

5 December 2024

MEDIA STATEMENT

Embargoed until 10.00am, Thursday 5 December 2024

Jayne Winfield, Chief Government Accountant

**Interim Financial Statements of the Government of New Zealand
for the four months ended 31 October 2024**

The interim Financial Statements of the Government of New Zealand for the four months ended 31 October 2024 were released by the Treasury today.

The October results are reported against forecasts based on the *Budget Economic and Fiscal Update 2024 (BEFU 2024)*, published on 30 May 2024, and the results for the same period for the previous year.

	Year to date				Full Year
	October 2024	October 2024	Variance ²	Variance	June 2025
	Actual ¹	BEFU 2024 Forecast ¹	BEFU 2024	BEFU 2024	BEFU 2024 Forecast ³
	\$m	\$m	\$m	%	\$m
Core Crown tax revenue	39,305	39,447	(142)	(0.4)	122,851
Core Crown revenue	43,852	44,109	(257)	(0.6)	136,004
Core Crown expenses	46,364	46,163	(201)	(0.4)	143,895
Core Crown residual cash	(2,363)	631	(2,994)	(474.5)	(8,933)
Net core Crown debt ⁴	178,527	177,873	(654)	(0.4)	187,250
<i>as a percentage of GDP</i>	43.2%	43.0%			43.5%
Gross debt	192,698	186,339	(6,359)	(3.4)	196,708
<i>as a percentage of GDP</i>	46.6%	45.1%			45.7%
Operating balance before gains and losses	(4,649)	(3,768)	(881)	(23.4)	(13,372)
Operating balance (excluding minority interests)	(2,595)	(1,793)	(802)	(44.7)	(7,147)
Net worth attributable to the Crown	179,189	179,014	175	0.1	173,596
<i>as a percentage of GDP</i>	43.4%	43.3%			40.3%

1 Using the most recently published GDP (for the year ended 30 June 2024) of \$413,301 million (Source: Stats NZ).

2 Favourable variances against forecast have a positive sign and unfavourable variances against forecast have a negative sign.

3 Using BEFU 2024 forecast GDP for the year ending 30 June 2025 of \$430,568 million (Source: The Treasury).

4 Net core Crown debt excludes the NZS Fund and core Crown advances. Net core Crown debt may fluctuate during the year largely reflecting the timing of tax receipts.

Core Crown tax revenue of \$39.3 billion was close to forecast with GST being \$0.6 billion (6.1%) below forecast, partly offset by resident withholding tax on interest and other individuals tax which were \$0.3 billion (26.8%) and \$0.2 billion (8.3%) above forecast, respectively.

Core Crown expenses of \$46.4 billion were also relatively close to forecast.

The **operating balance before gains and losses (OBEGAL) deficit** of \$4.6 billion was \$0.9 billion more than forecast. Overall, the core Crown results contributed almost \$0.5 billion to the variance with the rest mainly coming from the results of Health New Zealand.

The **operating balance** deficit of \$2.6 billion was \$0.8 billion more than the deficit forecast. This is largely owing to the variance in OBEGAL mentioned above. While there were valuation changes this month these largely offset.

The **core Crown residual cash deficit** of \$2.4 billion compared to a forecast surplus of \$0.6 billion. This \$3.0 billion unfavourable variance was largely due to lower core Crown tax receipts from the impact of the Matariki holiday, with a greater amount of receipts being received in the 2023/24 year, rather than in the 2024/25 year as assumed in our forecasts. In addition, personnel and operating payments were higher than forecast while net capital outflows were lower than forecast largely owing to timing factors affecting advances and investments with other government entities.

Net core Crown debt at \$178.5 billion (43.2% of GDP), was higher than forecast by \$0.7 billion. The favourable variance in net core Crown debt at 30 June 2024 resulted in a better starting position for the current year which has been more than offset by the weaker residual cash result in the current year.

Gross debt at \$192.7 billion (46.6% of GDP) was \$6.4 billion higher than forecast largely owing to higher than forecast issuance of government stock due to the timing of debt issuance.

Net worth attributable to the Crown was \$179.2 billion (43.4% of GDP), \$0.2 billion higher than forecast. The better net worth starting position for the year more than offset the unfavourable operating balance variance discussed above.

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Interim Financial Statements of the Government of New Zealand

For the four months ended
31 October 2024



Prepared by the Treasury
5 December 2024

This document is available on the New Zealand Treasury's website at:
<https://treasury.govt.nz/publications/financial-statements-government>

CONTENTS

Commentary

Comparison against forecast	2
Comparison against the prior year actuals	4

Unaudited Interim Financial Statements

Statement of Financial Performance	8
<i>The statement outlines the operating results of the total Government (ie, the revenue and expenses of all departments + Reserve Bank + NZSF (core Crown), State-owned Enterprises (SOEs) (including Air New Zealand) and Crown entities).</i>	
Statement of Comprehensive Revenue and Expense	9
<i>The statement reports changes in net worth due to the operating balance, items of revenue or expense that are recognised directly in net worth, the effect of certain accounting changes, and corrections of errors.</i>	
Statement of Changes in Net Worth	9
<i>The statement provides a reconciliation of opening and closing net worth for the period.</i>	
Statement of Cash Flows	10
<i>The statement sets out the cash flows that result from the operating, investing, and financing activities of the Government. The net cash flows from operations are reconciled to the operating balance reported in the statement of financial performance.</i>	
Statement of Financial Position	12
<i>The statement outlines the balance sheet of the total Government (ie, the assets and liabilities of the core Crown, SOEs, and Crown entities).</i>	
Statement of Segments	13
<i>The statement provides summary financial results by segment (Core Crown, SOEs and Crown entities).</i>	
Statement of Commitments	14
<i>The statement outlines the commitments of the total Government by type and segment.</i>	
Statement of Contingent Liabilities and Assets	14
<i>The statement outlines the contingent liabilities and assets of the total Government by type and segment.</i>	
Notes to the Financial Statements	15
<i>The notes are an integral part of the financial statements, providing further explanatory material to that provided in the main statements.</i>	
Fiscal Indicator Analysis	25
<i>The fiscal indicator analysis provides a link between the Financial Statements (based on Generally Accepted Accounting Practice) and the key fiscal indicators used to measure performance against fiscal objectives set out in the Government's Fiscal Strategy.</i>	

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Commentary

COMMENTARY

These financial statements reflect the financial position (service potential and financial capacity) as at 31 October 2024, and the financial results of operations and cash flows for the period ended on that date.

The October results are reported against forecasts based on the *Budget Economic and Fiscal Update 2024* (BEFU 2024), published on 30 May 2024 and the results against the same period for the previous year.

Comparison against forecast

Table 1 – Key indicators for the four months ended 31 October 2024 compared to BEFU 2024

	Year to date				Full Year
	October 2024 Actual ¹ \$m	October 2024 BEFU 2024 Forecast ¹ \$m	Variance ² BEFU 2024 \$m	Variance BEFU 2024 %	June 2025 BEFU 2024 Forecast ³ \$m
Core Crown tax revenue	39,305	39,447	(142)	(0.4)	122,851
Core Crown revenue	43,852	44,109	(257)	(0.6)	136,004
Core Crown expenses	46,364	46,163	(201)	(0.4)	143,895
Core Crown residual cash	(2,363)	631	(2,994)	(474.5)	(8,933)
Net core Crown debt ⁴	178,527	177,873	(654)	(0.4)	187,250
as a percentage of GDP	43.2%	43.0%			43.5%
Gross debt	192,698	186,339	(6,359)	(3.4)	196,708
as a percentage of GDP	46.6%	45.1%			45.7%
Operating balance before gains and losses	(4,649)	(3,768)	(881)	(23.4)	(13,372)
Operating balance (excluding minority interests)	(2,595)	(1,793)	(802)	(44.7)	(7,147)
Net worth attributable to the Crown	179,189	179,014	175	0.1	173,596
as a percentage of GDP	43.4%	43.3%			40.3%

1 Using the most recently published GDP (for the year ended 30 June 2024) of \$413,301 million (Source: Stats NZ).

2 Favourable variances against forecast have a positive sign and unfavourable variances against forecast have a negative sign.

3 Using BEFU 2024 forecast GDP for the year ending 30 June 2025 of \$430,568 million (Source: The Treasury).

4 Net core Crown debt excludes the NZS Fund and core Crown advances. Net core Crown debt may fluctuate during the year largely reflecting the timing of tax receipts.

Core Crown tax revenue, at \$39.3 billion, was close to forecast with a few significant offsetting variances noted below.

- GST was \$0.6 billion (6.1%) below forecast largely due to weaker-than-forecast consumption continuing with the trend shown last month (the seasonally adjusted value of retail electronic card transactions through to September 2024 was down for most of the retail industries). Further information about this will be available when the September GDP data is released in mid-December.
- Other individuals tax was \$0.2 billion (8.3%) above forecast mainly owing to stronger than forecast provisional tax.
- Other direct taxes were \$0.3 billion (26.8%) above forecast, mainly owing to higher than forecast resident withholding tax (RWT) on interest.

Core Crown expenses were \$46.4 billion. While relatively close to forecast, there were offsetting variances, with the most notable being:

- Core government services expenses were \$0.5 billion lower than forecast, largely due to the impairment of sovereign receivables, which were lower than forecast by \$0.2 billion due to phasing of the BEFU 2024 forecast. In addition, International Development Cooperation spending was lower than forecast by \$0.1 billion due to a slower than anticipated implementation of activities. The remainder of the variance was spread across departments.
- Education expenses were \$0.2 billion higher than forecast largely due to the phasing of primary and secondary education expenses.

The **operating balance before gains and losses (OBEGAL)** deficit of \$4.6 billion was \$0.9 billion more than forecast. Overall, the core Crown results contributed almost \$0.5 billion to the variance with the rest mainly coming from the results of Health New Zealand (HNZ).

The **operating balance** deficit of \$2.6 billion was \$0.8 billion more than the deficit forecast. This is largely owing to the variance in OBEGAL mentioned above as variances in net gains and losses largely offset each other resulting in total net gains and losses being close to forecast:

- Net gains on financial instruments at \$3.8 billion were \$1.8 billion greater than forecast. These were largely because of the better than forecast performance of the financial markets impacting both ACC and New Zealand Superannuation Fund (NZS Fund). In addition, the movement in the New Zealand dollar since the BEFU 2024 forecast was prepared has had a favourable impact on NZS Fund investments.
- Net losses on non-financial instruments totalled \$1.8 billion. These comprised largely of losses on the New Zealand Emissions Trading Scheme (NZ ETS) of \$1.7 billion which resulted from an increase in the carbon price used to value the NZ ETS liability, from \$50.50 per New Zealand Unit (NZU) at 30 June 2024 to \$63.70 per NZU at 31 October 2024.

