

THE PUBLIC ACCOUNTS 1979/80

The Public Accounts for the 1979/80 financial year and the Estimates of Expenditure for 1980/81 were presented to Parliament on 12th June 1980 and 3rd July 1980 respectively. The first section of this article describes the general structure of the Public Accounts, which is in the form established by the Public Finance Act 1977. This is followed by a reformulation of the Government accounting framework so as to give a table which more clearly reveals the economic impact of the Government's transactions. The remaining sections provide a description of significant developments within the Public Accounts during the fiscal year ended March 1980, and in the Estimates for the 1980/81 fiscal year.

STRUCTURE OF THE PUBLIC ACCOUNTS

The 1979/80 Public Accounts comprise six accounts:

1. The Consolidated Account and the National Roads Fund

All taxation revenue is credited to either the Consolidated Account or the National Roads Fund. The Consolidated Account also receives most miscellaneous revenues and ordinary Government expenditures including capital outlays are debited to it. A portion of highways taxation is credited to the National Roads Fund, which meets both capital and maintenance expenditure on roading. The funds available in the account are supplemented by contributions from the Consolidated Account.

The present structure of the accounts was established on 1st April 1978 when the former Consolidated Revenue Account and Works and Trading Account were merged into one account, the Consolidated Account. The New Zealand Railways and the Ministry of Energy (incorporating Electricity, the State Coal Mines, and Energy Resources), formerly part of the Works and Trading Account, are now accounts outside the Public Account.

2. Loans Account

There are two loan accounts: the Loans Account and the Loans Redemption Account. The former receives loan money raised for works and development purposes, a proportion being transferred to the Consolidated Account. Most of the balance is advanced by way of capital to the Housing Corporation, the Rural Banking and Finance Corporation, the Post Office, New Zealand Railways, the Ministry of Energy, and other State enterprises outside the Public Account. The Loans Redemption Account records all transactions relating to the repayment of loans, including the issue and redemption of Treasury bills.

3. Other Accounts

These comprise the Reserve Account to which surpluses in the Consolidated Account may be transferred from time to time for investment in New Zealand or overseas (the Minister of Finance has authority to realise such investment and re-transfer the proceeds to the Consolidated Account) and the Trust Account to which is paid money held in trust or awaiting disposal. The funds in these accounts may be invested in Government or other approved securities.

SOURCES OF DATA

The Consolidated Account, the National Roads Fund and the Loan Accounts are presented as tables in this article. Five other tables are also presented. The tables have been derived from official sources as follows: Budgets (Parliamentary paper B6), the Public Accounts (Parliamentary Paper B1 [Part I]), the Report of the Controller and Auditor-General on the Public Accounts (Parliamentary Paper B1 [Part II]), and the Reserve Bank *Bulletin* table 'Ownership of New Zealand's Internal Public Debt'. Some unpublished sources have also been used.

Discrepancies between the figures presented within the financing transactions of table A, the Summary of Public Accounts, and details in the Bulletin table 'Claims of Monetary Institutions by Sector' are due to valuation and timing differences, and differences in the definitions of the various institutional groups.

REFORMULATION OF BUDGET TABLE 2

The Public Accounts and the tables appended to the Budget, as published, are not in a form that clearly reveals the impact of Government activities on the domestic economy. This is because they are mainly designed to serve control and accountability functions, with economic information being a secondary consideration. However, it is possible to reformulate the accounts so as to make them more relevant for economic interpretation and this has been done in table A of this article.

While it is generally considered that the deficit before borrowing, as defined in the Budget table 2, is the key measure of the impact of the Government's transactions on the economy, there are two main deficiencies in this figure. First, included within miscellaneous Government receipts are entries reflecting the New Zealand dollar capital gain or loss on Reserve Bank and Treasury foreign investments due to exchange rate fluctuations. These have no direct impact on the domestic economy and thus are excluded from the domestic deficit before borrowing shown in table A. While the amounts involved have been relatively small in recent years, this has not always been the case. Secondly, the Government's current transactions overseas (for example for purchases of imports or payments of debt interest) have no monetary impact on the domestic economy. If the Government has a net deficit in expenditure overseas, this influences the level of foreign exchange reserves but does not inject extra spending power into the domestic private sector.

On adjusting the Budget table 2 deficit before borrowing for the above two factors, a domestic (adjusted) deficit before borrowing is arrived at, which is a better overall indicator of the domestic impact of the central government's sector's activities.

