
Opening balance, 1 April 1988 .. .. .	415,861	396,543
Surplus at end of nine months .. .. .	25,134	..
	<u>\$440,995</u>	<u>\$396,543</u>

## TRUST

	\$(000)	\$(000)
Receipts through revolving funds .. .. .	397,658	585,669
Other receipts .. .. .	3,772,758	1,177,712
Deficit at end of nine months .. .. .	1,286,974	561,829
	<u>\$5,457,390</u>	<u>\$2,325,210</u>
Opening balance, 1 April 1988 .. .. .	3,545,943	5,924,026
Temporary transfer to Loans Account repaid .. .. .	1,700,000	..
	<u>\$5,245,943</u>	<u>\$5,924,026</u>

## FUND

PAYMENTS	Note	Nine Months Ended	Nine Months Ended
		31 December 1988	31 December 1987
		\$(000)	\$(000)
Expenditure .. .. .		375,341	222,839
Unauthorised expenditure under section 28A National Roads Act 1953 .. .. .		..	2
Surplus at end of nine months .. .. .		82,784	194,968
		<u>\$458,125</u>	<u>\$417,809</u>
Closing balance, 31 December 1988 .. .. .		196,300	212,098
		<u>\$196,300</u>	<u>\$212,098</u>

## ACCOUNT

	\$(000)	\$(000)
Surplus at end of nine months .. .. .	25,134	..
	<u>\$25,134</u>	<u>..</u>
Deficit at end of nine months .. .. .	..	25,483
Closing balance, 31 December 1988 .. .. .	440,995	371,060
	<u>\$440,995</u>	<u>\$396,543</u>

## ACCOUNT

	\$(000)	\$(000)
Payments through revolving funds .. .. .	415,964	586,480
Other payments .. .. .	5,041,426	1,738,730
	<u>\$5,457,390</u>	<u>\$2,325,210</u>
Deficit at end of nine months .. .. .	1,286,974	561,829
Closing balance, 31 December 1988 .. .. .	3,958,969	5,362,197
	<u>\$5,245,943</u>	<u>\$5,924,026</u>

should be read in conjunction to the accounts.

## SUMMARY OF BALANCES

	Note	At 31 December 1988	At 31 December 1987
		\$(000)	\$(000)
Consolidated Account .. ..		1,659,042	(3,979,030)
Loans Account .. .. .		(6,492,722)	2,367,028
Loans Redemption Account .. ..		4,028,392	(374,096)
National Roads Fund .. .. .		196,300	212,098
Reserve Account .. .. .		440,995	371,060
Suspense Account .. .. .	21	94,278	103,345
Trust Account .. .. .		3,958,969	5,362,197
		<u>\$3,885,254</u>	<u>\$4,062,602</u>

## COMPOSITION OF BALANCES

	Note	At 31 December 1988	At 31 December 1987
		\$(000)	\$(000)
Cash .. .. .		(619,214)	(219,354)
Imprests .. .. .		233,043	328,457
Investments—	22		
In New Zealand .. .. .		208,836	209,436
Overseas .. .. .		4,062,589	3,744,063
		<u>4,271,425</u>	<u>3,953,499</u>
		<u>\$3,885,254</u>	<u>\$4,062,602</u>

## 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 1988 and the corresponding period in 1987.

Expenditure	Note	Appropriation	Expenditure	
		1988	1988	1987
CONSOLIDATED ACCOUNT		\$(000)	\$(000)	\$(000)
Accident Compensation		110,883	74,174	199
Agriculture and Fisheries		496,711	359,355	244,866
Audit		23,230	17,506	14,107
Broadcasting		490	301	290
Building Performance Guarantee Corporation <sup>1</sup>				17
Capital Participation in Crown and other organisations		20,000	2,586	438
Commerce	23	34,354	3,692	
Conservation		119,146	83,079	68,256
Crown Law		11,196	8,556	6,305
Customs		73,846	55,563	47,635
Defence		1,412,083	988,976	841,637
Domestic and External Security Secretariat		347	213	
Education		3,652,156	3,000,628	2,567,493
Energy (Programme I)		379,303	205,408	476,421
Environment		70,154	40,321	3,351
External Relations and Trade	23	142,428	43,668	
Foreign Affairs		162,835	153,270	173,359
Forestry		67,854	46,186	95,401
Government Life Insurance Corporation		85	45	30
Government Printing Office		2,000	68	
Government Superannuation Fund	23	1,711	397	
Health		3,641,330	2,765,385	2,547,586
Housing Corporation (Programmes I and II)		291,721	209,738	204,909
Inland Revenue		742,418	514,103	460,258
Internal Affairs		237,787	162,098	135,334
Justice		573,595	358,149	279,363
Labour		516,559	325,630	431,196
Lands		12,253	9,162	19,142
Maori Affairs		263,987	185,674	188,541
Ministry of Maori Affairs		253		
National Provident Fund		190		
Office of the Clerk	23	10,017	5,695	
Office of the Ombudsmen		2,365	1,471	1,230
Parliamentary Commissioner for the Environment		850	626	650
Parliamentary Counsel Office	23	1,554	840	
Parliamentary Service		35,624	23,062	27,556
Police		484,940	327,820	272,775
Prime Minister		2,848	1,630	1,730
Privacy Commissioner		212	137	114
Railways		250	206	195
Rural Banking and Finance Corporation (Programmes I and II)		180	60	44,501
Scientific and Industrial Research		186,632	145,189	127,105
Security Intelligence Service		9,777	7,173	6,752
Social Welfare		8,262,058	6,061,871	5,238,941
State Services Commission		155,956	69,107	107,433
Statistics		40,741	27,859	27,551
Survey and Land Information		69,691	38,871	35,579
Tourist and Publicity		93,600	56,070	43,961
Trade and Industry		86,850	93,057	112,764
Transport		328,578	211,262	239,316
Treasury		118,495	65,553	195,930
Valuation		4,664	3,750	18,468
Women's Affairs		3,292	2,218	1,246
Works and Development <sup>1</sup>				797,765
<b>Total, Consolidated Account</b>		<b>\$22,960,079</b>	<b>\$16,757,458</b>	<b>\$16,107,696</b>
<b>LOANS ACCOUNT</b>				
Capital Participation in Crown and other organisations	24	8,500,000	7,441,952	250,600
Energy (Programme II)		113,731	50,000	24,000
Housing Corporation (Programme III)		316,836		
<b>Total, Loans Account</b>		<b>\$8,930,567</b>	<b>\$7,491,952</b>	<b>\$274,600</b>

## Footnote:

<sup>1</sup> No amount has been appropriated in this financial year.

