

Public Finance and Fiscal Policy

Public Sector Financial System

No public money may be spent by the government except pursuant to an appropriation by Parliament. At present there are two methods of appropriation. The first is permanent appropriation, which covers principally the payment of interest on debt and certain fixed charges of the government, and which does not require the passage of a specific Appropriation Act by Parliament. The second is by annual appropriation, which provides for most of the expenditure of the government and which does require the passage of a specific Act or Acts each year.

All borrowing by the government is undertaken under the Public Finance Act 1989, which provides that the Minister of Finance may from time to time, if it appears necessary or expedient in the public interest to do so, borrow money from any person, organisation or government, either within or outside New Zealand, on such terms and conditions as the Minister thinks fit.

Public Sector Financial Management

In 1994, the fiscal deficit in New Zealand was eliminated after 10 years of difficult political decision-making and management reform. Reform of the public sector financial management system was an integral component of this. New Zealand's public sector financial management system is now underpinned by two key pieces of legislation, the State Sector Act 1988 and the Public Finance Act 1989, which has been amended and now incorporates the provisions previously contained in the Fiscal Responsibility Act 1994.

State Sector Act 1988. This Act defines the responsibilities of chief executives of departments and their accountability to Ministers. The main objectives of the Act are to improve productivity, to ensure that managers have greater freedom and flexibility to manage effectively and, at the same time, to ensure that managers are fully accountable to the government for their performance. This has led to the formulation of performance contracts between Ministers and chief executives. These contracts specify expectations of performance and provide a basis for assessment, which may result in a combination of rewards or sanctions.

Public Finance Act 1989. The Public Finance Act 1989 provides the legislative basis for improving the quality and transparency of financial management and information. This is an essential component of the accountability arrangements established under the State Sector Act.

The driving principle behind the Public Finance Act is a move of focus from what departments consume to what they produce. Hence, budgeting and reporting is on an output basis rather than relying solely on information relating to how outputs are produced. Departments were made responsible for outputs (the goods and services they produce) while Ministers were made responsible for selecting the output mix to achieve government outcomes (desired goals).

The Act requires the Crown and all its sub-entities to report on a basis consistent with Generally Accepted Accounting Practice (GAAP). This has significantly improved the comparability and reliability of the financial information reported.

Consistent with the output focus, the Public Finance Act requires additional disclosures such as statements of intent and statements of service performance. The documents go beyond disclosure of financial information and require disclosure of objectives and service and financial management performance. In addition, the Act specifies other Crown disclosures specific to the public sector such as a statement of unappropriated expenditure and a statement of emergency expenditure or expenses or liabilities.

In addition, the Public Finance Act outlines requirements for ex ante information essential for a robust system of government budgeting. The Public Finance Act specifies a number of specific disclosures required for the Estimates (the government's Budget documentation). Also as part of ex ante information disclosure requirements, the Act requires departmental Statements of Intent and forecast financial statements, Crown Entity statements of intent and statements of corporate intent for SOEs.

From 1991, government departments and Offices of Parliament have been required to prepare financial statements consistent with GAAP. The first set of financial statements for the combined Crown (the Government of New Zealand) was produced for the six months ended 31 December 1991. The first annual set was produced for the financial year ended 30 June 1992. From 1 July 1992, the statements also included the Crown's interest in SOEs and Crown Entities. Monthly Crown Financial Statements are now published for the period from the beginning of the financial year to the end of each month from September onwards.

Since 30 June 2003, the Crown financial statements have been prepared on a fully consolidated basis incorporating line by line the total revenue and expenses of SOEs and Crown entities.

Fiscal Responsibility Provisions

The Fiscal Responsibility Act 1994 promoted consistent, good quality fiscal management. This Act has now been repealed but its provisions have largely been incorporated into Part 2 of the Public Finance Act 1989.

Part 2 of the Public Finance Act 1989 now provides the legislative framework for the conduct of fiscal policy in New Zealand. Part 2 encourages better decision-making by the government, strengthens accountability and ensures more informed public debate about fiscal policy.