The remaining parts of table A in this article show the key methods by which this deficit is financed. Borrowing from domestic sources other than the Reserve Bank takes money in the economy out of circulation and therefore helps to offset the expansionary effect of the 'Domestic Budget Deficit (Adjusted) Before Borrowing', while borrowing from overseas or from the Reserve

Table A
SUMMARY OF PUBLIC ACCOUNTS¹
Table compiled by Reserve Bank

(NZ\$ million)

Years ended 31 March	1978	1979	1980	1981 (Estimated)
EXPENDITURE (Budget Table 2)				
Administration	479.2	603.4	692.6	693.8
Foreign Relations	329.0	384.7	451.5	529.1
Development of Industry	629.8	858.0	714.2	791.9
Education	807.5	929.3	1,009.3	1,230.7
Social Services	1,569.3	1,853.5	2,175.0	2,443.2
Health	808.5	980.1	1,136.2	1,327.2
Transport and Communications	247.6	279.1	265.0	344.6
Debt Services and Miscellaneous Investment Transactions	516.8	592.3	770.6	954.4
Miscellaneous Financing Transactions	281.0	368.0	372.3	406.1
Supplementary Estimates	—	—	—	250.0
Total Net Expenditure Before Debt Repayment	5,668.7	6,848.4	7,586.7	8,971.0
REVENUE (Budget Table 2)				
Taxation Receipts —				
Income Tax	3,482.8	3,655.2	4,465.6	5,400.0
Customs, Sales Tax and Beer Duty	703.0	794.6	1,013.9	1,216.0
Highways Tax	126.2	159.1	139.5	182.0
Other Taxation.. .. .	314.3	380.6	401.0	356.0
	4,626.3	4,989.5	6,020.0	7,154.0
Interest, Profits and Miscellaneous Receipts	348.0	413.0	539.8	557.0
Total Net Receipts Before Borrowing or Realisation of Securities	4,974.3	5,402.5	6,559.8	7,711.0
Budget Table 2 Deficit Before Borrowing	694.4	1,445.9	1,026.9	1,260.0
ADJUSTMENTS				
Add revenue gains (+) or losses (–) on foreign investments				
Reserve Bank ²	–10.2	–11.3	–19.5	
Treasury ²	13.1	14.4	5.9	
	2.9	3.1	–13.6	
Adjusted Deficit Before Borrowing	697.3	1,449.0	1,013.3	
Less Overseas Expenditure ³	–376.0	–489.2	–625.1	
Plus Overseas Revenue ³	39.4	29.9	35.9	
Domestic Deficit (Adjusted) Before Borrowing	360.7	989.7	424.1	
FINANCING FROM DOMESTIC SOURCES OTHER THAN THE RESERVE BANK				
Net Government Borrowing from:				
Government ⁴	0.1	319.5	–93.7	
Post Office Savings Bank	100.0	102.0	91.0	
Trading Banks	781.2	87.0	123.8	
Private and Trustee Savings Banks	–15.8	177.0	69.4	
Other Financial Institutions	100.3	149.8	194.4	
Other Holders and Residual Balance	8.8	216.9	132.8	
Total	974.6	1,052.2	517.7	
Domestic Deficit (+) or Surplus (–) financed from Reserve Bank and Overseas	–613.9	–62.5	–93.6	
OTHER FINANCING TRANSACTIONS				
Net Borrowing from Reserve Bank	–540.2	–54.6	186.2	
Net Borrowing Overseas ⁵	265.8	444.0	327.7	
Less Deficit on Governmental Overseas Current Transactions	–336.6	–459.3	–589.2	
Bookkeeping revenue gains on Valuation of Foreign Investments	2.9	3.1	–13.6	
BUDGET TABLE 2 CASH SURPLUS	5.8	–4.3	+4.7	

¹ This table has been amended to conform to the provisions of the Public Finance Act, 1977, in which the Ministry of Energy and New Zealand Railways became accounts outside the Public Account.

² Source: Budget table 4.

³ Source: Reserve Bank Overseas Exchange Transactions Statistics.

⁴ Includes net change in Government Domestic Investments. The Government Life Insurance Office and State Insurance Office are included amongst 'Other Financial Institutions'.

⁵ Includes net change in Government overseas investments.