The **core Crown residual cash** deficit of \$2.4 billion compared to a forecast surplus of \$0.6 billion. This resulted in an unfavourable difference of \$3.0 billion largely owing to:

- Net core Crown operating cash outflows were higher than forecast by \$4.5 billion largely due to tax receipts which were lower than forecast by \$3.0 billion (6.7%). The majority of the variance in tax receipts related to the impact of the Matariki holiday, with a greater amount of receipts being received in the 2023/24 year, rather than in the 2024/25 year as assumed in the forecasts. In addition, weaker than forecast provisional tax have led to other individuals tax receipts being lower than forecast while RWT on interest was above forecast. Personnel and operating payments were also higher than forecast across departments.
- Net core Crown capital cash outflows were lower than forecast by \$1.5 billion. This was largely due to the timing of both drawdowns and repayments of loan facilities to fund the National Land Transport Programme and lower than forecast Crown equity injections into Crown entities and SOEs.

Net core Crown debt at \$178.5 billion (43.2% of GDP), was higher than forecast by \$0.7 billion. Although the starting position as at 30 June 2024 year end was better by \$2.6 billion, this has been more than offset by the weaker residual cash result discussed above with other factors including gains and losses and the timing of net interest payments.

Gross debt at \$192.7 billion (46.6% of GDP) was \$6.4 billion higher than forecast largely owing to higher than forecast issuance of government stock due to the timing of debt issuance.

Net worth attributable to the Crown was \$179.2 billion (43.4% of GDP), \$0.2 billion higher than forecast. In addition to the operating balance variance discussed above, the better net worth starting position from the 30 June 2024 year also contributed to this variance.

Comparison against the prior year actuals

Table 2 – 31 October 2024 results compared to 31 October 2023 actuals

	Year to date				Full Year
	October 2024	October 2023	Variance ³ to 2023	Variance to 2023	June 2024
	Actual ¹ \$m	Prior Year Actual ² \$m	\$m	%	Prior Year Actual ⁴ \$m
Core Crown tax revenue	39,305	38,600	705	1.8	120,566
Core Crown revenue	43,852	43,220	632	1.5	133,220
Core Crown expenses	46,364	44,729	(1,635)	(3.7)	138,998
Core Crown residual cash	(2,363)	(10,389)	8,026	77.3	(19,302)
Net core Crown debt ⁵	178,527	165,910	(12,617)	(7.6)	175,464
<i>as a percentage of GDP</i>	43.2%	42.0%			42.5%
Gross debt	192,698	153,406	(39,291)	(25.6)	175,966
<i>as a percentage of GDP</i>	46.6%	38.8%			42.6%
Operating balance before gains and losses	(4,649)	(3,853)	(796)	(20.7)	(12,854)
Operating balance (excluding minority interests)	(2,595)	(6,744)	4,149	61.5	(8,365)
Net worth attributable to the Crown	179,189	177,485	1,704	1.0	181,818
<i>as a percentage of GDP</i>	43.4%	44.9%			44.0%

1 Using the most recently published GDP (for the year ended 30 June 2024) of \$413,301 million (Source: Stats NZ).

2 Using published GDP (revised) (for the year ended 30 June 2023) of \$394,884 million (Source: Stats NZ).

3 Favourable variances against forecast have a positive sign and unfavourable variances against forecast have a negative sign.

4 Using published GDP (revised) (for the year ended 30 June 2024) of \$413,301 million (Source: Stats NZ).

5 Net core Crown debt excludes the NZS Fund and core Crown advances. Net core Crown debt may fluctuate during the year largely reflecting the timing of tax receipts.

Core Crown tax revenue of \$39.3 billion was \$0.7 billion (1.8%) higher than tax revenue for the same time last year, with the following significant offsetting variances below:

- Source deductions increased by \$0.8 billion (4.5%). Although there is still strong growth in the labour market, particularly wages, the 31 July 2024 tax threshold changes are starting to have a negative effect on source deductions revenue growth.
- Other individuals tax revenue was up \$0.3 billion (9.5%) on the prior year, owing to growth in provisional and terminal taxes.
- Other direct tax revenue was up \$0.2 billion (15.0%) mainly owing to increases in deposit interest rates.

Offsetting these higher tax revenues were the following decreases:

- GST revenue decreased by \$0.5 billion (4.9%) owing to a weaker economy, and high interest rates.
- Corporate tax revenue decreased by \$0.3 billion (5.4%), mainly owing to a decline in terminal tax, consistent with a fall in taxable profits in the 2024 tax year.

Core Crown expenses at \$46.4 billion were \$1.6 billion (3.7%) higher than the same period last year, with the most notable changes in the following areas:

- Social security and welfare expenses increased by \$1.1 billion compared to last year, mainly driven by increased NZ Superannuation payments (\$0.6 billion) due to rising entitlement rates and an increase in number of recipients alongside the impact from the indexation of the other main benefit types such as the jobseeker support and emergency benefit.
- Health expenses were up by \$1.1 billion on last year with an increase in spending on hospital and specialist health services as well as primary, community, public and population health services.
- Core government services expenses decreased by \$0.7 billion on last year largely due to less spending in relation to the North Island weather events.

The **OBEGAL** deficit was larger by \$0.8 billion compared to the same time last year, largely due to the increase in core Crown expenses partially offset by higher core Crown revenue discussed above. Outside the core Crown, HNZ reported a \$0.6 billion deficit compared to a nearly break-even result for the same time last year.

The **operating balance** deficit of \$2.6 billion, was \$4.1 billion less than for the same time last year largely, mainly due to:

- The weaker OBEGAL result noted above.
- Net gains on financial instruments of \$3.8 billion compared to net losses last year of \$4.0 billion, largely because of the performance of the NZS Fund and ACC portfolios.
- Net losses on non-financial instruments were \$1.8 billion this year compared to net gains last year of \$1.2 billion. Last year's losses on the NZ ETS scheme were significantly higher than the \$1.7 billion of losses this year, but they were more than offset by actuarial gains on the ACC liability.

The **core Crown residual cash** deficit of \$2.4 billion was \$8.0 billion less than for the same period last year:

- Net capital cash outflows were \$4.6 billion less largely driven by net repayments from the Funding for Lending Programme loans of \$2.9 billion in the current year compared to a nil impact last year and lower advances to Kāinga Ora and New Zealand Transport Agency.
- Net core Crown operating cash outflows were \$3.4 billion lower than for the same time last year with higher core Crown tax and interest receipts (driven largely by the Matariki timing and higher interest rates) partly offset by higher benefit payments as discussed above.

Net core Crown debt was \$12.6 billion higher than for the same period last year, and as a share of the economy has also increased to 43.2% (42.0% of GDP at 31 October 2023). This reflects the accumulated residual cash deficits since October 2023.

Gross debt was \$192.7 billion, \$39.3 billion higher than the same time last year. This increase was driven by the increase in issuance of debt used to largely fund the cash shortfall and liquidity requirements. These were partly offset by lower derivative liabilities.

Net worth attributable to the Crown at \$179.2 billion (43.4% of GDP), was \$1.7 billion higher than as at October last year. In addition to the operating balance discussed above, the movement in net worth attributable to the Crown included last year's increase in property, plant and equipment revaluation gains largely offset by the operating balance deficit.



Unaudited Interim Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE

For the four months ended 31 October 2024

Year to 30 June 2024	4 months to 31 Oct 2023		Note	Current Year Actual vs Forecast				Annual Forecast \$m
				Actual \$m	Forecast \$m	Variance \$m	%	
		Revenue						
119,900	38,372	Taxation revenue	2	39,106	39,203	(97)	(0.2)	122,154
9,426	3,271	Other sovereign revenue	2	3,310	3,522	(212)	(6.0)	10,667
129,326	41,643	Total sovereign revenue		42,416	42,725	(309)	(0.7)	132,821
25,135	8,289	Sales of goods and services		9,142	8,297	845	10.2	24,420
8,550	2,866	Interest revenue and dividends	3	3,046	2,508	538	21.5	7,202
4,336	1,257	Other revenue		1,273	1,226	47	3.8	3,600
38,021	12,412	Total revenue earned through operations		13,461	12,031	1,430	11.9	35,222
167,347	54,055	Total revenue (excluding gains)		55,877	54,756	1,121	2.0	168,043
		Expenses						
41,937	13,751	Transfer payments and subsidies	4	14,905	15,008	103	0.7	44,716
39,083	12,625	Personnel expenses		13,134	12,909	(225)	(1.7)	37,895
7,621	2,424	Depreciation		2,605	2,562	(43)	(1.7)	7,882
70,620	23,065	Other operating expenses		23,319	22,196	(1,123)	(5.1)	69,143
10,374	3,354	Interest expenses	5	3,530	3,312	(218)	(6.6)	10,166
10,426	2,513	Insurance expenses	6	2,902	2,783	(119)	(4.3)	10,215
-	-	Forecast new operating spending	7	-	-	-	-	3,796
-	-	Top-down expense adjustment	7	-	(420)	(420)	(100.0)	(2,800)
180,061	57,732	Total expenses (excluding losses)		60,395	58,350	(2,045)	(3.5)	181,013
		Gains/(losses)						
11,410	(4,020)	Net gains/(losses) on financial instruments		3,787	1,966	1,821	92.6	6,305
(6,743)	1,172	Net gains/(losses) on non-financial instruments	8	(1,839)	-	(1,839)	-	-
4,667	(2,848)	Total gains/(losses)		1,948	1,966	(18)	(0.9)	6,305
		Other interests						
120	(10)	Net surplus/(deficit) from associates and joint ventures		6	13	(7)	(53.8)	48
(438)	(209)	Less minority interests' share of operating balance		(31)	(178)	147	82.6	(530)
(8,365)	(6,744)	Operating balance (excluding minority interests)		(2,595)	(1,793)	(802)	(44.7)	(7,147)
438	209	Minority interests' share of operating balance		31	178	(147)	(82.6)	530
(7,927)	(6,535)	Operating balance (including minority interests)		(2,564)	(1,615)	(949)	(58.8)	(6,617)

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the four months ended 31 October 2024