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 1988 \$(000)		As at 31 December 1987 \$(000)	
		New Zealand	Overseas	New Zealand	Overseas
1988		..	..	1,146,293	118,371
1989		1,860,933	779,317	2,992,669	699,683
1990		3,448,300	1,395,588	3,448,302	2,029,811
1991		2,838,488	753,453	2,307,562	1,208,935
1992		3,848,039	1,940,451	3,848,059	2,362,404
1993		2,077,362	1,617,279	2,076,172	2,048,397
1994		2,846,240	2,795,427	766,245	2,031,319
1995		1,266,344	915,495	1,266,344	834,983
1996		456,100	1,596,422	456,100	828,357
1997		523,100	570,067	523,100	557,588
1998		..	893,079	..	850,836
1999		..	345,383	..	245,753
2000		85,000	55,545	85,000	51,223
2001		..	294,209	..	822,233
2002		125,000	55,545	125,000	51,223
2003		..	383,918	..	354,042
2004		..	55,545	..	51,223
2005		..	55,545	..	51,223
2006		..	373,764	..	359,627
2007		..	532,873	..	513,829
2008		..	55,394	..	51,083
2009		..	307,270	..	301,166
2010		..	28,796	..	26,555
2011		..	238,663	..	231,303
2015		..	285,225	..	281,294
2017		..	556,882	..	539,707
Infl. Bonds	25	412,164	..	566,020	..
Kiwi Bonds		277,635	..	265,907	..
Kiwi Sav. Stock		157,202	..	169,685	..
Our N.Z. Bonds		16,549	..	24,147	..
Tsy. Bills		4,254,000	..	5,041,020	..
Reserve Bank Notes		1,256,848	..	..	..
Sovereign Notes		..	681,099	..	534,436
Totals		<b>\$25,749,304</b>	<b>\$ 17,562,234</b>	<b>\$25,107,625</b>	<b>\$ 18,036,604</b>
		<b>\$ 43,311,538</b>		<b>\$ 43,144,229</b>	



## DETAILS OF OVERSEAS DOMICILED PUBLIC DEBT AS AT 31 DECEMBER 1988

\$(000)

Maturing Year Ending 31 March	Total	£Stg.	Deutsche- mark	Dutch Guilders	Japanese Yen	US\$	Swiss Francs	Aust.\$	Can.\$	NZ\$	European Currency Unit	Misc.
1989	779,317	748	..	31,573	252,594	477,732	12,924	..	2,955	..	..	791
1990	1,395,588	296,531	178,221	78,933	214,705	525,870	100,573	..	..	..	..	755
1991	753,453	8,234	44,555	..	341,002	159,919 <sup>1</sup>	13,982	..	..	..	185,254 <sup>1</sup>	507
1992	1,940,451	8,309	445,554	..	757,783 <sup>1</sup>	715,990 <sup>1</sup>	12,617	..	..	.. <sup>1</sup>	.. <sup>1</sup>	198
1993	1,617,279	47,890	..	..	151,557	588,703 <sup>1</sup>	273,368	..	..	..	555,761 <sup>1</sup>	..
1994	2,795,427	288,118 <sup>1</sup>	267,332 <sup>1</sup>	..	783,042 <sup>1</sup>	1,400,159 <sup>1</sup>	56,776	..	..	..	..	..
1995	915,495	..	..	..	757,783	..	157,712	..	..	..	..	..
1996	1,596,422	285,225	.. <sup>1</sup>	..	505,188 <sup>1</sup>	318,218 <sup>1</sup>	..	135,759 <sup>1</sup>	166,778 <sup>1</sup>	..	185,254 <sup>1</sup>	..
1997	570,067	..	..	..	13,185	556,882	..	..	..	..	..	..
1998	893,079	399,316	..	..	55,545	318,218	..	..	..	120,000	..	..
1999	345,383	..	..	..	55,545	79,555	210,283	..	..	..	..	..
2000	55,545	..	..	..	55,545	..	..	..	..	..	..	..
2001	294,209	..	..	..	55,545	238,664	..	..	..	..	..	..
2002	55,545	..	..	..	55,545	..	..	..	..	..	..	..
2003	383,918	..	..	..	383,918	..	..	..	..	..	..	..
2004	55,545	..	..	..	55,545	..	..	..	..	..	..	..
2005	55,545	..	..	..	55,545	..	..	..	..	..	..	..
2006	373,764	..	..	..	55,546	318,218	..	..	..	..	..	..
2007	532,873	..	..	..	55,546	477,327	..	..	..	..	..	..
2008	55,394	..	..	..	55,394	..	..	..	..	..	..	..
2009	307,270	278,095	..	..	29,175	..	..	..	..	..	..	..
2010	28,796	..	..	..	28,796	..	..	..	..	..	..	..
2011	238,663	..	..	..	..	238,663	..	..	..	..	..	..
2015	285,225	285,225	..	..	..	..	..	..	..	..	..	..
2017	556,882	..	..	..	..	556,882	..	..	..	..	..	..
Sovereign Notes	681,099	..	..	..	..	681,099	..	..	..	..	..	..
	<b>\$17,562,234</b>	1,897,691	935,662	110,506	4,774,029	7,652,099	838,235	135,759	169,733	120,000	926,269	2,251

## Footnotes:

<sup>1</sup>Refer to Note 27 "Swap Transactions".

## CHANGES IN THE PUBLIC DEBT FOR THE NINE MONTHS ENDED 31 DECEMBER 1988

	Outstanding 31 December 1988	Outstanding 31 March 1988	Increase (Decrease)
	\$(000)	\$(000)	\$(000)
<b>External debt—</b>			
Pounds Sterling .. .. .	1,897,691	1,693,643	204,048
Deutschemerk .. .. .	935,662	669,523	266,139
Dutch Guilders .. .. .	110,506	111,314	(808)
Japanese Yen .. .. .	4,774,029	5,152,530	(378,501)
United States dollars .. .. .	7,652,099	7,204,180	447,919
Swiss Francs .. .. .	838,235	1,559,628	(721,393)
Australian dollars .. .. .	135,759	..	135,759
Canadian dollars .. .. .	169,733	5,272	164,461
New Zealand dollars .. .. .	120,000	120,000	..
European Currency Unit .. .. .	926,269	737,463	188,806
Miscellaneous .. .. .	2,251	3,297	(1,046)
	<u>17,562,234</u>	<u>17,256,850</u>	<u>305,384</u>
<b>Internal debt—</b>			
Long-term debt .. .. .	20,238,456	18,902,804	1,335,652
Floating debt .. .. .	5,510,848	2,951,765	2,559,083
	<u>25,749,304</u>	<u>21,854,569</u>	<u>3,894,735</u>
<b>Total .. .. .</b>	<u><u>\$43,311,538</u></u>	<u><u>\$39,111,419</u></u>	<u><u>\$4,200,119</u></u>