Part 2 works by requiring the government to:

- follow a legislated set of principles of responsible fiscal management and publicly assess their fiscal policies against these principles. The government may temporarily depart from the principles but must do so publicly, explain why they have departed and reveal how and when they intend to conform to the principles;
- publish two fiscal responsibility documents: the Budget Policy Statement (BPS) and the Fiscal Strategy Report (FSR). These documents focus on different aspects of the government's fiscal policy. The BPS has a shorter-term focus. It sets out the over-arching policy goals that will guide the government's Budget decisions and the government's priorities for the forthcoming Budget. The FSR sets out the government's long-term fiscal strategy and explains how that strategy accords with the principles of responsible fiscal management;
- publish economic and fiscal forecasts (Economic and Fiscal Updates – EFU) twice each financial year: at the time of the Budget and again before the end of the calendar year. The Treasury is also required to publish an EFU prior to a general election. In addition, the Treasury is required to publish, at least every four years, a Statement on the Long-term Fiscal Position, looking out at least 40 years. The first such Statement was presented to Parliament in June 2006 and the second in October 2009;
- present all financial information under GAAP;
- require the Treasury to prepare forecasts based on its best professional judgement about the impact of policy, rather than relying on the judgement of the government. It also requires the Minister of Finance to communicate all of the government's policy decisions to the Treasury so that the forecasts are comprehensive; and
- refer all reports required under the Act to a parliamentary select committee.

These requirements mean that the government of the day has to be transparent about both its intentions and the short and long-term impact of its spending and taxation decisions. Such transparency is likely to lead governments to give more weight to the longer-term consequences of their decisions and is therefore likely to lead to more sustainable fiscal policy. This increases predictability about, and stability in, fiscal policy settings, which helps promote economic growth and gives people a degree of certainty about the on-going provision of government services and transfers.

Part 2 of the Public Finance Act establishes a set of principles for use as a benchmark against which the fiscal policies of the government can be judged by Parliament and its Finance and Expenditure Committee.

These principles are:

- to reduce debt to prudent levels to provide a buffer against future adverse events;
- to run operating surpluses until prudent debt levels are achieved;
- to maintain prudent debt levels by ensuring that, on average, total operating expenses do not exceed total operating revenues i.e., the government is to live within its means over time, with some scope for flexibility through the business cycle;
- to achieve and maintain levels of net worth to provide a buffer against adverse events;
- to manage the risks facing the Crown; and
- to pursue policies that are consistent with a reasonable degree of predictability about the level and stability of future tax rates.

The presumption is that the government should follow these principles, although it may depart temporarily from these principles if it wishes. The legislation requires, however, that the government specify its reasons for departure from the principles, how it expects to return to the principles, and when. This recognises the difficulty of attempting to anticipate all future events and, therefore, the need for some short-term policy flexibility, but also requires that departures are transparent and should only be temporary.

Adoption of New Reporting Standard

The government implemented the New Zealand International Financial Reporting Standard (NZIFRS) from 1 July 2007. The impacts of the adoption of NZIFRS are:

- more disclosures in financial statements;
- more volatility in financial performance as a result of greater use of fair value measurement; and
- previously off-balance-sheet items (e.g., derivatives) brought into the balance sheet.

Current Fiscal Position and 2009 Budget

The following table summarises the government's fiscal position according to GAAP in line with the provisions of Part 2 of the Public Finance Act 1989.