Bank does not directly affect the domestic private sector. In recent years the level of Government borrowing from domestic sources other than the Reserve Bank had been most influenced by the current stance of monetary policy, rather than being an integral part of budgetary policy as such. The section in table A which is headed 'Financing From Domestic Sources other than the Reserve Bank' describes essentially the degree to which it had proved desirable and practicable to reinforce or offset the direction of fiscal policy by an active public debt policy. In the last two years, the Government has financed its deficit by the sale of Government securities to the private sector to a significantly greater extent than in the past, aided by the more competitive interest rates payable on Government securities.

The remaining financing transactions, which lead to reconciliation with the Budget table 2 cash surplus, are the amount borrowed by the Government from the Reserve Bank and overseas. The latter amount is, of course, closely related to the requirement to maintain foreign exchange reserves at an adequate level, which at present implies borrowing sufficient to cover the current account deficit in overseas exchange transactions. But the Government may be relieved of some of this obligation to the extent that the private sector, the Reserve Bank and public corporations outside the Public Account also undertake net overseas borrowing.

Table A shows that net Government Expenditure for the 1979/80 financial year was \$7,587 million, an increase of 10.8 per cent over the previous year, which is lower than the 20.8 per cent rise in expenditure recorded in the 1978/79 year. The increase was unevenly spread with a substantial rise in debt interest and increases of 15 — 20 per cent in several major expenditure categories being offset by falls in the development of industry and transport categories. Education expenditure rose slightly less than the average.

Table D provides a summary of works and roading expenditure for both new capital expenditure and maintenance, which are included in the total figures above. Overall expenditure in this area declined in 1979/80 to \$780.1 million, a decrease of 6.3 per cent, compared to an increase of 7.1 per cent recorded the previous financial year. Expenditure on energy developments showed a substantial fall, accounting for nearly all of the decline.

A rise of \$1157.3 million brought Government Revenue to \$6,560 million, a 21.4 per cent rise over 1978/79. This was a considerably higher rate of growth than the 8.6 per cent increase in revenue recorded in 1978/79.

The combination of a slower rate of growth in Government expenditure and a higher rate of growth of revenue resulted in the deficit before borrowing falling to \$1,026.9 million in 1979/80 from \$1,445.9 million in 1978/79. In terms of the adjusted domestic deficit before borrowing (as described above) the deficit decreased from \$989.7 million to \$424.1 million.

Tables E to I, derived from the Public Accounts and the Budget, include summaries of the main Government accounts for the 1979/80 year. Comparisons with earlier years are shown and where possible these have been adjusted to coincide with the new form of presenting the accounts established under the Public Finance Act 1977 and instituted for the first time in 1978/79. A description of the accounts and the various transactions may be found in the Report of the Controller and Auditor-General on the Public Accounts (Parliamentary Paper B1 [Pt II]).

Table B
OVERSEAS TRANSACTIONS BY THE GOVERNMENT
(NZ\$ million)

Years ended 31 March	1978	1979	1980
Borrowing Overseas	832.6	554.4	661.1
Less Repayments Overseas	424.6	267.6	324.0
	408.0	286.8	337.1
Less Purchase (plus Sales) of Overseas Securities	-142.2	+157.2	- 9.4
Net Increase (+) or Decrease (-) in Overseas Liabilities	+265.8	+444.0	327.7

Source: Budget Table 2.

Table C
SUMMARY OF MOVEMENTS IN PUBLIC DEBT¹
(NZ\$ million)

Years ended 31 March	1978	1979	1980
EXTERNAL DEBT			
Loans Raised:			
Multi-currency Credit Arrangement	121.7	103.1	50.7
United States Dollar Loans	105.5	—	—
Defence Credits	14.5	—	—
Capital Equipment Credit Arrangements	44.7	45.1	53.0
Dutch Guilder Loan	—	127.6	—
Swiss Franc Loans	304.0	179.5	216.5
Deutschmark Loans	206.7	152.8	166.9
Japanese Yen Loan	110.7	—	235.2
Increase in Debt due to changes in currency values	136.9	125.9	249.1
	1,044.7	734.0	971.4
Loans Redeemed:			
Multi-currency Credit Arrangement	261.4	162.8	—
Canadian dollar loan	—	—	6.6
Deutschmark Loans	17.6	27.0	127.0
French Franc Loans	0.5	0.5	0.9
Sterling Loans	26.4	12.8	25.6
Sterling/Deutschmark Loans	8.0	—	—
Swiss Franc Loans	41.8	—	90.6
United States Dollar Loans	9.9	5.2	5.5
Dutch Guilder Loans	12.6	13.3	7.1
Japanese yen loan	7.4	8.2	9.1
World Bank	8.1	7.7	10.2
Capital Equipment Credit Arrangements	19.3	29.9	41.4
Defence Credits	11.6	—	—
	424.6	267.4	324.0
Net Increase (+) or Decrease (-) in External Debt	+620.1	+466.6	+647.4
Plus Post Office and NZ Government Property Corporation Debt	—	6.8	—
INTERNAL DEBT			
Loans Raised	1,221.5	2,057.0	3,529.7
Loans Converted	1,389.1	439.0	303.8
	2,610.6	2,496.0	3,833.5
Loans Redeemed	647.0	1,194.7	2,650.2
Conversion Cancelled	1,389.1	439.0	303.8
Net Increase (+) or Decrease (-) in Internal Debt	+574.5	+862.3	+879.5
Net Increase (+) or Decrease (-) in Total Debt	1,194.6	1,335.7	1,526.9
OUTSTANDING			
End of Financial Year	7,483.8	8,819.5	10,346.4