Year to 30 June 2024 Actual \$m	4 months to 31 Oct 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
(7,927)	(6,535)	Operating balance (including minority interest)	(2,564)	(1,615)	(949)	(58.8)	(6,617)
		Other comprehensive revenue and expense					
8,260	18	Revaluation of physical assets	104	-	104	-	-
455	760	Revaluation of retirement plan schemes	(114)	7	(121)	-	20
(247)	-	Revaluation of veterans' disability entitlements	-	-	-	-	-
(418)	(102)	Transfers into/(out of) cash flow hedge reserve	(104)	(6)	(98)	-	(28)
-	2	Transfers into/(out of) other reserves	95	-	95	-	-
		(Gains)/losses transferred to the statement of					
(70)	4	financial performance	(14)	3	(17)	-	-
		Foreign currency translation differences on					
1	1	foreign operations	-	-	-	-	-
20	29	Other movements	(4)	(41)	37	90.2	(114)
8,001	712	Total other comprehensive revenue and expense	(37)	(37)	-	-	(122)
74	(5,823)	Total comprehensive revenue and expense	(2,601)	(1,652)	(949)	(57.4)	(6,739)
		Attributable to:					
1,770	206	- minority interests	28	196	(168)	(85.7)	527
(1,696)	(6,029)	- the Crown	(2,629)	(1,848)	(781)	(42.3)	(7,266)
74	(5,823)	Total comprehensive revenue and expense	(2,601)	(1,652)	(949)	(57.4)	(6,739)

STATEMENT OF CHANGES IN NET WORTH

For the four months ended 31 October 2024

Year to 30 June 2024 Actual \$m	4 months to 31 Oct 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
191,472	191,472	Opening net worth	191,049	189,233	1,816	1.0	189,233
(7,927)	(6,535)	Operating balance (including minority interest)	(2,564)	(1,615)	(949)	(58.8)	(6,617)
8,260	18	Revaluations of physical assets	104	-	104	-	-
455	760	Revaluations of retirement plan schemes	(114)	7	(121)	-	20
(247)	-	Revaluations of veterans' disability entitlements	-	-	-	-	-
(418)	(102)	Transfers into/(out of) cash flow hedge reserve	(104)	(6)	(98)	-	(28)
-	2	Transfers into/(out of) other reserves	95	-	95	-	-
		(Gains)/losses transferred to the statement					
(70)	4	of financial performance	(14)	3	(17)	-	-
		Foreign currency translation differences on					
1	1	foreign operations	-	-	-	-	-
20	29	Other movements	(4)	(41)	37	90.2	(114)
74	(5,823)	Total comprehensive revenue and expense	(2,601)	(1,652)	(949)	(57.4)	(6,739)
77	45	Increase in minority interest from equity issues	344	18	326	-	34
(574)	(372)	Transactions with minority interests	(349)	(354)	5	1.4	(572)
191,049	185,322	Closing net worth	188,443	187,245	1,198	0.6	181,956

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF CASH FLOWS

For the four months ended 31 October 2024

Year to 30 June 2024	4 months to 31 Oct 2023		Current Year Actual vs Forecast				Annual Forecast \$m	
			Note	Actual \$m	Forecast \$m	Variance \$m		%
		Cash flows from operations						
		Cash was provided from						
116,042	36,999	Taxation receipts		40,446	43,703	(3,257)	(7.5)	125,598
7,484	2,715	Other sovereign receipts		2,908	3,087	(179)	(5.8)	8,552
24,359	8,491	Sales of goods and services		9,877	8,372	1,505	18.0	24,174
5,283	1,485	Interest receipts		2,073	1,592	481	30.2	5,167
6,535	1,836	Other operating receipts		1,598	1,579	19	1.2	4,997
159,703	51,526	Total cash provided from operations		56,902	58,333	(1,431)	(2.5)	168,488
		Cash was disbursed to						
42,335	14,868	Transfer payments and subsidies		16,119	16,144	25	0.2	45,781
111,095	38,464	Personnel and operating payments		41,145	37,685	(3,460)	(9.2)	111,287
8,579	2,529	Interest payments		2,286	2,531	245	9.7	8,630
-	-	Forecast new operating spending	7	-	-	-	-	3,796
-	-	Top-down expense adjustment	7	-	(420)	(420)	(100.0)	(2,800)
162,009	55,861	Total cash disbursed to operations		59,550	55,940	(3,610)	(6.5)	166,694
(2,306)	(4,335)	Net cash flows from operations		(2,648)	2,393	(5,041)	(210.7)	1,794
		Cash flows from investing activities						
		Cash was provided from/(disbursed to)						
(16,948)	(5,518)	Net (purchase)/sale of physical assets		(4,643)	(5,774)	1,131	19.6	(18,156)
(10,232)	(6,932)	Net (purchase)/sale of shares and other securities		(4,701)	(10,232)	5,531	54.1	(7,434)
(860)	(254)	Net (purchase)/sale of intangible assets		(253)	(272)	19	7.0	(903)
151	(663)	Net (issue)/repayment of advances		1,615	1,880	(265)	(14.1)	5,102
(397)	(231)	Net acquisition of investments in associates		(222)	(180)	(42)	(23.3)	(467)
-	-	Forecast new capital spending	7	-	-	-	-	(2,094)
-	-	Top-down capital adjustment	7	-	195	(195)	(100.0)	1,550
(28,286)	(13,598)	Net cash flows from investing activities		(8,204)	(14,383)	6,179	43.0	(22,402)
(30,592)	(17,933)	Net cash flows from operating and investing activities		(10,852)	(11,990)	1,138	9.5	(20,608)
		Cash Flows from financing activities						
		Cash was provided from/(disbursed to)						
(24)	42	Issues of circulating currency		17	31	(14)	(45.2)	91
26,422	11,496	Net issue/(repayment) of Government bonds		17,698	11,900	5,798	48.7	27,369
651	758	Net issue/(repayment) of foreign currency borrowing		2,225	173	2,052	-	1,221
1,515	8,228	Net issue/(repayment) of other New Zealand dollar borrowing		(5,704)	(315)	(5,389)	-	(9,241)
(505)	(331)	Dividends paid to minority interests		14	(297)	311	104.7	(502)
28,059	20,193	Net cash flows from financing activities		14,250	11,492	2,758	24.0	18,938
(2,533)	2,260	Net movement in cash		3,398	(498)	3,896	-	(1,670)
18,791	18,791	Opening cash balance		16,212	21,040	(4,828)	(22.9)	21,040
(46)	496	Foreign-exchange gains/(losses) on opening cash		257	1	256	-	-
16,212	21,547	Closing cash balance		19,867	20,543	(676)	(3.3)	19,370

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF CASH FLOWS (CONTINUED)

For the four months ended 31 October 2024

Year to 30 June 2024 Actual \$m	4 months to 31 Oct 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Reconciliation between the net cash flows from operations and the operating balance					
(2,306)	(4,335)	Net cash flows from operations	(2,648)	2,393	(5,041)	(210.7)	1,794
		Gains/(losses) and other interests					
11,410	(4,020)	Net gains/(losses) on financial instruments	3,787	1,966	1,821	92.6	6,305
(6,743)	1,172	Net gains/(losses) on non-financial instruments	(1,839)	-	(1,839)	-	-
		Net surplus/(deficit) from associates and joint ventures	6	13	(7)	(53.8)	48
120	(10)		6	13	(7)	(53.8)	48
4,787	(2,858)	Total gains/(losses) and other interests	1,954	1,979	(25)	(1.3)	6,353
		Other non-cash items in operating balance					
(7,621)	(2,424)	Depreciation	(2,605)	(2,562)	(43)	(1.7)	(7,882)
		Amortisation and net impairment of non-financial assets	(265)	(305)	40	13.1	(1,790)
(1,195)	(287)		(265)	(305)	40	13.1	(1,790)
(719)	(171)	Cost of concessionary lending	(167)	(169)	2	1.2	(756)
(123)	(62)	Impairment of financial assets (excl receivables)	(20)	15	(35)	(233.3)	67
(3,838)	845	Decrease/(increase) in insurance liabilities	952	1,027	(75)	(7.3)	(3,095)
61	603	Change in accumulating pension expenses	(15)	17	(32)	(188.2)	(46)
614	352	Change in NZ ETS liability	243	482	(239)	(49.6)	1,507
(12,821)	(1,144)	Total other non-cash items	(1,877)	(1,495)	(382)	(25.6)	(11,995)
		Movements in working capital					
3,305	(732)	Increase/(decrease) in receivables	(3,232)	(6,127)	2,895	47.2	(4,624)
211	93	Increase/(decrease) in accrued interest	(619)	(224)	(395)	(176.3)	(925)
(180)	168	Increase/(decrease) in inventories	382	(196)	578	294.9	504
305	484	Increase/(decrease) in prepayments	369	11	358	-	225
158	35	Decrease/(increase) in deferred revenue	(118)	(71)	(47)	(66.2)	(7)
(1,386)	1,754	Decrease/(increase) in payables/provisions	3,225	2,115	1,110	52.5	2,058
2,413	1,802	Total movements in working capital	7	(4,492)	4,499	100.2	(2,769)
(7,927)	(6,535)	Operating balance (including minority interests)	(2,564)	(1,615)	(949)	(58.8)	(6,617)