	Year ended 30 June					
	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Half Year Update(1)
(dollar amounts in millions)						
Statement of Financial Performance						
Core Crown tax revenue	47,468	50,973	53,477	56,747	54,681	51,248
Core Crown other revenue	3,577	4,762	4,734	5,072	4,801	5,503
Core Crown revenue	51,045	55,735	58,211	61,819	59,482	56,751
Crown entities, SOE revenue and eliminations	14,322	15,690	16,378	19,660	20,446	19,221
TOTAL CROWN REVENUE	65,367	71,425	74,589	81,479	79,928	75,972
Social security and welfare	14,682	15,598	16,768	17,877	19,382	21,155
Health	8,813	9,547	10,355	11,297	12,368	13,434
Education	7,930	9,914	9,269	9,551	11,455	11,649
Core government services	2,567	2,507	4,817	3,371	5,293	4,071
Other core Crown expenses	10,903	11,754	12,795	14,901	15,504	15,211
CORE CROWN EXPENSES	44,895	49,320	54,004	56,997	64,002	65,520
Crown entities, SOE expenses and eliminations	13,397	15,015	14,725	18,845	19,819	17,917
TOTAL CROWN EXPENSES	58,292	64,334	68,729	75,842	83,821	83,437
OBEGAL	7,075	7,091	5,860	5,637	(3,893)	(7,465)
Gains/(losses)	(1,144)	2,451	2,162	(3,253)	(6,612)	2,671
Operating balance	5,931	9,542	8,022	2,384	(10,505)	(4,794)
Statement of Financial Position						
Property, plant and equipment	67,494	89,141	95,598	103,329	110,135	114,221
Financial assets	42,005	66,396	73,718	85,063	93,359	97,497
Other assets	19,714	9,503	11,031	12,443	13,657	13,399
TOTAL ASSETS	129,212	165,040	180,347	200,835	217,151	225,117
Borrowings	37,728	40,027	41,898	46,110	61,953	73,389
Other liabilities	37,243	41,042	41,622	49,211	55,683	56,919
TOTAL LIABILITIES	74,972	81,069	83,520	95,321	117,636	130,308
NET WORTH	54,240	83,971	96,827	105,514	99,515	94,809
Fiscal Indicators						
Core Crown tax revenue	47,468	50,973	53,477	56,747	54,681	51,248
Core Crown expenses	44,895	49,320	54,004	56,997	64,002	65,520
OBEGAL	7,075	7,091	5,860	5,637	(3,893)	(7,465)
Operating balance	5,931	9,542	8,022	2,384	(10,505)	(4,794)
Net debt	19,879	16,163	13,380	10,258	17,119	27,371
Gross debt	35,478	33,903	30,647	31,390	43,356	53,651
Net worth	54,240	83,971	96,827	105,514	99,515	94,809

(1) Budget Update announced 15 December 2009.

Current Fiscal Position and 2009 Budget

	Year ended 30 June					
	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Half Year Update(1)
	(as % of GDP)					
GDP	152,014	158,629	169,135	179,227	180,210	184,466
Statement of Financial Performance						
Core Crown tax revenue	31.2%	32.1%	31.6%	31.7%	30.3%	27.8%
Core Crown other revenue	2.4%	3.0%	2.8%	2.8%	2.7%	3.0%
Core Crown revenue	33.6%	35.1%	34.4%	34.5%	33.0%	30.8%
Crown entities, SOE and elimination revenue	9.4%	9.9%	9.7%	11.0%	11.3%	10.4%
TOTAL CROWN REVENUE	43.0%	45.0%	44.1%	45.5%	44.4%	41.2%
Social security and welfare	9.7%	9.8%	9.9%	10.0%	10.8%	11.5%
Health	5.8%	6.0%	6.1%	6.3%	6.9%	7.3%
Education	5.2%	6.2%	5.5%	5.3%	6.4%	6.3%
Core government services	1.7%	1.6%	2.8%	1.9%	2.9%	2.2%
Other core Crown expenses	7.2%	7.4%	7.6%	8.3%	8.6%	8.2%
CORE CROWN EXPENSES	29.5%	31.1%	31.9%	31.8%	35.5%	35.5%
Crown entities, SOE and elimination expenses	8.8%	9.5%	8.7%	10.5%	11.0%	9.7%
TOTAL CROWN EXPENSES	38.3%	40.6%	40.6%	42.3%	46.5%	45.2%
OBEGAL	4.7%	4.5%	3.5%	3.1%	(2.2%)	(4.0%)
Gains/(losses)	(0.8%)	1.5%	1.3%	(1.8%)	(3.7%)	1.4%
Operating balance	3.9%	6.0%	4.7%	1.3%	(5.8%)	(2.6%)
Statement of Financial Position						
Property, plant and equipment	44.4%	56.2%	56.5%	57.7%	61.1%	61.9%
Financial assets	27.6%	41.9%	43.6%	47.5%	51.8%	52.9%
Other assets	13.0%	6.0%	6.5%	6.9%	7.6%	7.3%
TOTAL ASSETS	85.0%	104.0%	106.6%	112.1%	120.5%	122.0%
Borrowings	24.8%	25.2%	24.8%	25.7%	34.4%	39.8%
Other liabilities	24.5%	25.9%	24.6%	27.5%	30.9%	30.9%
TOTAL LIABILITIES	49.3%	51.1%	49.4%	53.2%	65.3%	70.6%
NET WORTH	27.8%	36.0%	53.5%	57.6%	58.6%	58.4%
Fiscal Indicators						
Core Crown tax revenue	31.2%	32.1%	31.6%	31.7%	30.3%	27.8%
Core Crown expenses	29.5%	31.1%	31.9%	31.8%	35.5%	35.5%
OBEGAL	4.7%	4.5%	3.5%	3.1%	(2.2%)	(4.0%)
Operating balance	3.9%	6.0%	4.7%	1.3%	(5.8%)	(2.6%)
Net debt	13.1%	10.2%	7.9%	5.7%	9.5%	14.8%
Gross debt	23.3%	21.4%	18.1%	17.5%	24.1%	29.1%
Net worth	35.7%	52.9%	57.2%	58.9%	55.2%	51.4%