**TRANSACTIONS IN CONNECTION WITH THE PUBLIC DEBT FOR THE NINE MONTHS  
ENDED 31 DECEMBER 1988**

	\$(000)												
	New Zealand	Overseas	£Stg.	Deutsche-mark	Dutch Guilders	Japanese Yen	US\$	Swiss Francs	Aust.\$	Can.\$	NZ\$	European Currency Unit	Misc.
Loans raised (gross value)—													
For general purposes	2,888,923	..	..	..	..	..	..	..	..	..	..	..	..
For repayment of loans (incl. Tsy Bills, Reserve Bank Notes and Sovereign Notes)	9,859,948	5,824,790	278,784	523,864	..	460,325	3,999,347	..	235,433	145,417	..	181,620	..
Total, loans raised	12,748,871	5,824,790	278,784	523,864	..	460,325	3,999,347	..	235,433	145,417	..	181,620	..
Loans repaid—													
For general repayments (incl. Tsy Bills, Reserve Bank Notes and Sovereign Notes)	8,854,136	6,295,346	183,595	254,634	..	1,121,886	3,980,769	633,213	117,716	2,937	..	..	596
Capital equipment credit arrangements	..	14,005	12,528	..	..	..	385	1,092	..	..	..	..	..
IBRD	..	263	..	..	..	..	..	..	..	..	..	..	263
Total, loans repaid	8,854,136	6,309,614	196,123	254,634	..	1,121,886	3,981,154	634,305	117,716	2,937	..	..	859
Increase (decrease) in debt due to—													
30 June 1988 realignment	..	(715,511)	(79,792)	(80,209)	(9,776)	(246,994)	(107,439)	(140,024)	(56)	6,922	..	(57,884)	(259)
30 September 1988 realignment	..	1,369,000	133,059	52,677	6,254	345,943	739,790	24,094	10,151	15,832	..	41,012	188
31 December 1988 realignment	..	136,719	68,120	24,441	2,714	184,111	(202,625)	28,842	7,947	(773)	..	24,058	(116)
Total Realignments Increase (Decrease)	..	790,208	121,387	(3,091)	(808)	283,060	429,726	(87,088)	18,042	21,981	..	7,186	(187)
Net increase (decrease) during the year	3,894,735	305,384	204,048	266,139	(808)	(378,501)	447,919	(721,393)	135,759	164,461	..	188,806	(1,046)
Public debt at 1 April 1988	21,854,569	17,256,850	1,693,643	669,523	111,314	5,152,530	7,204,180	1,559,628	..	5,272	120,000	737,463	3,297
Public debt at 31 December 1988	25,749,304	17,562,234	1,897,691	935,662	110,506	4,774,029	7,652,099	838,235	135,759	169,733	120,000	926,269	2,251
	<u><u>\$43,311,538</u></u>												

should be read in conjunction with the accounts.

## NOTES TO THE ACCOUNTS

**1. Income Tax**

Details of income tax are as follows:

	1988		1987
	\$(000)	\$(000)	\$(000)
Company .. .. .		1,017,432 <sup>1</sup>	810,959
Fringe benefit tax .. .. .		383,505	153,824
Individuals .. .. .		8,043,833	7,218,802
Non-resident withholding tax .. .. .		139,270	.. <sup>2</sup>
Miscellaneous .. .. .		(1,052)	112,738
		<u>\$9,582,988</u>	<u>\$8,296,323</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 \$74,058,529 for 1988-89 and \$253,458,419 for 1987-88.

Advance payments to Accident Compensation Corporation were \$122,478,624 for 1988-89 and \$34,147,628 for 1987-88.

**2. Other Direct Taxation**

Details of other direct taxation are as follows:

Estate and gift duty .. .. .	47,930	37,662
Land tax .. .. .	152,537	69,674
	<u>\$200,467</u>	<u>\$107,336</u>

**3. Other Indirect Taxation**

Details of other indirect taxation are as follows:

Energy resources levy .. .. .	66,128	47,331
Gaming duties—		
Lottery .. .. .	13,726	5,723
Totalisator .. .. .	38,113	37,537
	<u>51,839</u>	<u>43,260</u>
Instrument duty—		
Cheque duty .. .. .	14,311	13,698
Stamp duty .. .. .	74,222	181,837
	<u>88,533</u>	<u>195,535</u>
Motor vehicles, fees and charges .. .. .	78,899	84,070
Miscellaneous <sup>3</sup> .. .. .	(685)	295
	<u>\$284,714</u>	<u>\$370,491</u>

## Footnote:

<sup>1</sup> Includes Winding-up Distribution Tax \$1,885,256

<sup>2</sup> Prior to 1 April 1988, Non-resident withholding tax included in Miscellaneous.

<sup>3</sup> Residual net collections (refunds) from indirect taxes and duties which have been phased out in previous financial years.