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF FINANCIAL POSITION

As at 31 October 2024

As at 30 June 2024 Actual \$m	As at 31 Oct 2023 Actual \$m		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
		Assets						
16,212	21,547	Cash and cash equivalents	9	19,867	20,543	(676)	(3.3)	19,370
37,232	34,380	Receivables	9	36,089	30,421	5,668	18.6	31,865
		Marketable securities, deposits and derivatives in gain	9	80,216	87,353	(7,137)	(8.2)	85,292
73,646	70,942	Share investments	9	57,677	52,193	5,484	10.5	54,166
53,495	45,239	Advances	9	67,453	66,471	982	1.5	62,496
69,378	67,147	Investments in controlled enterprises	9	7,422	8,725	(1,303)	(14.9)	9,315
7,174	7,726	Inventory		3,243	2,916	327	11.2	3,616
2,861	3,209	Other assets		5,356	4,646	710	15.3	4,699
5,045	5,096	Property, plant and equipment	10	285,896	282,656	3,240	1.1	288,872
283,790	270,765	Equity accounted investments ¹		18,203	17,713	490	2.8	17,109
17,951	17,222	Intangible assets and goodwill		4,119	3,818	301	7.9	3,982
4,084	4,000	Forecast for new capital spending	7	-	-	-	-	2,094
-	-	Top-down capital adjustment	7	-	(1,195)	1,195	100.0	(2,550)
570,868	547,273	Total assets		585,541	576,260	9,281	1.6	580,326
		Liabilities						
8,977	9,043	Issued currency		8,994	9,162	168	1.8	9,222
19,863	17,473	Payables	11	23,467	17,576	(5,891)	(33.5)	18,513
3,453	3,575	Deferred revenue		3,571	3,477	(94)	(2.7)	3,407
250,943	248,506	Borrowings	12	264,785	272,211	7,426	2.7	278,882
6,626	9,904	New Zealand Emissions Trading Scheme	13	8,093	7,035	(1,058)	(15.0)	6,600
66,575	51,322	Insurance liabilities	14	65,639	58,633	(7,006)	(11.9)	62,755
7,337	7,158	Retirement plan liabilities		7,304	7,302	(2)	-	7,082
16,045	14,970	Provisions	15	15,245	13,619	(1,626)	(11.9)	11,909
379,819	361,951	Total liabilities		397,098	389,015	(8,083)	(2.1)	398,370
191,049	185,322	Total assets less total liabilities		188,443	187,245	1,198	0.6	181,956
		Net worth						
300	1,760	Taxpayers' funds	16	(2,080)	3,661	(5,741)	(156.8)	(1,726)
		Property, plant and equipment revaluation reserve	16	181,060	174,430	6,630	3.8	174,430
181,176	174,499	Defined benefit retirement plan revaluation reserve	16	750	793	(43)	(5.4)	807
864	1,168	Veterans' disability entitlements reserve	16	(640)	(392)	(248)	(63.3)	(392)
(640)	(392)	Other reserves	16	99	522	(423)	(81.0)	477
118	450							
181,818	177,485	Total net worth attributable to the Crown		179,189	179,014	175	0.1	173,596
9,231	7,837	Net worth attributable to minority interest	16	9,254	8,231	1,023	12.4	8,360
191,049	185,322	Total net worth		188,443	187,245	1,198	0.6	181,956

1. Equity accounted investments include Universities and Wānanga and City Rail Link Limited.

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF SEGMENTS

For the four months ended 31 October 2024

	Current Year Actual vs Forecast									
	Core Crown		Crown entities		State-owned Enterprises		Inter-segment eliminations		Total Crown	
	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m	Actual \$m	Forecast \$m
Revenue										
Taxation revenue	39,305	39,447	-	-	-	-	(199)	(244)	39,106	39,203
Other sovereign revenue	1,311	1,505	2,878	2,863	-	-	(879)	(846)	3,310	3,522
Revenue from core Crown funding	-	-	16,448	15,909	256	262	(16,704)	(16,171)	-	-
Sales of goods and services	648	627	1,061	958	7,705	6,955	(272)	(243)	9,142	8,297
Interest and dividend revenue	2,227	2,179	1,664	1,144	55	42	(900)	(857)	3,046	2,508
Other revenue	361	351	1,371	1,455	251	274	(710)	(854)	1,273	1,226
Total Revenue (excluding gains)	43,852	44,109	23,422	22,329	8,267	7,533	(19,664)	(19,215)	55,877	54,756
Expenses										
Transfer payments and subsidies	15,407	15,516	-	-	-	-	(502)	(508)	14,905	15,008
Personnel expenses	3,771	3,724	8,194	8,080	1,188	1,125	(19)	(20)	13,134	12,909
Other operating expenses	24,203	24,330	12,806	12,110	6,660	5,775	(17,745)	(17,457)	25,924	24,758
Interest expenses	2,983	3,012	807	546	193	183	(453)	(429)	3,530	3,312
Insurance expenses	-	1	2,897	2,787	4	4	-	-	2,902	2,783
Top-down adjustment	-	(420)	-	-	-	-	-	-	-	(420)
Total Expenses (excluding losses)	46,364	46,163	24,704	23,523	8,045	7,087	(18,719)	(18,414)	60,395	58,350
Gains/(losses) and other items	1,374	1,598	1,056	417	(202)	(167)	(306)	(38)	1,923	1,801
Operating Balance (excluding minority interests)	(1,138)	(456)	(226)	(777)	20	279	(1,251)	(839)	(2,595)	(1,793)
Assets										
Financial assets	166,017	171,581	102,785	97,858	3,878	4,043	(40,045)	(38,199)	232,635	235,285
Receivables	29,625	24,251	5,892	6,340	2,718	2,592	(2,146)	(2,762)	36,089	30,421
Property, plant and equipment	68,197	65,787	159,893	160,751	57,805	56,116	-	-	285,896	282,656
Investments in associates, CEs and SOEs	71,140	71,968	15,220	14,775	493	493	(68,650)	(69,523)	18,203	17,713
Other assets	6,580	6,172	3,671	2,979	3,273	3,041	(806)	(812)	12,718	11,380
Top-down capital adjustments	-	(1,195)	-	-	-	-	-	-	-	(1,195)
Total Assets	341,559	338,564	287,461	282,703	68,167	66,285	(111,647)	(111,296)	585,541	576,260
Liabilities										
Borrowings	231,680	236,706	58,302	59,657	12,342	11,928	(37,539)	(36,080)	264,785	272,211
Other liabilities	46,319	43,465	84,286	72,229	12,455	11,540	(10,747)	(10,430)	132,313	116,804
Total Liabilities	277,999	280,171	142,588	131,886	24,797	23,468	(48,286)	(46,510)	397,098	389,015
Net Worth	63,560	58,393	144,873	150,817	43,370	42,817	(63,361)	(64,786)	188,443	187,245
Cost of Acquisition of Physical Assets (Cash)	1,114	1,319	2,680	2,968	903	1,545	-	-	4,697	5,832

The accompanying notes and accounting policies are an integral part of these statements.

STATEMENT OF COMMITMENTS

As at 31 October 2024

	As at 31 Oct 2024 \$m	As at 30 Jun 2024 \$m	As at 31 Oct 2023 \$m
Capital Commitments			
State highways	2,512	2,512	2,437
Specialist military equipment	446	411	921
Land and buildings	7,798	7,547	9,521
Other property, plant and equipment	4,991	5,098	5,740
Other capital commitments	995	1,118	1,064
Universities and Wānanga	412	412	635
Total capital commitments	17,154	17,098	20,318
Operating Commitments			
Non-cancellable accommodation leases	6,198	6,092	5,839
Other non-cancellable leases	4,890	4,952	4,388
Universities and Wānanga	1,332	1,332	1,293
Total operating commitments	12,420	12,376	11,520
Total commitments	29,574	29,474	31,838
Total Commitments by Segment			
Core Crown	11,535	11,281	11,748
Crown entities	11,147	11,166	12,558
State-owned Enterprises	7,491	7,543	7,918
Inter-segment eliminations	(599)	(516)	(386)
Total commitments	29,574	29,474	31,838

STATEMENT OF CONTINGENT LIABILITIES AND ASSETS

As at 31 October 2024

	As at 31 Oct 2024 \$m	As at 30 Jun 2024 \$m	As at 31 Oct 2023 \$m
Quantifiable Contingent Liabilities			
Uncalled capital	9,833	9,580	9,709
Guarantees and indemnities	262	279	225
Legal proceedings and disputes	753	440	879
Other contingent liabilities	1,692	1,129	980
Total quantifiable contingent liabilities	12,540	11,428	11,793
Total Quantifiable Contingent Liabilities by Segment			
Core Crown	12,698	11,942	11,822
Crown entities	558	246	737
State-owned Enterprises	234	190	184
Inter-segment eliminations	(950)	(950)	(950)
Total quantifiable contingent liabilities	12,540	11,428	11,793
Quantifiable Contingent Assets			
Core Crown	57	56	64
Crown entities	34	34	34
State-owned Enterprises	80	80	41
Inter-segment eliminations	-	-	-
Total quantifiable contingent assets	171	170	139

Further details of contingent liabilities including a list of unquantifiable contingent liabilities and their descriptions is included on the Treasury's website as part of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2024*, pages 126 to 138.

The accompanying notes and accounting policies are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: Accounting Policies

Reporting Entity

These financial statements have been prepared in accordance with the Public Finance Act 1989 and with New Zealand Generally Accepted Accounting Practice (NZ GAAP) as defined in the Financial Reporting Act 2013.

Judgement is required to determine what entities are controlled and therefore consolidated in financial statements. The Government Reporting Entity is defined as the Sovereign in right of New Zealand and the legislative, executive, and judicial branches of the Government of New Zealand. The Government Reporting Entity is assessed as controlling another entity when it is exposed to, or has rights to, variable benefits from its involvement with that entity and can affect the nature or amount of those benefits through the exercise of its power over that entity.

Basis of combination

These financial statements consolidate the following entities into the Government Reporting Entity:

Core Crown entities

- Ministers of the Crown
- Government departments
- Offices of Parliament
- New Zealand Superannuation Fund
- Reserve Bank of New Zealand

Other entities

- State-owned Enterprises
- Crown entities (excluding Universities and Wānanga)
- Air New Zealand Limited
- Elevate NZ Venture Fund
- Organisations listed in Schedule 4 and 4A (non-listed companies in which the Crown is majority or sole shareholder) of the Public Finance Act 1989
- Organisations listed in Schedule 5 (mixed ownership model companies) of the Public Finance Act 1989
- Legal entities listed in Schedule 6 (legal entities created by Treaty of Waitangi Settlement Acts) of the Public Finance Act 1989

Government departments are defined by the Public Finance Act 1989 and include departments (as defined in the Public Service Act 2020), departmental agencies, interdepartmental executive boards, interdepartmental ventures, the New Zealand Defence Force, the New Zealand Police, the Parliamentary Counsel Office, the Office of the Clerk of the House of Representatives and the Parliamentary Service.

The Crown has a full residual interest in all the above entities with the exception of Air New Zealand Limited, Tāmaki Redevelopment Company Limited and City Rail Link Limited (listed in Schedule 4A of the Public Finance Act 1989) and the mixed ownership model companies (listed in Schedule 5 of the Public Finance Act 1989).

Corresponding assets, liabilities, revenue, and expenses are added together line by line (with the exception of the New Zealand Superannuation Fund investments in controlled enterprises). Transactions and balances between these sub-entities are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of controlled entities to bring the accounting policies into line with those used by the Government Reporting Entity.

As a consequence of the agreements with Auckland Council, City Rail Link Limited (CRL) is reported as a joint venture in these financial statements and is, therefore, equity accounted. This treatment recognises the government share of CRL's net assets, including asset revaluation movements, surpluses and deficits.