(1) Budget Update announced 15 December 2009.

Taxation

The main taxes are the income tax and Goods and Services Tax (GST), a value-added tax. Both are applied at low rates to broad bases. This is the result of the major tax reforms undertaken since the mid-1980s. The introduction of GST in 1986 marked a significant shift in the mix of taxation from direct to indirect tax.

Personal Income Tax

All income other than capital gains is taxed. The tax rates for individuals changed on 1 October 2008 and again on 1 April 2009.

As at 1 October 2008, the effective personal tax scale applying to people who earn wage and salary income was as follows: 15% on income up to \$14,000 per annum; 21% on income between \$14,000 and \$40,000; 33% on income between \$40,000 and \$70,000 and 39% on income above \$70,000.

The new rates of applicable from 1 April 2009 are as follows: 12.5% on income up to \$14,000 per annum; 21% on income between \$14,000 and \$48,000; 33% on income between \$48,000 and \$70,000 and 38% on income above \$70,000. In addition, a new tax credit was introduced for some independent earners who are not currently entitled to government assistance.

Withholding taxes apply to wages and salaries and to interest income and dividends. Fringe benefits are taxed separately.

Tax credits based on combined family income are available to families with children.

The tax treatment of pension funds and other savings is "TTE": contributions are made from Tax-paid income, fund earnings are Taxed, and withdrawals are Exempt. Changes introduced on 1 October 2007 in conjunction with the introduction of a work-based savings scheme reduced the tax on savings. These include:

- investment income earned through a managed fund that qualifies as a Portfolio Investment Entity (PIE) is taxed at a maximum rate of 30%. PIEs are not taxed on realised gains from shares in New Zealand companies and some Australian listed companies; and
- a tax exemption for employer contributions to registered employee superannuation schemes.

Indirect Taxes

GST applies at a uniform rate of 12.5%. Financial services and housing rentals are exempt. Additional indirect taxes are applied to alcohol and tobacco products, petroleum fuels and gaming. There are also cheque and gift duties.

Company Taxes

The company tax rate is 30%. Imputation credits are attached to dividends. Inter-corporate dividends (other than from wholly-owned subsidiaries) are taxed as income. Depreciation rates for new assets are based on the economic life of the asset plus a 20% loading. There is immediate deductibility against income of forestry and mineral mining development costs, petroleum exploration expenditure and most agricultural development costs.

International Taxation

The foreign-source income of New Zealand residents is subject to tax, with certain exceptions. An income tax exemption for the active foreign income of controlled foreign companies applies for all income years beginning on or after 1 July 2009. The exemption is similar to that operating in other OECD countries. Non-active (or passive) foreign income of controlled foreign companies is taxed on accrual according to the resident controller's interest. The government intends to extend the active income exemption to non-portfolio foreign investment funds and to branches of New Zealand companies operating offshore.