**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.

	1988	1987
	\$(000)	\$(000)
<b>On capital liability—</b>		
Air New Zealand Ltd. . . . .	70	105
Energy: Geothermal . . . . .	1,202	1,203
Energy: Mines . . . . .	115,539	305
Housing . . . . .	168,937	106,000
Housing Corporation of New Zealand	46,216	205,657
Lands and Survey . . . . .	858	9,518
Maori Affairs . . . . .	877	1,153
New Zealand Railways Corporation	3,299	..
Tourist Hotel Corporation . . . . .	3,161	..
<b>Revolving funds—</b>		
Government Computing Service Fund	85,705	1,101
Government Printing Office Fund		3,282
Ministry of Works (Vogel computing services)		656
Rural Banking and Finance Corporation of New Zealand		216,021
	<b>425,864</b>	<b>545,001</b>
<b>On other public money—</b>		
<b>New Zealand's investment in—</b>		
DFC New Zealand Ltd. . . . .	3,528	..
New Zealand Refining Co Ltd. . . . .	492	..
Valuation New Zealand . . . . .	282	..
Winstone-Pulp Industries Ltd. . . . .	..	232
<b>Investments made in respect of the—</b>		
Consolidated Account . . . . .	1,984	4,578
Trust Account . . . . .	..	701
Loans Account . . . . .	33,239	90,931
Loans Redemption Account . . . . .	112,457	94,361
<b>On advances to—</b>		
Loans and advances to hospitals, local authorities etc.	1,110	1,367
Loans to local authorities for harbour projects (IBRD loans)	28	50
	<b>153,120</b>	<b>192,220</b>
<b>Payments received from state-owned enterprises—</b>		
Airways Corporation of New Zealand Ltd. . . . .	2,095	..
Auckland International Airport . . . . .	5,486	..
Coal Corporation of New Zealand Ltd. . . . .	628	..
Electricity Corporation of New Zealand Ltd. . . . .	276,412	221,000
Land Corporation Ltd. . . . .	7,116	9,450
New Zealand Forestry Corporation Ltd. . . . .	..	20,000
Telecom Corporation of New Zealand Ltd. . . . .	56,577	165,000
	<b>348,314</b>	<b>415,450</b>
	<b>\$927,298</b>	<b>\$1,152,671</b>
<b>5. Dividends</b>		
The following amounts were received by way of dividends during the nine months:		
Air New Zealand Ltd. . . . .	26,000	37,000
Bank of New Zealand . . . . .	52,275	40,910
Broadcasting Corporation of New Zealand	6,268	..
DFC New Zealand Ltd. . . . .	3,300	3,300
Energy: Electricity . . . . .	..	42,000
Fletcher Challenge Ltd. . . . .	..	1
Maori Development Corporation . . . . .	104	..
Rural Banking and Finance Corporation of New Zealand	41,485	..
	<b>129,432</b>	<b>123,211</b>
<b>Revolving Funds—</b>		
Department of Science and Industrial Research Science Fund	17,725	8,475
Government Computing Service Fund . . . . .	3,706	2,525
	<b>21,431</b>	<b>11,000</b>
<b>State-Owned Enterprises—</b>		
Airways Corporation of New Zealand Ltd. . . . .	6,055	..
Coal Corporation of New Zealand Ltd. . . . .	1,551	..
Government Property Services Ltd. . . . .	8,441	..
Land Corporation Ltd . . . . .	14,006	..
New Zealand Post Ltd . . . . .	33,981	9,280
Post Office Bank Ltd . . . . .	17,500	..
Telecom Corporation of New Zealand Ltd. . . . .	60,000	..
	<b>141,534</b>	<b>9,280</b>
	<b>\$292,397</b>	<b>\$143,491</b>

**6. Profits**

The following profits were received during the period:

Housing Corporation of New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..	39,364	10,166
Reserve Bank of New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..	50,000	32,588
															<u>\$89,364</u>	<u>\$42,754</u>

**7. Departmental Receipts**

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

	1988	1987
	\$(000)	\$(000)
Agriculture and Fisheries	96,710	103,224
Audit	13,469	8,911
Commerce	441	..
Conservation	6,694	4,934
Crown Law	697	533
Customs	5,420	2,045
Defence	16,468	13,959
Education	26,693	34,884
Energy (Programme I)	42,126	41,184
Environment	453	19
External Relations and Trade	957	..
Foreign Affairs	12,169	13,925
*Forestry	11,009	5,146
Health	9,736	4,520
Inland Revenue	5,847	4,183
Internal Affairs	16,740	23,407
Justice	124,076	104,068
Labour	10,165	10,622
Lands	3,579	5,547
Maori Affairs	60,305	66,622
Office of the Clerk	1	..
Parliamentary Service	11	6
Police	5,110	4,540
Prime Minister	19	8
Scientific and Industrial Research	..	1
Social Welfare	40,789	37,272
State Services Commission	42,847	35,004
Statistics	2,152	3,111
Survey and Land Information	11,971	8,374
Tourist and Publicity	8,663	9,142
Trade and Industry	22,221	7,470
Transport	128,237	44,078
Treasury	11,432	10,284
Valuation <sup>1</sup>	..	12,083
Women's Affairs	36	12
Works and Development	..	649,805
	<u>\$737,243</u>	<u>\$1,268,923</u>

**Footnote:**

<sup>1</sup> From 1 April 1988 Valuation Department was established as a revolving fund in terms of Section 52A of the Public Finance Act 1977. As a consequence all receipts are credited to the Valuation Department Fund in the Trust Account.