There have been changes to the Government Reporting Entity subsequent to 30 June 2024. For further details of the entities that are included in the Government Reporting Entity and a list of recent changes, refer to pages 52 to 56 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2024* published on 10 October 2024.

The 30 June 2024 results are audited, all other figures are unaudited.

Basis of Preparation and General Accounting Policies

These unaudited interim financial statements of the Government Reporting Entity comply with NZ GAAP and have been prepared in accordance with Public Sector PBE Accounting Standards (PBE Standards) – Tier 1, as set out in PBE IAS 34: *Interim Financial Reporting*. The Government Reporting Entity is a public benefit entity. Public benefit entities (PBEs) are reporting entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.

The measurement base applied is historic cost modified by the revaluation of certain assets and liabilities, and prepared on an accrual basis, unless otherwise specified (for example, the Statement of Cash Flows).

These financial statements have been prepared on a going concern basis.

Specific Accounting Policies

The specific accounting policies of the Crown are detailed on the Treasury's internet site:
<https://www.treasury.govt.nz/information-and-services/state-sector-leadership/guidance/reporting-financial/accounting-policies>

Forecasts

The annual forecasts in these financial statements are for the year to 30 June 2025, based on the *BEFU 2024* published on 30 May 2024.

The accounting policies underlying the preparation of forecasts are the same as the specific accounting policies set out above.

Comparative Figures

When presentation or classification of items in the financial statements are amended or accounting policies are changed voluntarily, comparative figures have been restated to ensure consistency with the current period unless it is impracticable to do so.

Variance Percentages

Percentage variances between the actual and comparative balances exceeding 500% are not shown.

Judgements, Estimates and Assumptions

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future, as with the settlement of ACC outstanding claim obligations and Government Superannuation retirement benefits, depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Further detail on the judgements and estimates used can be found on pages 57 to 62 of the *Financial Statements of the Government of New Zealand for the year ended 30 June 2024* published on 10 October 2024.

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 June 2024 Actual \$m	4 months to 31 Oct 2023 Actual \$m	Current Year Actual vs Forecast				Annual Forecast \$m	
		Actual \$m	Forecast \$m	Variance \$m	%		
NOTE 2: Sovereign Revenue							
Taxation revenue							
Individuals							
52,283	17,030	Source deductions	17,802	17,857	(55)	(0.3)	53,546
9,866	3,150	Other persons	3,456	3,231	225	7.0	10,541
(2,655)	(689)	Refunds	(755)	(728)	(27)	(3.7)	(2,766)
838	262	Fringe benefit tax	283	251	32	12.7	837
60,332	19,753	Total individuals	20,786	20,611	175	0.8	62,158
Corporate tax							
16,940	5,255	Gross companies tax	5,098	5,018	80	1.6	17,623
(738)	(224)	Refunds	(336)	(240)	(96)	(40.0)	(718)
707	169	Non-resident withholding tax	177	182	(5)	(2.7)	695
16,909	5,200	Total corporate tax	4,939	4,960	(21)	(0.4)	17,600
Other direct income tax							
3,473	1,017	Resident withholding tax on interest income	1,275	988	287	29.0	3,198
2,521	335	Resident withholding tax on dividend income	280	238	42	17.6	1,000
5,994	1,352	Total other direct income tax	1,555	1,226	329	26.8	4,198
83,235	26,305	Total direct income tax	27,280	26,797	483	1.8	83,956
Goods and services tax							
47,446	15,796	Gross goods and services tax	15,487	16,267	(780)	(4.8)	49,407
(18,168)	(5,993)	Refunds	(6,168)	(6,342)	174	2.7	(18,939)
29,278	9,803	Total goods and services tax	9,319	9,925	(606)	(6.1)	30,468
Other indirect taxation							
2,002	541	Petroleum fuels excise and duty ¹	603	556	47	8.5	1,889
1,473	470	Tobacco excise and duty ¹	541	529	12	2.3	1,506
1,839	558	Road and track user charges	665	653	12	1.8	2,100
1,239	431	Alcohol excise and duty ¹	435	484	(49)	(10.1)	1,399
180	74	Other customs duty	46	34	12	35.3	94
654	190	Miscellaneous indirect tax	217	225	(8)	(3.6)	742
7,387	2,264	Total other indirect taxation	2,507	2,481	26	1.0	7,730
36,665	12,067	Total indirect taxation	11,826	12,406	(580)	(4.7)	38,198
119,900	38,372	Total taxation revenue	39,106	39,203	(97)	(0.2)	122,154
Other sovereign revenue							
4,145	1,348	ACC levies	1,409	1,447	(38)	(2.6)	4,437
1,691	855	Emissions trading revenue	687	890	(203)	(22.8)	2,730
712	243	Fire Service levies	275	285	(10)	(3.5)	826
853	272	EQC levies	304	299	5	1.7	904
246	54	Child support and working for families penalties	68	56	12	21.4	174
125	38	Court fines	46	39	7	17.9	118
1,654	461	Other miscellaneous items	521	506	15	3.0	1,478
9,426	3,271	Total other sovereign revenue	3,310	3,522	(212)	(6.0)	10,667
129,326	41,643	Total sovereign revenue	42,416	42,725	(309)	(0.7)	132,821

1. Includes excise on domestic production and excise-equivalent duties on imports.

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 Jun 2024 Actual \$m	4 months to 31 Oct 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 2: Sovereign Receipts (continued)							
Taxation Receipts (cash)							
Individuals							
51,683	16,656	Source deductions	17,185	17,285	(100)	(0.6)	53,374
10,269	2,772	Other persons	2,929	3,290	(361)	(11.0)	11,285
(3,176)	(871)	Refunds	(896)	(897)	1	0.1	(3,251)
822	373	Fringe benefit tax	405	380	25	6.6	837
59,598	18,930	Total individuals	19,623	20,058	(435)	(2.2)	62,245
Corporate Tax							
17,849	5,630	Gross companies tax	6,136	6,049	87	1.4	18,325
(2,098)	(630)	Refunds	(712)	(528)	(184)	(34.8)	(1,563)
706	232	Non-resident withholding tax	244	239	5	2.1	695
16,457	5,232	Total corporate tax	5,668	5,760	(92)	(1.6)	17,457
Other Direct Income Tax							
3,440	1,042	Resident withholding tax on interest income	1,268	1,028	240	23.3	3,198
2,542	399	Resident withholding tax on dividend income	322	318	4	1.3	1,000
5,982	1,441	Total other direct income tax	1,590	1,346	244	18.1	4,198
82,037	25,603	Total income tax	26,881	27,164	(283)	(1.0)	83,900
Goods and Services Tax							
44,350	15,335	Gross goods and services tax	17,298	20,246	(2,948)	(14.6)	52,648
(17,624)	(6,073)	Refunds	(6,264)	(6,227)	(37)	(0.6)	(18,679)
26,726	9,262	Total goods and services tax	11,034	14,019	(2,985)	(21.3)	33,969
Other Indirect Taxation							
1,822	569	Road and track user charges	663	653	10	1.5	2,100
799	239	Excise duties	222	263	(41)	(15.6)	867
3,984	1,091	Customs duty	1,396	1,343	53	3.9	4,020
674	235	Miscellaneous indirect taxation	250	261	(11)	(4.2)	742
7,279	2,134	Total other indirect taxation	2,531	2,520	11	0.4	7,729
34,005	11,396	Total indirect taxation	13,565	16,539	(2,974)	(18.0)	41,698
116,042	36,999	Total tax receipts collected	40,446	43,703	(3,257)	(7.5)	125,598
Other Sovereign Receipts (cash)							
4,075	1,542	ACC levies	1,724	1,756	(32)	(1.8)	4,330
210	-	Emissions trading receipts	2	195	(193)	(99.0)	785
705	256	Fire Service levies	268	275	(7)	(2.5)	772
871	314	EQC levies	329	327	2	0.6	911
196	49	Child support and working for families penalties	41	51	(10)	(19.6)	153
137	46	Court fines	46	39	7	17.9	118
1,290	508	Other miscellaneous items	498	444	54	12.2	1,483
7,484	2,715	Total other sovereign receipts	2,908	3,087	(179)	(5.8)	8,552
123,526	39,714	Total sovereign receipts	43,354	46,790	(3,436)	(7.3)	134,150

Further information on the monthly tax outturns (revenue and receipts) can be found on the Treasury's website <https://treasury.govt.nz/information-and-services/financial-management-and-advice/revenue-expenditure/tax-outturn-data>

NOTES TO THE FINANCIAL STATEMENTS

Year to 30 June 2024 Actual \$m	4 months to 31 Oct 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 3: Interest Revenue and Dividends							
7,120	2,273	Interest revenue	2,420	2,059	361	17.5	5,846
1,430	593	Dividends	626	449	177	39.4	1,356
8,550	2,866	Total interest revenue and dividends	3,046	2,508	538	21.5	7,202
NOTE 4: Transfer Payments and Subsidies							
21,574	7,083	New Zealand superannuation	7,668	7,669	1	-	23,194
4,062	1,293	Jobseeker support and emergency benefit	1,513	1,468	(45)	(3.1)	4,435
2,411	809	Accommodation assistance	739	726	(13)	(1.8)	2,495
2,530	835	Supported living payment	895	887	(8)	(0.9)	2,661
2,297	730	Family tax credit	773	751	(22)	(2.9)	2,316
2,097	690	Sole parent support	753	746	(7)	(0.9)	2,245
537	319	Winter energy payment	334	333	(1)	(0.3)	555
1,014	353	KiwiSaver subsidies	369	369	-	-	1,104
526	226	Student allowances	244	240	(4)	(1.7)	579
667	223	Hardship assistance	247	247	-	-	751
1,202	220	International Development Cooperation	241	331	90	27.2	1,103
448	135	Other working for families tax credits	157	177	20	11.3	594
464	153	Disability allowances	165	164	(1)	(0.6)	496
384	123	Orphan's/unsupported child's benefit	132	132	-	-	405
336	102	Best start	107	107	-	-	339
189	54	Income related rent subsidy	60	40	(20)	(50.0)	133
1,199	403	Other social assistance benefits	508	621	113	18.2	1,311
41,937	13,751	Total transfer payments and subsidies	14,905	15,008	103	0.7	44,716
NOTE 5: Interest expenses							
9,747	3,159	Interest on financial liabilities	3,334	3,140	(194)	(6.2)	9,634
627	195	Interest unwind on provisions and other interest	196	172	(24)	(14.0)	532
10,374	3,354	Total interest expenses	3,530	3,312	(218)	(6.6)	10,166
NOTE 6: Insurance Expenses							
9,772	2,414	ACC	2,773	2,623	(150)	(5.7)	9,680
578	96	EQC	127	142	15	10.6	454
76	3	Other (incl. inter-segment eliminations)	2	18	16	88.9	81
10,426	2,513	Total insurance expenses	2,902	2,783	(119)	(4.3)	10,215
NOTE 7: Forecast Adjustments							
Forecast for new operating and capital spending							
Forecast new operating and capital spending in these financial statements relates to unallocated operating and capital contingencies which represents funding agreed by the Government, or likely to be agreed, that have yet to be allocated to departments.							
Top-down adjustment							
An adjustment to capital and operating expenditure forecasts to reflect the extent to which departments use appropriations (upper spending limits) rather than their best estimates when preparing their forecasts. As appropriations apply to the core Crown only, no adjustment is required to SOE or Crown entity forecasts.							
NOTE 8: Net Gains and Losses on Non-financial instruments							
By type							
(5,227)	5,345	Actuarial gains/(losses) on ACC liability	(16)	-	(16)	-	-
(1,170)	(4,131)	Gains/(losses) on the Emissions Trading Scheme	(1,708)	-	(1,708)	-	-
(346)	(42)	Other	(115)	-	(115)	-	-
(6,743)	1,172	Net gains/(losses) on non-financial instruments	(1,839)	-	(1,839)	-	-