Investments in the shares of foreign companies (except for some Australian listed companies) of less than 10% are taxed under the Fair Dividend Rate method. The investor is attributed income equal to 5% of the investment's opening value. Dividend income is exempt. Where an individual can show the unrealised gain on their investments is less than 5%, the investor is taxed on this lower amount.

The tax treatment of the New Zealand income of non-residents encourages inward capital flows where this is feasible. Interest payments to non-residents are subject either to non-resident withholding tax (in most cases at a 10% rate where a double tax agreement applies and 15% otherwise) or to a 2% levy. In the case of New Zealand government debt, the issuer absorbs the levy. The government is considering whether to remove the 2% levy on certain bond issues.

Dividends paid to non-residents are also subject to withholding taxes. Currently, companies paying fully imputed dividends to non-resident investors can receive a credit of part of the company tax paid, which the company then pays to the investor.

The government is currently re-negotiating its network of double tax agreements, with a view to reducing non-resident withholding tax on dividends to zero for shareholdings in excess of 80% and 5% for shareholdings of 10% or more. Prior to the entry into force of any new double tax agreements, consequential changes to limit the availability of the tax credit referred to in the previous paragraph will occur. The net effect is that the maximum combined level of company tax and withholding tax will, in most cases, continue to be 30%. It is expected to take several years to fully roll out this new policy across New Zealand's network of double tax agreements.

The government has implemented transfer pricing and thin capitalisation regimes. It has recently abolished relief for New Zealand tax on offshore income derived by New Zealand companies on behalf of non-residents as these rules had led to tax avoidance. It is considering alternative methods of providing relief.

Taxation Reform

During 2009, the Victoria University of Wellington convened a Tax Working Group to address key medium-term tax policy challenges facing New Zealand. The Working Group presented its report to the government in January 2010.

In response, the Prime Minister announced, in broad terms, the tax changes that will be developed as part of the 2010 Budget. As part of a suite of changes that is intended to be fiscally neutral, the government is looking at reducing personal tax rates, increasing GST and changing tax rules on property investment. The government has also said New Zealand needs to maintain a competitive company tax rate. The details of the tax changes will be announced in the 20 May Budget.



The Kotuku or rare white heron. *Andris Apse*

Government Enterprises

State-Owned Enterprises

In May 1986, the government announced a major programme for reform of government enterprises. The aim of the reforms was to improve the efficiency and accountability of the enterprises and reduce the government's exposure to business risk. To this end, the government restructured a large number of its departmental trading activities and established them as businesses operating on a basis as close as possible to private sector companies.

SOEs are required to operate on the basis of principles and procedures contained in the State-Owned Enterprises Act 1986. Under the Act, the boards of SOEs have complete autonomy on operational matters, such as to how resources are used, pricing and marketing of output. Competitive advantages and disadvantages, including barriers to entry, have been removed, first, so that commercial criteria provide an objective assessment of performance and, secondly, to increase efficiency. Under the Act, SOEs have no responsibility for continuing non-commercial operations and the government is required to negotiate an explicit contract if it wishes an SOE to carry out such activities.

Boards of directors drawn from the private sector have been formed to manage SOEs. Each board is required to present to the shareholding Ministers a statement of corporate intent and an outline of business objectives, defining the nature and scope of activities and performance targets. These are closely monitored and SOEs are expected to achieve performance targets and pay dividends on a basis comparable to their private sector competitors. The shareholding Ministers may determine the levels of the dividends.

The SOEs borrow in their own names and on their own credit, in most cases without a guarantee or other form of credit support from the Government. All SOEs have been informed that Government policy requires that they disclaim in loan documentation the existence of such guarantees or credit supports.

The government has stated that there will be no sales of SOEs during its first term of office (November 2008 – November 2011).

Crown Entities

Crown Entity is a collective term for bodies owned by the Crown that are not departments, Offices of Parliament or State-Owned Enterprises. Crown Entities range from Crown Research Institutes to regulatory bodies, such as the Commerce Commission and the Securities Commission. Crown Entities are required to table their annual financial statements in Parliament.