¹ This table is a condensed version of the table presented in the Report of the Controller and Auditor-General on the Public Accounts (B1, Pt II).

Table A shows how the Government's deficit in 1979/80 was financed. Holdings of Government securities (including Treasury bills) by the private sector financial institutions (i.e. the financial sector excluding the Reserve Bank) rose by \$478.6 million, similar to the previous year's increase. The trading banks increased their holdings more rapidly than in 1978/79, though it should be noted that the change in their holdings is substantially affected during March by the compensatory deposits scheme. Holdings of stock by non-financial concerns and individuals did not match the strong growth of the previous year. Subsequent issues of savings stock did not attract as much interest as the first in late 1978. The issue of inflation adjusted savings bonds grew rapidly however. The Government disposed of a year end cash surplus by making a time deposit with the Reserve Bank of \$207 million. This is netted off against the change in holdings of government securities by government bodies in table A. Allowing for this, total domestic borrowing other than from the Reserve Bank was \$724.7 million, compared with \$899.6 million in 1978/79 (when adjustment is made for sales of domestic investments in 1978/79).

Overseas financing transactions of the Government are set out in table B. Net overseas borrowing excluding security transactions in 1979/80 totalled \$337.1 million compared with \$286.8 million in 1978/79. The Government also purchased \$9.4 million (net) of overseas investments. Thus the Government's net overseas liabilities increased by \$327.7 million in 1979/80. Compared with an increase of \$444.0 million in 1978/79. These figures exclude overseas borrowing by both the private sector and the Reserve Bank; nor do they include capital equipment credits, defence credits or changes in the New Zealand currency book value of the debt due to international currency realignment. These figures are however included in table C, which indicates that the external public debt rose by \$647.4 million in 1979/80, compared with \$466.6 million in 1978/79. Over the same periods the internal public debt rose by \$879.5 million and \$862.3 million respectively. Consequently the overall public debt rose by 17.3 per cent over the 1979/80 year, to total \$10,346.4 million at 31st March, 1980.

1980/81 ESTIMATES

The estimates of revenue and expenditure for 1980/81 are given in table A. Government expenditure is budgeted to rise by 18.2 per cent to \$8,971 million including provision of \$250 million for supplementary estimates later in the year; and revenue is estimated to increase by 17.5 per cent to \$7,711 million. The shortfall between them is expected to result in a deficit before borrowing of \$1,260 million, compared with an actual deficit in the previous year of \$1,026.9 million.

On the expenditure side the vote for stabilisation is well down on last year, indicating that an improved financial result from the Railways Department must be expected. Debt interest is budgeted to continue its rapid increase of recent years. Education receives a strong increase, but Social Welfare expenditure is expected to show a below average rise in the coming year. Housing construction expenditure is expected to fall as are outlays for energy development. As a proportion of Gross Domestic Product, as forecast by the New Zealand Institute of Economic Research, expenditure is expected to be 37.4 per cent, a 1 per cent rise on the previous year.

Of the revenue items, income and sales taxes are both expected to rise again strongly and provide nearly all of the net increase in revenue. The tax on petrol and other motor spirits is expected to produce sharply lower revenue. Miscellaneous receipts (mainly interest) are expected to show a modest increase.

The actual deficit before borrowing was lower in 1979/80 by \$63.1 million than the 1979 Budget estimate, reflecting a lower than budgeted rise in expenditure. The expected 1980/81 deficit is higher than that recorded in the previous year and is also likely to be higher as a proportion of estimated GDP. The effects of this deficit will depend on how closely it reflects actual expenditures and revenue and on the means by which it is financed.