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 31 Oct 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 9: Financial Assets and Sovereign Receivables							
16,212	21,547	Cash and cash equivalents	19,867	20,543	(676)	(3.3)	19,370
22,413	21,203	Tax receivables	20,989	19,191	1,798	9.4	18,347
14,819	13,177	Other receivables	15,100	11,230	3,870	34.5	13,518
32,487	30,646	Kiwi Group loans and advances	33,855	33,611	244	0.7	35,781
9,596	9,242	Student loans	9,497	9,564	(67)	(0.7)	9,562
16,466	18,412	Funding for Lending advances	13,781	13,819	(38)	(0.3)	7,330
10,829	8,847	Other advances	10,320	9,477	843	8.9	9,823
53,495	45,239	Share investments	57,677	52,193	5,484	10.5	54,166
7,174	7,726	Investments in controlled enterprises	7,422	8,725	(1,303)	(14.9)	9,315
54,443	49,437	Other marketable securities	62,245	67,358	(5,113)	(7.6)	65,902
7,714	9,641	Long-term deposits	7,225	8,269	(1,044)	(12.6)	8,044
5,967	6,120	Derivatives in gain	5,158	6,205	(1,047)	(16.9)	5,825
5,522	5,744	IMF financial assets	5,588	5,521	67	1.2	5,521
257,137	246,981	Total financial assets and sovereign receivables	268,724	265,706	3,018	1.1	262,504
Financial assets by entity							
54,092	46,851	The Treasury	61,433	58,880	2,553	4.3	46,669
53,925	74,696	Reserve Bank of New Zealand	55,346	63,479	(8,133)	(12.8)	58,717
79,058	67,631	NZ Superannuation Fund	82,596	78,925	3,671	4.7	81,776
44,027	44,487	Other core Crown	41,740	39,977	1,763	4.4	36,354
(47,563)	(58,936)	Intra-segment eliminations	(45,474)	(45,428)	(46)	(0.1)	(31,425)
183,539	174,729	Total core Crown segment	195,641	195,833	(192)	(0.1)	192,091
53,385	48,463	ACC	56,975	52,938	4,037	7.6	55,203
655	737	EQC	748	627	121	19.3	584
32,487	30,646	Kiwi Group loans and advances	33,855	33,611	244	0.7	35,781
22,929	21,700	Other Crown entities	21,652	22,342	(690)	(3.1)	22,276
(5,092)	(5,729)	Intra-segment eliminations	(4,553)	(5,320)	767	14.4	(5,148)
104,364	95,817	Total Crown entities segment	108,677	104,198	4,479	4.3	108,696
7,398	7,439	Total State-owned Enterprises segment	6,598	6,636	(38)	(0.6)	6,238
(38,164)	(31,004)	Inter-segment eliminations	(42,192)	(40,961)	(1,231)	(3.0)	(44,521)
257,137	246,981	Total financial assets and sovereign receivables	268,724	265,706	3,018	1.1	262,504

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 31 Oct 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 10: Property, Plant and Equipment							
Net Carrying Value¹							
By class of asset:							
80,881	80,108	Land	81,264	81,234	30	-	81,149
74,968	69,917	Buildings	76,355	75,858	497	0.7	79,475
62,333	59,941	State highways	62,845	61,396	1,449	2.4	63,262
23,628	19,769	Electricity generation assets	23,218	19,949	3,269	16.4	19,876
4,650	4,502	Electricity distribution network (cost)	4,679	5,086	(407)	(8.0)	4,688
5,055	4,501	Aircraft (excl military)	4,959	5,474	(515)	(9.4)	5,781
5,699	5,293	Specialist military equipment	5,440	6,040	(600)	(9.9)	6,260
3,238	3,215	Specified cultural and heritage assets	3,239	3,166	73	2.3	3,168
14,523	14,762	Rail network	14,518	15,496	(978)	(6.3)	15,746
8,815	8,757	Other plant and equipment (cost)	9,379	8,957	422	4.7	9,467
283,790	270,765	Total net carrying value	285,896	282,656	3,240	1.1	288,872
Land breakdown by usage							
29,143	29,263	Housing stock	29,239	29,946	(707)	(2.4)	29,912
22,973	23,136	State highway corridor land	22,984	23,136	(152)	(0.7)	22,805
9,054	8,343	Conservation estate	9,053	8,324	729	8.8	8,328
6,748	6,288	Schools	6,751	6,336	415	6.5	6,369
4,290	4,280	Rail network corridor land	4,307	4,351	(44)	(1.0)	4,388
1,477	1,670	Commercial (SOE) excluding rail	1,692	1,636	56	3.4	1,735
7,196	7,128	Other	7,238	7,505	(267)	(3.6)	7,612
80,881	80,108	Total land	81,264	81,234	30	-	81,149
Schedule of Movements							
Cost or Valuation							
287,777	287,777	Opening balance	306,631	307,062	(431)	(0.1)	307,062
17,866	6,100	Additions	4,763	6,321	(1,558)	(24.6)	18,073
(1,397)	(328)	Disposals	(331)	(97)	(234)	(241.2)	(627)
2,792	(55)	Net revaluations	184	-	184	-	-
(407)	(46)	Other	(8)	40	(48)	(120.0)	(15)
306,631	293,448	Total cost or valuation	311,239	313,326	(2,087)	(0.7)	324,493
Accumulated Depreciation & Impairment							
20,387	20,387	Opening balance	22,841	27,954	(5,113)	(18.3)	27,954
(709)	(156)	Eliminated on disposal	(187)	145	(332)	(229.0)	(209)
(4,751)	3	Eliminated on revaluation	3	-	3	-	-
82	-	Impairment losses charged to operating balance	-	-	-	-	-
7,621	2,424	Depreciation expense and impairment losses	2,605	2,562	43	1.7	7,882
211	25	Other	81	9	72	-	(6)
22,841	22,683	Total accumulated depreciation & impairment	25,343	30,670	(5,327)	(17.4)	35,621
283,790	270,765	Total property, plant and equipment	285,896	282,656	3,240	1.1	288,872

1. Using a revaluation methodology unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 31 Oct 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
NOTE 11: Payables							
13,213	12,152	Accounts payable	17,588	11,572	(6,016)	(52.0)	12,400
6,650	5,321	Taxes repayable	5,879	6,004	125	2.1	6,113
19,863	17,473	Total payables	23,467	17,576	(5,891)	(33.5)	18,513
NOTE 12: Borrowings							
128,959	114,352	Government bonds	143,462	139,711	(3,751)	(2.7)	155,201
27,720	29,582	Kiwi Group customer deposits	28,820	27,207	(1,613)	(5.9)	29,805
37,553	54,427	Settlement deposits	35,825	41,833	6,008	14.4	37,500
5,482	4,873	Treasury bills	5,125	5,959	834	14.0	5,801
13,200	4,442	European Commercial Paper	9,440	11,638	2,198	18.9	6,960
5,621	11,007	Derivatives in loss	6,942	5,879	(1,063)	(18.1)	5,357
1,044	1,168	Finance lease liabilities	962	1,002	40	4.0	942
158	159	Government retail stock	163	162	(1)	(0.6)	162
31,206	28,496	Other borrowings	34,046	38,820	4,774	12.3	37,154
250,943	248,506	Total borrowings	264,785	272,211	7,426	2.7	278,882
196,808	195,901	Sovereign-guaranteed debt	208,365	215,176	6,811	3.2	220,945
54,135	52,605	Non sovereign-guaranteed debt	56,420	57,035	615	1.1	57,937
250,943	248,506	Total borrowings	264,785	272,211	7,426	2.7	278,882

This note constitutes a Statement of Borrowings as required by the Public Finance Act 1989.

Total borrowings can be split into sovereign-guaranteed and non-sovereign-guaranteed debt. This split reflects the fact that borrowings by SOEs and Crown entities are not explicitly guaranteed by the Crown. No debt of SOEs and Crown entities is currently guaranteed by the Crown.

NOTE 13: New Zealand Emissions Trading Scheme							
6,125	6,125	Opening liability	6,626	7,322	696	9.5	7,322
210	-	Units sold	2	195	193	99.0	785
834	475	Allocated units	431	416	(15)	(3.6)	1,273
(1,691)	(855)	Units surrendered	(687)	(890)	(203)	(22.8)	(2,730)
1,170	4,131	(Gains)/ losses due to revaluation in NZ Units	1,708	-	(1,708)	-	-
(22)	28	Other movements	13	(8)	(21)	(262.5)	(50)
6,626	9,904	Closing liability	8,093	7,035	(1,058)	(15.0)	6,600

The New Zealand Emissions Trading Scheme (NZ ETS) encourages emissions abatement by putting a price on emissions and rewarding carbon removal activities such as forestry. Tradeable units (NZUs) are allocated into the market through government auctions. NZUs are also allocated free-of-charge to foresters for forestry removals and to certain industrial activities that are both emission-intensive and trade-exposed (industrial allocation). NZ ETS participants must meet their emissions obligations by surrendering NZUs to the government. The NZ ETS liability represents the NZUs outstanding at the reporting date that can be used to settle these emission obligations in the future.