Performance of Government Enterprises

The following tables show the Government's financial interest in SOEs and Crown Entities.

Except for those entities listed below, all SOEs and significant Crown Entities have a balance date of 30 June, and the information reported in these tables is for the period ended 30 June 2009.

	Balance date	Information reported to
State-Owned Enterprises		
Asure New Zealand Limited	30 September	30 June 2009
Crown Entities		
School boards of trustees	31 December	31 December 2008
Tertiary education institutions	31 December	30 June 2009

Performance of Government Enterprises

	30 June 2009			30 June 2008		
	Revenue (excl gains)	Operating balance	Distributions to Crown	Revenue (excl gains)	Operating balance	Distributions to Crown
(dollar amounts in millions)						
State-Owned Enterprises						
AgriQuality New Zealand Limited	-	-	-	17	(5)	-
Airways Corporation of New Zealand Limited	140	5	6	139	11	6
Asure New Zealand Limited	-	-	-	10	1	2
AsureQuality Limited	137	6	3	104	5	-
Electricity Corporation of New Zealand Limited	-	-	-	1	-	-
Genesis Power Limited	1,940	(136)	36	2,545	99	29
Landcorp Farming Limited	11	10	13	8	59	12
Meridian Energy Limited	1,900	89	30	2,609	129	298
Meteorological Service of New Zealand Limited	36	4	1	35	3	-
Mighty River Power Limited	1,118	160	56	1,176	113	56
New Zealand Post Limited	2,167	72	13	1,729	110	27
New Zealand Railways Corporation	955	246	-	241	(45)	-
Solid Energy New Zealand Limited	985	111	60	555	36	-
Timberlands West Coast Limited	6	(4)	25	19	(24)	-
Transpower New Zealand Limited	701	93	-	642	76	-
Kordia Group Limited	254	(1)	-	239	1	9
Animal Control Products Limited	6	1	1	6	1	1
Learning Media Limited	24	2	-	24	(2)	-
Quotable Value New Zealand	37	2	1	41	18	5
KiwiRail Limited	158	(6)	-	-	-	-
TOTAL STATE-OWNED ENTERPRISES	10,575	654	245	10,140	586	445
Air New Zealand Limited	4,704	101	69	4,784	278	105
TOTAL SOES AND AIR NEW ZEALAND LIMITED	15,279	755	314	14,924	864	550
Intra-segmental eliminations	(377)	156	-	(327)	(141)	-
TOTAL PER STATEMENT OF SEGMENTS	14,902	911	314	14,597	723	550
Crown Entities						
Accident Compensation Corporation	4,734	(4,773)	-	4,200	(2,408)	-
Crown research institutes	675	11	10	644	21	-
District health boards (including the Crown Health Funding Agency)	10,641	(161)	-	9,896	(24)	-
Earthquake Commission	513	36	-	439	107	-
Housing New Zealand Corporation	962	(64)	2	891	18	13
Museum of New Zealand Te Papa Tongarewa	48	(10)	-	44	(14)	-
New Zealand Fire Service Commission	315	12	-	296	3	-
New Zealand Transport Agency	1,980	98	3	-	-	-
Public Trust	125	(46)	-	124	(28)	-
Schools Boards of Trustees	5,916	28	-	5,403	52	-
Tertiary Education Commission	2,795	52	49	2,642	2	-
TEIs	-	49	-	-	225	-
Transit New Zealand	-	-	-	1,206	600	-
Television New Zealand Limited	384	(1)	-	392	19	10
Other	3,137	227	4	4,925	47	2
TOTAL CROWN ENTITIES	32,225	(4,542)	68	31,102	(1,380)	25
Intra-segmental eliminations	(896)	(185)	-	(2,089)	(146)	-
TOTAL PER STATEMENT OF SEGMENTS	31,329	(4,727)	68	29,013	(1,526)	25
TOTAL FINANCIAL INTEREST IN SOES, CROWN ENTITIES AND AIR NEW ZEALAND LIMITED	46,231	(3,816)	382	43,610	(803)	575