	1988	1987
	\$(000)	\$(000)
<b>8. Special Receipts</b>		
The following are details of this category of receipts:		
<b>Airways Corporation of New Zealand Ltd.</b> .. .. .	51,000	..
The price of assets purchased from the Crown by the Airways Corporation of New Zealand Ltd. was \$51,000,000. The Crown advanced \$41,000,000 in consideration for the issue of 41,000,000 ordinary \$1 shares.		
<b>Auckland Harbour Bridge Authority</b> .. .. .	..	250
<b>Auckland International Airport Ltd.</b> .. .. .	172,860	..
The Crown owns 50% of Auckland International Airport Ltd., holding 105 million ordinary shares of \$1.00. In addition the Crown is the holder of debt totalling \$67,859,531. Offsetting these items of expenditure, the sale of assets to the company realised \$172,859,531 to the Crown, which was recorded as a Consolidated Account receipt.		
<b>Christchurch International Airport Ltd.</b> .. .. .	54,395	..
In conjunction with the establishment of Christchurch International Airport Ltd., the Crown agreed to provide \$30,720,000 as an advance and subscribe for 14,400,000 fully paid \$1.00 shares. The Crown received \$54,394,999 being proceeds from the sale of its assets, share of joint venture funds and management fee payable by the company. This was recorded as a receipt to the Consolidated Account.		
<b>Crown Proceedings Act</b> .. .. .	..	1,029
<b>DFC New Zealand Ltd.</b> .. .. .	58,005	..
The sale of 55,000,000 ordinary shares of \$1.00, being 100% of the issued share capital of the DFC New Zealand Ltd. realised \$111,280,000. Of this sum \$53,275,000 was applied against debt outstanding to the Crown, and \$58,005,000 was received into the Consolidated Account as a special receipt.		
<b>Earthquake and War Damage Commission</b> .. .. .	80,000	..
The Earthquake and War Damage Commission became an independent Corporation on 1 October 1988. This receipt represents payment in lieu of income tax dividend, and reinsurance guarantee fee.		
<b>Electricity Corporation of New Zealand Ltd.</b> .. .. .	3,784,787	..
In the sale and purchase agreement with Electricity Corporation of New Zealand Ltd., the Crown agreed to advance \$6,300,000,000 to the Corporation (\$3,300,000,000 being an equity advance and \$3,000,000,000 being a loan advance). Of the \$6,300,000,000 the Corporation paid to the Crown, \$2,515,213,000 was used to repay its outstanding liability to the Crown and the balance of \$3,784,787,000 was recorded as a Consolidated Account receipt.		
<b>Employer Superannuation Subsidy</b> .. .. .	150,335	..
To show the true cost of departmental activities, those departments which are not liable to pay an employer's contribution into the Government Superannuation Fund are now levied a notional charge. The departments thus affected are debited with an assessment of the future superannuation liability associated with current employees. The revenue item appearing here represents the contra entry to the aggregate of this notional superannuation charge to the various votes.		
<b>Fletcher Challenge Limited</b> .. .. .	..	31
<b>Government Computing Services Ltd.</b> .. .. .	55,000	..
In the sale and purchase agreement with Government Computing Services Ltd., the Crown received \$55,000,000 which was recorded as a receipt to the Consolidated Account. In return, the Crown agreed to advance \$27,500,000 as loan capital and a further \$27,500,000 as share capital. The loan has subsequently been repaid. (See Note 16)		
<b>Government Property Services Ltd.</b> .. .. .	279,811	..
The price of the assets purchased from the Crown by Government Property Services Ltd. was \$495,108,000. Of this sum \$215,297,000 was received in the year ending 31 March 1988, and the net balance was recorded as a Consolidated Account receipt in the current financial year. This amount is different from that shown in the June Quarterly Public Accounts as an overpayment of \$17,154,000 by Government Property Services Ltd. in the 1987/88 financial year, was refunded in the September quarter.		
<b>Health Computing Services</b> .. .. .	4,250	..
Proceeds relate to the sale of the Health Computing Services.		
<b>Housing Corporation of New Zealand</b> .. .. .	10,780	..
The receipt is a reimbursement from the Housing Corporation for subsidies claimed in excess of their actual requirements.		
Carried forward .. .. .	4,701,223	1,310

	1988	1987
	\$(000)	\$(000)
Brought forward .. .. .	4,701,223	1,310
<b>Import Licence Premiums</b> .. .. .	<b>22,092</b>	54,264
The receipts are in respect of import licence allocations offered by way of tender to interested parties.		
<b>Land Corporation Ltd.</b> .. .. .	<b>16,073</b>	..
The Crown advanced \$271,417,215 to Land Corporation Ltd. in consideration for the issue by Land Corporation Ltd. of ordinary and preference shares totalling \$201,900,000 and of a loan advance of \$69,517,215. Sale of assets to Land Corporation Ltd. realised \$271,517,215 of which \$255,444,168 was applied against liabilities outstanding to the Crown and the balance of \$16,073,047 was recorded as a Consolidated Account receipt. These amounts differ to those shown in the September Quarterly Public Accounts due to \$6,607,727 received prior to the signing of the sale and purchase agreement, being allocated as a special receipt.		
<b>Ministry of Energy: Electricity Division</b> .. .. .	..	7,876
<b>Motor Spirits Industry Account</b> .. .. .	<b>335</b>	..
The Motor Spirits Licensing Authority was abolished on 9 May 1988. The balance standing to the credit of the Motor Spirits Industry Account has been transferred to the Consolidated Account as a special receipt.		
<b>National Provident Fund</b> .. .. .	..	15,308
<b>New Zealand Forestry Corporation Ltd.</b> .. .. .	<b>40,000</b>	..
The receipt into the Consolidated Account is due to a trading surplus from the Crown's forestry assets.		
<b>New Zealand Post Ltd.</b> .. .. .	<b>180,955</b>	..
The Crown has advanced to New Zealand Post Ltd. \$173,000,000, \$53,000,000 being a loan advance and \$120,000,000 being equity capital. The Crown has received from New Zealand Post Ltd. \$173,000,000 in respect of assets relating to the postal function of the former Post Office, and a further \$7,955,000 in settlement of the balance of current assets less current liabilities as at 31 March 1988 which were not included in the sale and purchase agreement. The moneys have been recorded as a receipt in the Consolidated Account.		
<b>New Zealand Post Office</b> .. .. .	..	21,800
<b>New Zealand Refining Company Ltd.</b> .. .. .	<b>12,123</b>	3,211
The receipt is a reimbursement from the New Zealand Refining Company Ltd. for major project debt costs met by the Crown.		
<b>New Zealand Superannuation Corporation</b> .. .. .	..	2,509
<b>Notional tax payments</b> .. .. .	<b>4,700</b>	6,500
The receipts are payments to the Consolidated Account in lieu of Income Tax from the following		
Revolving Funds—		
Government Computing Service Fund	\$1,900	
Government Printing Office Fund	\$2,800	
<b>Phosphate Commission</b> .. .. .	..	91
<b>Revolving Funds</b>		
Government Computing Service Fund .. .. .	<b>21,705</b>	..
The Government Computing Service Fund has now been disestablished and Government Computing Services Ltd. has been formed as a state-owned enterprise. After making a notional tax payment (see preceding sub-note) and declaring a dividend (see Note 5), the moneys remaining in the Trust Account were transferred to the Consolidated Account.		
<b>Sales of surplus Crown Land Properties</b> .. .. .	<b>1,676</b>	..
The payments are from the Housing Corporation of New Zealand and are in respect to the sale of surplus houses previously owned by New Zealand Post Ltd. and the New Zealand Forest Service.		
<b>Works and Development Services Corporation Ltd.</b> .. .. .	<b>42,000</b>	..
A part payment in respect of moneys collected under licence from debtors of the former Ministry of Works and Development has been received from the Works and Development Services Corporation (NZ) Ltd. This has been recorded as a receipt to the Consolidated Account.		
	<b>\$5,042,882</b>	<b>\$112,869</b>