Further information on the emissions trading scheme, can be found on the Ministry for the Environment's website: <https://environment.govt.nz>

NOTE 14: Insurance Liabilities							
65,049	49,709	ACC liability	64,319	57,421	(6,898)	(12.0)	61,776
1,301	1,449	EQC property damage liability	1,186	1,093	(93)	(8.5)	860
225	164	Other insurance liabilities	134	119	(15)	(12.6)	119
66,575	51,322	Total insurance liabilities	65,639	58,633	(7,006)	(11.9)	62,755

The most recent valuation of the ACC liability was as at 30 June 2024 and is updated monthly for changes to discount rates.

NOTE 15: Provisions							
8,795	8,496	Provision for employee entitlements	8,561	7,312	(1,249)	(17.1)	5,906
2,912	2,637	Veterans disability entitlements	2,914	2,643	(271)	(10.3)	2,658
610	623	Provision for National Provident Fund guarantee	593	599	6	1.0	572
3,728	3,214	Other provisions	3,177	3,065	(112)	(3.7)	2,773
16,045	14,970	Total provisions	15,245	13,619	(1,626)	(11.9)	11,909

Subsequent to 31 October 2024, a court decision regarding the interpretation of the Veterans' Affairs Act 1999 will result in the Veterans disability entitlements provision increasing from its 30 June 2024 valuation. Based on some initial estimates the increase could be between \$2.3 billion and \$4.4 billion. This increase in the provision is expected to be included in the 30 November 2024 financial statements of the Government.

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024 \$m	As at 31 Oct 2023 \$m		Current Year Actual vs Forecast				
			Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
NOTE 16: Changes in Net Worth							
300	1,760	Taxpayers' funds	(2,080)	3,661	(5,741)	(156.8)	(1,726)
181,176	174,499	Property, plant and equipment revaluation reserve	181,060	174,430	6,630	3.8	174,430
864	1,168	Defined benefit retirement plan revaluation reserve	750	793	(43)	(5.4)	807
(640)	(392)	Veterans' disability entitlements reserve	(640)	(392)	(248)	(63.3)	(392)
9,231	7,837	Net worth attributable to minority interests	9,254	8,231	1,023	12.4	8,360
118	450	Other reserves	99	522	(423)	(81.0)	477
191,049	185,322	Total net worth	188,443	187,245	1,198	0.6	181,956
8,380	8,380	Opening taxpayers funds	300	5,495	(5,195)	(94.5)	5,495
(8,365)	(6,744)	Operating balance excluding minority interests	(2,595)	(1,793)	(802)	(44.7)	(7,147)
285	124	Transfers from/(to) other reserves	215	(41)	256	-	(74)
300	1,760	Closing taxpayers funds	(2,080)	3,661	(5,741)	(156.8)	(1,726)
174,575	174,575	Opening property, plant and equipment revaluation reserve	181,176	174,432	6,744	3.9	174,432
8,260	18	Net revaluations	104	(2)	106	-	(2)
(1,389)	-	Revaluation reserve attributable to minority interest	-	-	-	-	-
(270)	(94)	Transfers from/(to) other reserves	(220)	-	(220)	-	-
181,176	174,499	Closing property, plant and equipment revaluation reserve	181,060	174,430	6,630	3.8	174,430
7,958	7,958	Opening net worth attributable to minority interests	9,231	8,371	860	10.3	8,371
77	45	Increase/(decrease) in minority interest from changes in equity	344	18	326	-	34
438	209	Operating balance attributable to minority interests	31	178	(147)	(82.6)	530
758	(375)	Net movements	(352)	(336)	(16)	(4.8)	(575)
9,231	7,837	Closing net worth attributable to minority interests	9,254	8,231	1,023	12.4	8,360
542	542	Opening other reserves	118	540	(422)	(78.1)	540
(424)	(92)	Net movements	(19)	(18)	(1)	(5.6)	(63)
118	450	Closing other reserves	99	522	(423)	(81.0)	477

FISCAL INDICATOR ANALYSIS

For the four months ended 31 October 2024

Reconciliation between the Operating Balance and the Operating Balance before Gains and Losses (OBEGAL)

Year to 30 June 2024 Actual \$m	4 months to 31 Oct 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Operating Balance					
167,347	54,055	Total revenue	55,877	54,756	1,121	2.0	168,043
180,061	57,732	Less total expenses	60,395	58,350	(2,045)	(3.5)	181,013
4,667	(2,848)	Total gains/(losses)	1,948	1,966	(18)	(0.9)	6,305
120	(10)	Net surplus from associates and joint ventures	6	13	(7)	(53.8)	48
(438)	(209)	Minority interests share of operating balance	(31)	(178)	147	82.6	(530)
(8,365)	(6,744)	Operating balance	(2,595)	(1,793)	(802)	(44.7)	(7,147)
		Reconciliation Between the Operating Balance and OBEGAL					
(8,365)	(6,744)	Operating balance	(2,595)	(1,793)	(802)	(44.7)	(7,147)
		Less items excluded from OBEGAL:					
11,410	(4,020)	Net gains/(losses) on financial instruments	3,787	1,966	1,821	92.6	6,305
(6,743)	1,172	Net gains/(losses) on non-financial instruments	(1,839)	-	(1,839)	-	-
120	(10)	Net surplus from associates and joint ventures	6	13	(7)	(53.8)	48
(298)	(33)	Minority interests share of total gains/(losses)	100	(4)	104	-	(128)
(12,854)	(3,853)	OBEGAL	(4,649)	(3,768)	(881)	(23.4)	(13,372)

FISCAL INDICATOR ANALYSIS

For the four months ended 31 October 2024

Expenses by Functional Classification

Year to 30 June 2024 Actual \$m	4 months to 31 Oct 2023 Actual \$m		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
Total Crown expenses								
53,996	16,977	Social security and welfare		18,358	18,272	(86)	(0.5)	56,391
29,840	9,945	Health		10,588	10,268	(320)	(3.1)	29,420
21,186	7,626	Education		7,551	7,315	(236)	(3.2)	21,755
8,178	2,439	Core government services		1,723	2,103	380	18.1	6,759
7,072	2,181	Law and order		2,406	2,344	(62)	(2.6)	7,275
16,733	4,730	Transport and communications		4,787	4,556	(231)	(5.1)	16,071
16,008	4,624	Economic and industrial services		5,954	4,857	(1,097)	(22.6)	14,443
3,125	1,035	Defence		1,028	1,028	-	-	3,169
3,608	1,295	Heritage, culture and recreation		1,340	1,266	(74)	(5.8)	3,351
2,636	848	Primary services		821	929	108	11.6	2,580
4,789	1,680	Housing and community development		1,448	1,503	55	3.7	5,002
2,277	910	Environmental protection		796	858	62	7.2	2,818
94	24	GSF pension expenses		22	27	5	18.5	80
145	64	Other		43	132	89	67.4	737
10,374	3,354	Finance costs		3,530	3,312	(218)	(6.6)	10,166
-	-	Forecast new operating spending	7	-	-	-	-	3,796
-	-	Top-down expense adjustment	7	-	(420)	(420)	(100.0)	(2,800)
180,061	57,732	Total Crown expenses excluding losses		60,395	58,350	(2,045)	(3.5)	181,013

Below is an analysis of core Crown expenses by functional classification. Core Crown expenses include expenses incurred by the Crown, Departments and the Reserve Bank, but not Crown entities and SOEs.

Year to 30 June 2024 Actual \$m	4 months to 31 Oct 2023 Actual \$m		Note	Current Year Actual vs Forecast			Annual Forecast \$m	
				Actual \$m	Forecast \$m	Variance \$m		%
Core Crown expenses								
44,589	14,658	Social security and welfare		15,763	15,819	56	0.4	47,509
29,999	9,207	Health		10,258	10,202	(56)	(0.5)	30,587
20,223	6,682	Education		6,862	6,626	(236)	(3.6)	20,538
8,468	2,383	Core government services		1,725	2,184	459	21.0	6,908
6,527	2,108	Law and order		2,237	2,165	(72)	(3.3)	6,656
5,487	1,597	Transport and communications		1,671	1,515	(156)	(10.3)	6,019
4,010	1,267	Economic and industrial services		1,243	1,217	(26)	(2.1)	3,529
3,163	1,050	Defence		1,038	1,044	6	0.6	3,215
1,504	640	Heritage, culture and recreation		592	628	36	5.7	1,429
1,062	310	Primary services		284	388	104	26.8	1,118
2,512	967	Housing and community development		846	771	(75)	(9.7)	2,531
2,297	912	Environmental protection		804	863	59	6.8	2,849
69	17	GSF pension expenses		15	17	2	11.8	50
145	64	Other		43	132	89	67.4	737
8,943	2,867	Finance costs		2,983	3,012	29	1.0	9,224
-	-	Forecast new operating spending	7	-	-	-	-	3,796
-	-	Top-down expense adjustment	7	-	(420)	(420)	(100.0)	(2,800)
138,998	44,729	Core Crown expenses excluding losses		46,364	46,163	(201)	(0.4)	143,895

