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# Financial Statements of the Government of New Zealand

for the year ended 30 June 2018

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# Contents

<b>Ministerial Statement</b>	<b>1</b>
<b>Statement of Responsibility</b>	<b>2</b>
<b>Commentary on the Financial Statements</b>	<b>3</b>
Fiscal Overview	4
At a Glance	6
Summary	7
Revenue	9
Expenses	11
Operating Balance	13
Debt	15
Net Worth Attributable to the Crown	19
Year End Results Compared to <i>Budget 2018</i>	25
Historical Financial Information	27
<b>Independent Audit Report of the Controller and Auditor-General</b>	<b>29</b>
<b>Audited Financial Statements of the Government of New Zealand</b>	<b>37</b>
Statement of Financial Performance	38
Analysis of Expenses by Functional Classification	39
Statement of Comprehensive Revenue and Expense	40
Statement of Changes in Net Worth	40
Statement of Cash Flows	41
Statement of Financial Position	44
Statement of Segments	45
Notes to the Financial Statements	47
Note 1: Basis of Reporting	47
Note 2: Key Assumptions and Judgements	53
Note 3: Sovereign Revenue	59
Note 4: Sales of Goods and Services	60
Note 5: Investment Income/(Expense)	61
Note 6: Other Revenue	62
Note 7: Transfer Payments and Subsidies	62
Note 8: Personnel Expenses	63
Note 9: Other Operating Expenses	63
Note 10: Net Gains and Losses on Non-Financial Instruments	64
Note 11: Insurance	64
Note 12: Receivables	72
Note 13: Marketable Securities, Deposits and Derivatives in Gain	74
Note 14: Share Investments	75
Note 15: Advances	75
Note 16: Property, Plant and Equipment	78
Note 17: Equity Accounted Investments	93

Note 18: Payables	94
Note 19: Borrowings	95
Note 20: Retirement Plan Liabilities	98
Note 21: Provisions	102
Note 22: Minority Interests	103
Note 23: Capital Objectives and Fiscal Policy	104
Note 24: Commitments	107
Note 25: Contingent Liabilities and Contingent Assets	108
Note 26: Financial Instruments	117
Note 27: Related Parties	130
Note 28: Events Subsequent to Balance Date	130
<b>Supplementary Statements</b>	<b>131</b>
Statement of Unappropriated Expenditure	131
Statement of Expenses or Capital Expenditure Incurred in Emergencies	138
Statement of Trust Money	138
<b>Additional Financial Information</b>	<b>143</b>
Fiscal Indicator Analysis	144
Core Crown Residual Cash	145
Debt	146
Information on State-owned Enterprises and Crown Entities	147
<b>Glossary of Terms</b>	<b>150</b>

## List of Tables

Table 1 – Financial results	6
Table 2 – Breakdown of revenue	9
Table 3 – Increase in core Crown tax revenue in nominal terms	9
Table 4 – Breakdown of expenses	11
Table 5 – Movement in core Crown expenses	11
Table 6 – Total Crown operating balance (excluding minority interests)	13
Table 7 – Net debt, gross debt and residual cash	15
Table 8 – Movement in residual cash	15
Table 9 – Cash proceeds from debt programme	17
Table 10 – Debt Reconciliation	18
Table 11 – Net worth	19
Table 12 – Composition of the statement of financial position	21
Table 13 – State Highways valuation	23
Table 14 – Comparison to <i>Budget 2018</i>	25
Table 15 – Core Crown tax revenue compared to Estimated Actuals	25

## List of Figures

Figure 1 – Core Crown revenue and core Crown expenses	7
Figure 2 – Operating balance before gains and losses (OBEGAL)	7
Figure 3 – Operating balance (excluding minority interests)	7
Figure 4 – Net worth attributable to the Crown	8
Figure 5 – Core Crown residual cash	8
Figure 6 – Net core Crown debt	8
Figure 7 – Core Crown tax revenue	9
Figure 8 – Other revenue	10
Figure 9 – Core Crown expenses	11
Figure 10 – Composition of core Crown expenses	12
Figure 11 – Components of OBEGAL by segment	13
Figure 12 – Operating balance (excluding minority interests)	14
Figure 13 – Net core Crown debt	15
Figure 14 – Net core Crown capital cash flows	16
Figure 15 – Profile of net core Crown capital cash flows	16
Figure 16 – Gross debt	17
Figure 17 – Net worth attributable to the Crown	19
Figure 18 – Composition of net worth attributable to the Crown	19
Figure 19 – Composition of net worth attributable to the Crown	20
Figure 20 – Total Crown balance sheet	21
Figure 21 – Social assets and liabilities	21
Figure 22 – Financial assets and liabilities	22
Figure 23 – Commercial assets and liabilities	22
Figure 24 – Core Crown tax revenue variance to Estimated Actuals	25
Figure 25 – Core Crown expenses variance to Estimated Actuals	26



# Commentary on the Financial Statements

## Fiscal Overview

FISCAL STRATEGY

### Operating revenue

Ensure a progressive taxation system that is fair, balanced, and promotes the long-term sustainability and productivity of the economy.