	1988	1987
	\$(000)	\$(000)
<b>9. Payments Under Permanent Appropriations—Consolidated Account</b>		
Details of permanent appropriations paid from the Consolidated Account are as follows:		
CIVIL LIST		
His Excellency the Governor-General—		
Salary .. .. .	60	52
Other Expenses .. .. .	622	663
	<u>682</u>	<u>715</u>
His Excellency the Administrator of the Government—		
Salary .. .. .	250	..
Executive Council and Ministers—		
Salaries .. .. .	1,715	1,537
Allowances .. .. .	189	181
	<u>1,904</u>	<u>1,718</u>
Parliamentary Under-Secretaries—		
Salary .. .. .	225	296
Allowances .. .. .	26	35
	<u>251</u>	<u>331</u>
Mr Speaker, House of Representatives—		
Salary .. .. .	83	86
Allowances .. .. .	7	8
	<u>90</u>	<u>94</u>
Chairman of Committees—		
Salary .. .. .	68	66
Allowances .. .. .	8	8
	<u>76</u>	<u>74</u>
Leader of the Opposition—		
Salary .. .. .	79	76
Allowances .. .. .	12	10
	<u>91</u>	<u>86</u>
Members of the House of Representatives—		
Salaries .. .. .	3,469	3,515
Allowances .. .. .	602	607
	<u>4,071</u>	<u>4,122</u>
Annuity to former Governor-General .. .. .	24	22
Annuity to former Prime Minister .. .. .	6	17
Annuity to widow of former Prime Minister .. .. .	4	2
Annuity to widow of former Governor-General .. .. .	12	11
	<u>46</u>	<u>52</u>
	<u>\$7,461</u>	<u>\$7,192</u>
DEBT SERVICES		
Administration and management— <sup>1</sup>		
Charges and expenses of raising and repaying loans .. .. .	3,780	6,499
Management charges .. .. .	3,052	11,438
Expenses (receipts) in connection with swap transactions .. .. .	(3,354)	..
	<u>3,478</u>	<u>17,937</u>
Interest—		
In New Zealand .. .. .	2,249,924	2,579,792
Overseas .. .. .	1,126,089	1,197,911
	<u>3,376,013</u>	<u>3,777,703</u>
	<u>\$3,379,491</u>	<u>\$3,795,640</u>

## Footnote:

<sup>1</sup> Debt Services—Administration and Management

The charges and expenses in connection with raising and repaying loans are now recorded in the Loans Redemption Account where loan proceeds are credited, because these loans are raised for refinancing purposes.

Management charges and expenses/receipts in connection with swap transactions result from the net effect of upfront swap receipts exceeding payments for the quarter.

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

	1988	1987
	\$(000)	\$(000)
<b>SUPERANNUATION</b>		
Contribution to Government Superannuation Fund .. .. .	332,021	222,150
Contributions on refunds and transfers values .. .. .	2,695	9,779
Foreign Affairs Act Section 10 H2 Superannuation Schemes .. .. .	21	..
Judges retiring allowances, annuities, and refunds of contributions .. .. .	1,937	1,262
Refund of Superannuation annuities and allowances .. .. .	457	6
Subsidy to Parliamentary Superannuation Account .. .. .	762	334
	<b>\$337,893</b>	<b>\$233,531</b>
<b>MISCELLANEOUS</b>		
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 .. .. .	10,387	9,000
Payment in respect of land and improvements etc. .. .. .	33	378
Annual payments to Maori Trust Boards .. .. .	77	77
Contributions to national superannuation schemes .. .. .	1,250	2,202
Coal Mines Amendment Act 1979, Section 28—		
Payments to Public Authorities entitled .. .. .	..	3
Exemptions from taxation, etc. .. .. .	428	396
Finance Act 1988 Section 7—		
Fringe Benefit Tax on payments made by Crown into certain superannuation funds .. .. .	94,949	..
Grants for Maori purposes .. .. .	7	6
Land Settlement interest on capital liability .. .. .	46,216	9,518
Mining Act 1971—		
Grants to local authorities .. .. .	69	228
Payments to parties entitled .. .. .	15	20
Payments in terms of guarantees on loans to industry, etc.		
Development Finance Corporation Amendment Act 1977, Section 9 (5) .. .. .	478	274
Salaries and allowances—		
Chief Judge and Judges of the Maori Land Court .. .. .	692	623
Controller and Auditor-General and Deputy .. .. .	149	143
District Court Judges .. .. .	5,652	5,245
Family Court Judges .. .. .	2,083	1,699
Judges of Arbitration Court and of Compensation Court .. .. .	503	362
Judges of Court of Appeal and High Court .. .. .	3,519	2,994
Ombudsmen .. .. .	149	130
Parliamentary Commissioner for the Environment .. .. .	72	..
	<b>\$166,728</b>	<b>\$43,921</b>
<b>Total, Consolidated Account Permanent Appropriations .. .. .</b>	<b>\$3,891,573</b>	<b>\$4,080,284</b>

## 10. Special Payments

Capital losses on realisation of investments (net) .. .. .	\$2,235	\$9,880
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These are the net losses offset by gains made on the realisation of the investment of the Public Account balances etc.

**Realised Gains/Losses through currency conversion**

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

Imprest .. .. .	(2,614)	6,404
Investments .. .. .	170,603	147,785
Public Debt .. .. .	729	(1,280)
Sovereign Note .. .. .	62	(33,261)
Swaps .. .. .	3,399	(15,055)
	<b>\$172,179</b>	<b>\$104,593</b>

**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 26)

Imprest Account Balances .. .. .	..	1,397
Investments .. .. .	(209,159)	196,049
Assets and Liabilities Account Balances .. .. .	(3,507)	..
	<b>(\$212,666)</b>	<b>\$197,446</b>
	<b>(\$38,252)</b>	<b>\$311,919</b>

**11. Loans Raised:**

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

	1988	1987
	\$(000)	\$(000)
<b>In New Zealand</b>		
<b>Kiwi Bonds—</b>		
11.5 percent various .. .. .	14,692	
11.75 percent various .. .. .	8,367	
12 percent various .. .. .	18,279	
12.25 percent various .. .. .	1,331	
12.5 percent various .. .. .	2,683	
13 percent various .. .. .	8	
14 percent various .. .. .	58	
14.25 percent various .. .. .	5	
	<hr/>	
	<b>45,423</b>	68,954
Non-Discountable securities .. .. .	..	509,000
Special Issues .. .. .	<b>233,500</b>	..
<b>Tender Stock—</b>		
11 percent 15 February 1991 .. .. .	530,000	
10 percent 15 November 1993 .. .. .	2,080,000	
	<hr/>	
	<b>2,610,000</b>	2,204,105
	<hr/>	
	<b>2,888,923</b>	2,782,059
<b>Overseas</b>		
Capital equipment credit arrangements .. .. .	..	20,230
	<hr/>	
	<b>\$2,888,923</b>	<b>\$2,802,289</b>

**12. Permanent Appropriations, Loans Account**

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

Encashment of securities—ADB .. .. .	1,900	900
Encashment of securities—IBRD .. .. .	..	50
Subscription to International Finance Corporation .. .. .	..	1,095
Subscription to IBRD .. .. .	372	256
Subscription to IMF .. .. .	..	7
<b>Charges and expenses of raising loans—</b>		
<b>In New Zealand—</b>		
Discounts on tender stock .. .. .	262,886	150,370
	<hr/>	
	<b>\$265,158</b>	<b>\$152,678</b>

**13. Loans Account**

Temporary transfer from Trust Account repaid. .. .. .