	30 June 2009					30 June 2008	
	Purchase of PPE	Total PPE	Total assets	Total borrowings	Total liabilities	Equity	Equity
(dollar amounts in millions)							
State-Owned Enterprises							
Airways Corporation of New Zealand Limited	21	112	136	36	84	52	54
Asure New Zealand Limited	-	-	-	-	-	-	-
AsureQuality Limited	4	27	55	3	21	34	31
Electricity Corporation of New Zealand Limited	-	-	2	-	-	2	2
Genesis Power Limited	201	1,912	2,594	656	1,201	1,393	1,407
Landcorp Farming Limited	55	1,305	1,651	280	290	1,360	1,449
Meridian Energy Limited	484	6,743	7,181	1,392	2,896	4,284	4,205
Meteorological Service of New Zealand Limited	3	13	23	6	12	12	9
Mighty River Power Limited	224	3,860	4,388	803	1,766	2,622	2,256
New Zealand Post Limited	47	330	11,277	10,294	10,608	669	667
New Zealand Railways Corporation	508	13,073	13,335	457	773	12,561	11,626
Solid Energy New Zealand Limited	118	421	714	13	280	434	368
Timberlands West Coast Limited	-	-	6	-	2	4	22
Transpower New Zealand Limited	333	2,728	3,079	1,346	1,651	1,427	1,334
Kordia Group Limited	30	165	274	122	177	97	101
Animal Control Products Limited	1	2	7	-	1	5	5
Learning Media Limited	-	1	11	-	6	5	4
Quotable Value New Zealand	1	2	31	3	9	22	22
KiwiRail Limited	17	-	-	-	-	-	-
TOTAL STATE-OWNED ENTERPRISES	2,047	30,694	44,764	15,411	19,777	24,983	23,562
Air New Zealand Limited	284	2,594	5,142	1,587	3,483	1,659	1,551
TOTAL SOES AND AIR NEW ZEALAND LIMITED	2,331	33,288	49,906	16,998	23,260	26,642	25,113
Intra-segmental eliminations	-	(193)	(245)	(35)	(58)	(183)	(136)
TOTAL PER STATEMENT OF SEGMENTS	2,331	33,095	49,661	16,963	23,202	26,459	24,977
Crown Entities							
Accident Compensation Corporation	40	60	14,525	47	27,276	(12,751)	(7,977)
Crown research institutes	70	493	690	30	193	497	490
District health boards (including the Crown Health Funding Agency)	429	4,418	7,044	3,073	4,894	2,151	2,150
Earthquake Commission	4	14	5,663	-	92	5,571	5,535
Housing New Zealand Corporation	292	14,634	14,923	1,899	3,144	11,779	12,296
Museum of New Zealand Te Papa Tongarewa	12	1,006	1,034	-	10	1,024	1,024
New Zealand Fire Service Commission	51	500	557	4	78	479	471
New Zealand Transport Agency	1,232	24,085	24,728	-	429	24,299	-
Public Trust	3	8	1,094	1,099	1,110	(15)	20
Schools	118	1,339	2,472	94	740	1,732	1,668
Tertiary Education Commission	1	5	166	58	145	21	16
TEIs	-	-	7,417	-	-	7,417	7,037
Transit New Zealand	-	-	-	-	-	-	21,364
Television New Zealand Limited	12	145	328	36	111	217	201
Other	83	83	1,197	25	629	565	778
TOTAL CROWN ENTITIES	2,347	46,790	81,838	6,365	38,851	42,986	45,073
Intra-segmental eliminations	-	(237)	(1,763)	(1,426)	(1,554)	(208)	(696)
TOTAL PER STATEMENT OF SEGMENTS	2,347	46,553	80,075	4,939	37,297	42,778	44,377
TOTAL FINANCIAL INTEREST IN SOES, CROWN ENTITIES AND AIR NEW ZEALAND LIMITED	4,678	79,648	129,736	21,902	60,499	69,237	69,354



Cattle grazing on a Westland farm near Fox Glacier. *Andris Apse*



Lake Waikaremoana “Lake of the sparkling waters”, Te Urewera National Park, East Coast. *Andris Apse*



Opaea Church, built by early settlers, in the countryside near Taihape, Central North Island. *Andris Apse*