### Operating expenses

Maintain its expenditure to within the recent historical range of spending as a ratio of GDP. Ensure expenditure is phased, controlled, and directed to maximise its benefits, in particular prioritising investments to address the long-term financial and sustainability challenges facing New Zealand.

### Operating balance

Deliver a sustainable operating surplus across an economic cycle.

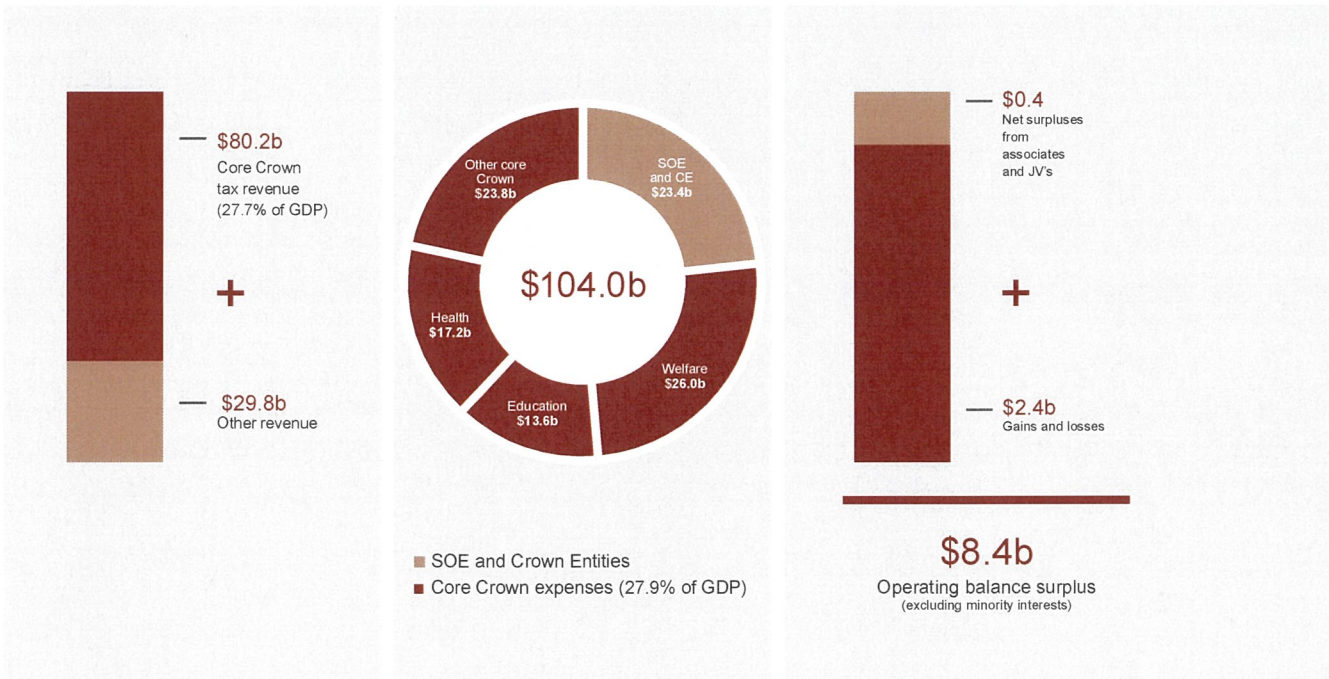
## Total Crown

The difference between total Crown revenue and expenses gives us the operating balance before gains and losses (OBEGAL)

$$\begin{array}{r}
 \$110.0b \\
 \text{TOTAL CROWN REVENUE}
 \end{array}
 -
 \begin{array}{r}
 \$104.0b \\
 \text{TOTAL EXPENSES}
 \end{array}
 =
 \begin{array}{r}
 \$5.5b \\
 \text{OBEGAL (excluding minority interests)}
 \end{array}$$

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FINANCIAL RESULTS



Numbers may not add due to rounding.

WHERE TO FIND THESE IN THE FINANCIAL STATEMENTS

### Fiscal strategy

- Capital objectives and fiscal policy (p104–106)

### Revenue

- Tax revenue (p9)
- Other revenue (p10)

### Expenses

- Functional classification tables (p39)
- Detailed expense notes (p62–71)
- SOE and Crown entities results (p147–149)
- Unappropriated expenditure (p131–137)

### Net result

- Operating statement (p38)
- Gains and losses notes (p61 and 64)
- ACC insurance liability (p64–71)
- GSF note (p98–101)