This temporary transfer was made on 31 March 1988 in terms of Section 46 (1) of the Public Finance Act 1977. In terms of the Act the money was transferred back to the Trust Account.

<b>\$1,700,000</b>	..
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**14. Loans raised overseas for the purpose of repaying loans**

These are as follows:

Maturity Year Ending 31 March		
1989	265,221	..
1990	..	47,934
1993	..	386,698
1994	779,509	..
1996	780,714	532,209
1998	..	265,722
1999	75,075	..
2003	..	321,960
	<hr/>	
	<b>\$1,900,519</b>	<b>\$1,554,523</b>

**15. Reserve Bank Notes**

As permitted by S. 71 of the Public Finance Act 1977, the Government borrowed the proceeds of the tender of Reserve Bank Bills. The introduction of a Reserve Bank Bill replaces Treasury Bills and Government Stock as the principal element of primary liquidity. The accounting treatment which has been adopted is the same as that used for Treasury Bills.

<b>\$1,676,948</b>	..
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**16. Money Received for Repayment of Loans and Advances**

Details are as follows:

	1988	1987
	\$(000)	\$(000)
<b>Capital Equipment Credit Arrangements—</b>		
Energy: Mines .. .. .	..	7,278
New Zealand Railways Corporation .. .. .	2,989	3,734
Vote Defence .. .. .	11,009	18,761
Vote Foreign Affairs .. .. .	..	4,035
Vote Transport (Airport Development) .. .. .	7	8
	<b>14,005</b>	<b>33,816</b>
<b>IBRD Loans—</b>		
Harbour Boards .. .. .	263	303
<b>Other Loans and Advances—</b>		
Coal Corporation of New Zealand Ltd. .. .. .	2,600	..
DFC New Zealand Ltd. .. .. .	53,275	..
Electricity Corporation of New Zealand Ltd. .. .. .	311,000	..
Energy: Electricity .. .. .	2,515,213	..
Energy: Mines .. .. .	73,900	..
Government Computing Services Ltd. .. .. .	27,500	..
Housing Corporation of New Zealand .. .. .	110,100	..
Lands and Survey—Land Settlement .. .. .	255,444	..
Land Corporation Ltd. .. .. .	16,517	..
Rural Banking and Finance Corporation of New Zealand .. .. .	..	9,128
Telecom Corporation of New Zealand Ltd. .. .. .	140,000	..
	<b>3,505,549</b>	<b>9,128</b>
	<b>\$3,519,817</b>	<b>\$43,247</b>

**17. Gains on Redemption of Securities**

This item is derived from the redemption of Treasury bills totalling \$298,000,000 from the Reserve Bank of New Zealand at a settlement of \$284,237,927.

## 18. Summary of Loans Repaid

Nine months ended 31 December 1987 \$(000)			Nine months ended 31 December 1988 Currency \$(000)								
New Zealand	Overseas	Maturing Year Ending 31 March	New Zealand	Overseas	£Stg.	Deutsche-mark	Japanese Yen	US\$	Swiss Franc	Aust.\$	Misc
428,299	1,021,752	1988	..	..	..	..	..	..	..	..	..
16,000	215,276	1989	383,414	268,850	11,017	254,634	..	..	..	..	3,199
450	147,852	1990	..	257,414	6,552	..	7,183	9,333	234,346	..	..
..	5,926	1991	..	101,874	..	..	..	385	101,489	..	..
..	983,501	1992	..	597	..	..	..	..	..	..	597
14,000	185,244	1993	..	1,414,684	1,511	..	1,114,703	..	298,470	..	..
..	38,719	1994	..	111,672	5,627	..	..	106,045	..	..	..
..	827,951	1995	..	..	..	..	..	..	..	..	..
..	..	1996	..	117,716	..	..	..	..	..	117,716	..
..	..	1998	..	171,416	171,416	..	..	..	..	..	..
..	..	2001	..	75,746	..	..	..	75,746	..	..	..
151	..	Death Duty	127	..	..	..	..	..	..	..	..
74,396	..	Infl. Bonds	124,876	..	..	..	..	..	..	..	..
102,258	..	Kiwi Bonds	18,788	..	..	..	..	..	..	..	..
80,203	..	Kiwi Sav. Stock	7,584	..	..	..	..	..	..	..	..
509,000	..	Non Discountable Securities	..	..	..	..	..	..	..	..	..
2,895	..	Our NZ Bonds	5,665	..	..	..	..	..	..	..	..
90,460	..	Special Issues	128,000	..	..	..	..	..	..	..	..
153,627	..	Tap Issues	734,817	..	..	..	..	..	..	..	..
817,634	..	Tender Stock	150,000	..	..	..	..	..	..	..	..
4,962,175	..	Tsy Bills	6,880,765	..	..	..	..	..	..	..	..
..	..	Reserve Bank Notes	420,100	..	..	..	..	..	..	..	..
..	4,933,863	Sovereign Notes	..	3,789,645	..	..	..	3,789,645	..	..	..
7,251,548	8,360,084		8,854,136	6,309,614	196,123	254,634	1,121,886	3,981,154	634,305	117,716	3,796
<u>\$15,611,632</u>			<u>\$15,163,750</u>								

## 19. Taxation, National Roads Fund

Taxation into this Fund during the nine months are:

	1988 \$(000)	1987 \$(000)
Excise duty .. .. .	219,503	200,386
Road User Charges .. .. .	208,157	188,153
	<u>\$427,660</u>	<u>\$388,539</u>

## 20. Other Receipts, National Roads Fund

These are as follows—

Interest .. .. .	21,723	11,507
Miscellaneous .. .. .	8,239	16,364
Receipts from land and property .. .. .	503	1,399
	<u>\$30,465</u>	<u>\$29,270</u>