FISCAL INDICATOR ANALYSIS

For the four months ended 31 October 2024

Core Crown Residual Cash

Year to 30 June 2024 \$m	4 months to 31 Oct 2023 \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Core Crown Cash Flows from Operations					
116,737	37,464	Tax receipts	42,186	45,233	(3,047)	(6.7)	128,929
1,790	595	Other sovereign receipts	576	728	(152)	(20.9)	2,532
1,878	408	Interest receipts	963	925	38	4.1	2,943
3,779	1,219	Sale of goods & services and other receipts	1,217	1,226	(9)	(0.7)	3,546
(43,495)	(15,257)	Transfer payments and subsidies	(16,639)	(16,651)	12	0.1	(47,485)
(79,747)	(27,554)	Personnel and operating costs	(28,375)	(27,018)	(1,357)	(5.0)	(81,127)
(7,044)	(2,032)	Interest payments	(1,675)	(2,071)	396	19.1	(7,552)
-	-	Forecast for future new operating spending	-	-	-	-	(3,796)
-	-	Top-down expense adjustment	-	420	(420)	(100.0)	2,800
(6,102)	(5,157)	Net core Crown operating cash flows	(1,747)	2,792	(4,539)	(162.6)	790
(4,701)	(1,577)	Net purchase of physical and intangible assets	(1,208)	(1,477)	269	18.2	(4,388)
(2,533)	(1,472)	Net increase in advances	2,943	2,042	901	44.1	4,416
(4,352)	(1,646)	Net purchase of investments	(2,058)	(2,628)	570	21.7	(8,328)
(1,614)	(537)	Contributions to New Zealand Superannuation Fund	(293)	(293)	-	-	(879)
-	-	Forecast for future new capital spending	-	-	-	-	(2,094)
-	-	Top-down capital adjustment	-	195	(195)	(100.0)	1,550
(13,200)	(5,232)	Net core Crown capital cash flows	(616)	(2,161)	1,545	71.5	(9,723)
(19,302)	(10,389)	Core Crown residual cash surplus / (deficit)	(2,363)	631	(2,994)	474.5	(8,933)
		<i>The core Crown residual cash surplus / (deficit) is funded or invested as follows:</i>					
		Debt Programme Cash Flows					
		Market:					
35,077	11,496	Issue of government bonds	18,736	12,300	6,436	52.3	35,838
(18,197)	(1,281)	Repayment of government bonds	(1,552)	(1,519)	(33)	(2.2)	(19,192)
14,157	4,265	Net issue/(repayment) of short-term borrowing ¹	(4,648)	(490)	(4,158)	-	(5,400)
31,037	14,480	Total market debt cash flows	12,536	10,291	2,245	21.8	11,246
		Non market:					
(200)	(100)	Net issue/(repayment) of short-term borrowing ¹	-	(100)	100	100.0	(100)
(200)	(100)	Total non-market debt cash flows	-	(100)	100	100.0	(100)
30,837	14,380	Total debt programme cash flows	12,536	10,191	2,345	23.0	11,146
		Other Borrowing Cash Flows					
		Net (repayment)/issue of other New Zealand dollar borrowing	(6,763)	(1,360)	(5,403)	(397.3)	(2,022)
(10,692)	(1,505)	Net (repayment)/issue of foreign currency borrowing	6,426	600	5,826	-	6,238
(5,634)	5,316	Total other borrowing cash flows	(337)	(760)	423	(397.3)	4,216
		Investing Cash Flows					
		Other net sale/(purchase) of marketable securities and deposits	(5,175)	(9,982)	4,807	48.2	(6,433)
(8,418)	(6,135)	Issues of circulating currency	17	31	(14)	(45.2)	91
(24)	42	Decrease/(increase) in cash	(4,678)	(111)	(4,567)	-	(87)
2,541	(3,214)						
(5,901)	(9,307)	Total investing cash flows	(9,836)	(10,062)	226	2.2	(6,429)
19,302	10,389	Core Crown residual cash deficit / (surplus) funding	2,363	(631)	2,994	(474.5)	8,933

1. Short-term borrowing consists of Treasury Bills and Euro-Commercial Paper.

FISCAL INDICATOR ANALYSIS

As at 31 October 2024

Debt Indicators

As at 30 June 2024 Actual \$m	As at 31 Oct 2023 Actual \$m		Current Year Actual vs Forecast				Annual Forecast \$m
			Actual \$m	Forecast \$m	Variance \$m	%	
		Net core Crown debt:					
216,349	214,184	Core Crown borrowings ¹	231,680	236,706	5,026	2.1	242,744
847	1,495	Core Crown unsettled purchases of securities ²	2,607	881	(1,726)	(195.9)	611
(2,754)	(4,759)	Less NZS Fund borrowings ³	(4,143)	(3,544)	599	16.9	(3,276)
214,442	210,920	Borrowings included in net core Crown debt	230,144	234,043	3,899	1.7	240,079
(154,900)	(146,379)	Core Crown financial assets ⁴	(166,017)	(171,581)	(5,564)	(3.2)	(168,693)
(3,278)	(4,151)	Core Crown unsettled sales of securities ²	(5,435)	(2,434)	3,001	123.3	(2,375)
78,812	67,411	Less NZS Fund financial assets	82,242	78,805	(3,437)	(4.4)	81,907
40,388	38,109	Less core Crown advances	37,593	39,040	1,447	3.7	36,332
(38,978)	(45,010)	Financial assets included in net core Crown debt	(51,617)	(56,170)	(4,553)	(8.1)	(52,829)
175,464	165,910	Net core Crown debt	178,527	177,873	(654)	(0.4)	187,250
		Net debt:					
175,464	165,910	Net core Crown debt (as above)	178,527	177,873	(654)	(0.4)	187,250
56,470	51,357	Crown entity borrowings ⁵	58,302	59,657	1,355	2.3	64,198
(33,291)	(31,564)	Less Kiwi Group borrowings ⁶	(34,035)	(34,847)	(812)	(2.3)	(37,188)
(40,388)	(38,109)	Add core Crown advances	(37,593)	(39,040)	(1,447)	(3.7)	(36,332)
158,255	147,594	Net debt (excl. NZS Fund)	165,201	163,643	(1,558)	(1.0)	177,928
2,754	4,759	NZS Fund borrowings	4,143	3,544	(599)	(16.9)	3,276
(78,812)	(67,411)	NZS Fund financial assets	(82,242)	(78,805)	3,437	4.4	(81,907)
82,197	84,942	Net debt	87,102	88,382	1,280	1.4	99,297
		Gross Debt:					
216,349	214,184	Core Crown borrowings	231,680	236,706	5,026	2.1	242,744
847	1,495	Core Crown unsettled purchases of securities	2,607	881	(1,726)	(195.9)	611
(2,754)	(4,759)	Less NZS Fund borrowings	(4,143)	(3,544)	599	16.9	(3,276)
		Less Reserve Bank settlement cash ⁷ and					
(38,476)	(57,514)	Reserve Bank bills	(37,446)	(47,704)	(10,258)	(21.5)	(43,371)
175,966	153,406	Gross Debt	192,698	186,339	(6,359)	(3.4)	196,708

Notes on borrowings

- Core Crown borrowings represent the total debt obligations of the consolidated core Crown segment. This includes any government stock held by ACC and includes settlement deposits with the Reserve Bank.
- Unsettled sales and purchases of securities are classified in the Statement of Financial Position as receivables and accounts payable, respectively.
- The NZS Fund borrowings adjustment also reflects any government stock held by NZS Fund.
- Core Crown financial assets includes any asset that is cash, deposits, share investments, advances, other marketable securities or a right to exchange a financial asset or liability on favourable terms (derivatives in gain).
- Crown entity borrowings represents the total debt obligations of the consolidated Crown entities. This includes debt issued by Crown entities, such as Kāinga Ora.
- Kiwi Group borrowings includes Kiwi Group customer deposits as disclosed in Note 12: Borrowings and other 3rd party derivative balances.
- Includes Reserve Bank's New Zealand dollar transactional banking services for other Central Banks and the International Monetary Fund.

FISCAL INDICATOR ANALYSIS

For the four months ended 31 October 2024

New Zealand Superannuation Fund

30 June 2024		31 Oct 2023		Current Year Actual vs Forecast				
\$m		\$m		Actual \$m	Forecast \$m	Variance \$m	%	Annual Forecast \$m
NZ Superannuation Fund								
1,659	568	Revenue		614	524	90	17.2	1,571
1,290	36	Less current tax expense		(244)	(446)	(202)	(45.3)	(1,337)
189	354	Less other expenses ¹		(69)	(100)	(31)	(31.0)	(299)
8,352	(3,129)	Add gains/(losses)		2,707	1,457	1,250	85.8	4,371
8,532	(2,171)	Operating balance		3,008	1,435	1,573	109.6	4,306
64,673	64,673	Opening net worth		74,819	72,727	2,092	2.9	72,727
1,614	537	Contributions from the Crown		293	293	-	-	879
8,532	(2,171)	Operating balance		3,008	1,435	1,573	109.6	4,306
-	1	Other movements in reserves		(3)	1	(4)	(400.0)	-
74,819	63,040	Closing net worth		78,117	74,456	3,661	4.9	77,912
Comprising:								
79,058	67,631	Financial assets		82,596	78,925	3,671	4.7	81,776
(4,235)	(4,531)	Financial liabilities		(4,475)	(4,405)	(70)	(1.6)	(3,774)
(4)	(60)	Net other assets		(4)	(64)	60	93.8	(90)
74,819	63,040	Closing net worth		78,117	74,456	3,661	4.9	77,912

1. This includes deferred tax expenses which can vary from month to month.

FISCAL INDICATOR ANALYSIS

Reconciliation Between the Financial Statements and the Key Fiscal Indicators

Financial Results	31 Oct 2024 Actual \$m	31 Oct 2024 Forecast \$m	Variance \$m	Variance %	Annual Forecast \$m
Core Crown taxation revenue...	39,305	39,447	(142)	(0.4)	122,851
...combined with other core Crown revenue...	4,547	4,662	(115)	(2.5)	13,153
...funds core Crown expenses...	(46,364)	(46,163)	(201)	(0.4)	(143,895)
...and with SOE and CE ¹ results...	(2,137)	(1,714)	(423)	(24.7)	(5,481)
...this results in an operating balance before gains and losses (OBEGAL)...	(4,649)	(3,768)	(881)	(23.4)	(13,372)
...with gains/losses leading to an operating surplus/(deficit) ...	(2,595)	(1,793)	(802)	(44.7)	(7,147)
...with income in SOEs, CEs ¹ and the NZS Fund retained...	(1,551)	(98)	(1,453)	-	(292)
...and some items do not impact cash.	2,399	4,683	(2,284)	(48.8)	8,229
This leads to an operating residual cash surplus/(deficit)...	(1,747)	2,792	(4,539)	(162.6)	790
...used to make contributions to the NZS Fund...	(293)	(293)	-	-	(879)
...and to use for capital expenditure	(1,208)	(1,477)	269	18.2	(4,388)
...and to make advances	2,943	2,042	901	44.1	4,416
...and to purchase investments	(2,058)	(2,628)	570	21.7	(8,328)
Adjusting for forecast adjustments (top-down/new spending)...	-	195	(195)	(100.0)	(544)
...results in a borrowing requirement (cash deficit)/surplus	(2,363)	631	(2,994)	(474.5)	(8,933)
Opening net core Crown debt...	175,464	178,094	2,630	1.5	178,094
...when combined with the residual cash (surplus)/deficit...	2,363	(631)	(2,994)	(474.5)	8,933
...and other fair value movements in financial assets and financial liabilities...	700	410	(290)	(70.7)	223
...results in a closing net core Crown debt ...	178,527	177,873	(654)	(0.4)	187,250
...which as a % of GDP is	43.2%	43.0%			43.5%

1 State-owned enterprises (SOEs) and Crown entities (CEs).