	1988	1987
	\$(000)	\$(000)
	<b>\$94,278</b>	<b>\$103,345</b>

**21. 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.

**22. Investments—Public Account Balances**

Investments held in New Zealand decreased by \$600,000 and those held overseas increased by \$318,526,000. The following table summarises, by currency, investment holdings for the nine months ended 31 December 1988 and the corresponding period in 1987:

Currency		
Canadian dollar	9,211	10,351
Deutschemark	274,022	431,566
Dutch guilder	4	43,509
Japanese yen	1,228,894	1,964,796
Pound sterling	57,954	118,988
Swiss franc	6,219	13,347
United States dollar	2,486,285	1,161,506
<b>Total Overseas</b>	<b>4,062,589</b>	<b>3,744,063</b>
New Zealand dollar <sup>1</sup>	208,836	209,436
<b>Total Investments held</b>	<b>\$4,271,425</b>	<b>\$3,953,499</b>

**23. Expenditure Statement****New Votes:****Government Superannuation Fund Department—**

The Government Superannuation Fund Department was established on 1 December 1988. Expenditure prior to 30 November 1988 was previously met from Vote Treasury.

**Ministry of Commerce—**

The Ministry of Commerce was established on 1 December 1988. Its functions were transferred from the defunct Department of Trade and Industry.

**Ministry of External Relations and Trade—**

The Ministry of External Relations and Trade was established on 1 December 1988. Its functions were transferred from the defunct Departments of Trade and Industry and the Ministry of Foreign Affairs.

**Office of the Clerk—**

The Office of the Clerk was established as a separate Vote on 1 April 1988. Expenditure was previously met from Vote Parliamentary Service.

**Parliamentary Counsel Office—**

The Parliamentary Counsel Office was established as a separate Vote on 1 April 1988. Expenditure was previously met from Vote Parliamentary Service.

**24. Expenditure Statement—Loans Account—**

This Statement details expenditure met from Vote: Capital Participation in Crown and other organisation for the nine months ended 31 December 1988:

	\$(000)	\$(000)
<b>Loan Capital:</b>		
Auckland International Airport Ltd.	67,860	
Christchurch International Airport Ltd.	30,720	
Coal Corporation of New Zealand Ltd.	13,000	
Electricity Corporation of New Zealand Ltd.	3,000,000	
Government Computing Services Ltd.	27,500	
Land Corporation Ltd.	69,517	
New Zealand Post Ltd.	53,000	
Shipping Corporation of New Zealand Ltd.	12,790	
	<hr/>	<b>3,274,387</b>
<b>Share Capital:</b>		
Airways Corporation of New Zealand Ltd.	41,000	
Auckland International Airport Ltd.	105,000	
Christchurch International Airport Ltd.	14,400	
Coal Corporation of New Zealand Ltd.	60,800	
Electricity Corporation of New Zealand Ltd.	3,300,000	
Government Computing Services Ltd.	27,500	
Government Property Services Ltd.	296,965	
Land Corporation Ltd.	201,900	
New Zealand Post Ltd.	120,000	
	<hr/>	<b>4,167,565</b>
		<hr/> <b>\$7,441,952</b> <hr/>

**Footnote:**

<sup>1</sup> Includes investments of \$193,354,943 held by the National Roads Fund.

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

This figure does not include the sum of \$430,559,319 being the assessment by the Reserve Bank of New Zealand of the obligation at 31 December 1988 in respect of the premium on redemption.

**26. 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 December 1988. The New Zealand dollar values of overseas public debt, investments, and cash holdings were adjusted accordingly.

The total net increase in the public debt of \$136,719,000 arising from the 31 December 1988 realignment consisted of:

	Realignment 31 December 1988	
	Increase (\$000)	Decrease \$(000)
Loans denominated in—		
Australian dollar .. .. .	7,947	..
Canadian dollar .. .. .	..	773
Deutschemark .. .. .	24,441	..
Dutch guilder .. .. .	2,714	..
European currency unit .. .. .	24,058	..
Indian rupee .. .. .	..	116
Japanese yen .. .. .	184,111	..
Pound sterling .. .. .	68,120	..
Swiss franc .. .. .	28,842	..
United States dollar .. .. .	..	202,625
	<u>340,233</u>	<u>203,514</u>
Net increase .. .. .	..	136,719
	<u>\$340,233</u>	<u>\$340,233</u>

The total net increase \$36,112,000 in the overseas investments arising from the 31 December 1988 realignment consisted of:

	Realignment 31 December 1988	
	Increase (\$000)	Decrease \$(000)
Investments denominated in—		
Canadian dollar .. .. .	..	29
Deutschemark .. .. .	9,458	..
Dutch guilder .. .. .	813	..
Japanese yen .. .. .	46,221	..
Pound sterling .. .. .	2,079	..
Swiss franc .. .. .	2,539	..
United States dollar .. .. .	..	24,969
	<u>61,110</u>	<u>24,998</u>
Net increase .. .. .	..	36,112
	<u>\$61,110</u>	<u>\$61,110</u>

**27. Swap Transactions**

As permitted by Section 91A of the Public Finance Act 1977, the Government entered into currency swap arrangements during the year. 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 during the year. The amounts in brackets disclose the equivalent principal payments required under the swap agreements while other amounts disclose the resulting equivalent principal receipts accruing from the swap agreements. The amounts have been calculated using exchange rates applying as at 31 December 1988. The amounts stated below in New Zealand dollars relates to the following currencies.

Maturing Year Ending 31 March	Currency \$(000)							
	US\$	Japanese Yen	European Currency Unit	£Stg.	Deutsch- mark	Can.\$	Aust.\$	NZ\$
1991	198,854	..	(185,254)	..	..	..	..	..
1992	451,343	(354,364)	(185,254)	..	..	..	..	122,695
1993	359,586	..	(369,859)	..	..	..	..	..
1994	1,154,063	(631,182)	..	(285,225)	(267,332)	..	..	..
1996	771,597	(505,030)	(185,254)	..	184,091	(166,778)	(135,759)	..

G. C. SCOTT  
Secretary to the Treasury  
30 January 1989

A. WEEKS  
Central Financial Controller  
30 January 1989



## 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 receipts and payments for the nine months ended 31 December 1988 as required by section 67 of that Act.

In the opinion of the Audit Office, the Summary of Receipts and Payments appearing on pages 764 to 790 properly reflects, in accordance with the statement of accounting policies on page 763 the balance of the public debt outstanding at 31 December 1988 and the transactions of the Public Account for the Nine months ended on that date.

J. W. CAMERON  
Deputy Controller and Auditor-General.  
13 February 1989.