Table D
WORKS PROGRAMME AND ROADING EXPENDITURE

(NZ\$ million)

Years ended 31 March	1978	1979	1980	1981 Estimated
Administration	63.4	76.1	69.1	82.3
Foreign Relations	6.8	10.0	10.3	14.4
Development of Industry:				
Forestry	11.1	10.4	10.8	13.6
Land Utilisation	8.3	9.3	11.6	15.2
Energy	264.6	295.9	249.9	234.8
Tourism	3.0	2.3	2.9	1.0
Natural Gas ¹	1.4	—	—	—
Miscellaneous	2.0	4.0	5.8	6.8
	290.4	321.9	281.0	271.4
Education	124.4	117.7	105.1	105.8
Social Services	60.0	52.1	45.8	33.4
Health	3.4	6.4	7.2	8.3
Transport and Communications:				
Railways	20.4	19.8	20.6	20.0
Roading ²	147.3	168.9	173.8	202.3
Transport	8.5	1.8	5.7	5.2
Post Office	51.6	56.9	60.5	71.8
Broadcasting	0.9	0.9	1.0	1.3
	228.7	248.3	261.6	300.6
Total	777.1	832.5	780.1	816.2

Source: Budget.

¹ From 1 April, 1978 included under Petroleum Corporation of N.Z. Ltd, which is not part of the Works Programme.² For details of National Roads Board expenditure, refer table E.

Table E
NATIONAL ROADS FUND

(NZ\$ thousands)

Years ended 31 March	1978	1979	1980
RECEIPTS:			
Motor Spirits Tax (net of refunds) ..	106,696	109,674	87,771
Mileage Tax	9,112	1,268	137
Fees	10,448	257	313
Road User Charges (net of refunds) ..	—	48,302	51,234
Total Highways Taxation	126,256	159,501	139,455
Miscellaneous (including Interest) ..	3,109	3,542	4,732
Transfer from Consolidated Account ..	10,000	14,000	24,000
Temporary Transfer from Loans Redemption Account ¹	4,000	—	—
Total Receipts	143,365	177,043	168,187
Excess of Payments over Receipts ..	1,815	—	3,027
	145,180	177,043	171,214
PAYMENTS:			
Highways Maintenance	37,191	43,691	50,892
Highways Construction	37,240	41,647	35,686
Subsidies to Local Authorities	56,858	66,619	68,790
Administration and General (including Unauthorised)	13,891	14,210	15,846
Refund of heavy traffic fees	—	367	—
Temporary Transfer from Loans Redemption Account Repaid ¹	—	4,000	—
Total Expenditure	145,180	170,534	171,214
Excess of Receipts over Expenditure ..	—	6,509	—
	145,180	177,043	171,214

Source: Public Accounts.

¹ Temporary transfer made under section 40, Public Revenues Act.

Table F
PUBLIC DEBT OF NEW ZEALAND
Securities Charged on the Public Revenues
of New Zealand and Outstanding on
31st March of each year

(NZ\$ million)

	1978	1979	1980
DOMICILED IN NEW ZEALAND			
Held by Public:	2,625	3,426	3,951
Held by State Departments and Reserve Bank:	2,412	2,474	2,828
TOTAL:	5,037	5,899	6,779
DOMICILED OVERSEAS			
Swiss Francs	658	888	1,091
Deutschmarks	665	839	991
United States Dollars	517	443	537
All Others	607	751	948
TOTAL:	2,447	2,920	3,567
Amount Outstanding	7,484	8,820	10,346

Source: Budget.

Table G
CONSOLIDATED ACCOUNT
(Continued)

(NZ\$ thousands)

Years ended 31 March	1978 ¹	1979	1980	1981 (Estimated)
EXPENDITURE:				
Permanent Appropriations —				
Debt Services —				
Interest and Management	471,314	595,219	765,624	937,000
Statutory contribution to Loans Redemption Account ..	65,000	75,000	60,000	104,000
Total Debt Services	536,314	670,219	825,624	1,041,000
Contribution to Superannuation Fund	49,382	60,448	59,511	75,032
Other ⁵	51,494	76,605	80,611	46,887
Total Permanent Appropriations	637,190	807,272	965,746	1,162,919
Annual Appropriations —				
General Administration	150,904	165,607	208,119	237,740
Law and Order	134,257	169,496	197,936	231,690
Government Services	113,045	152,470	142,927	173,015
Stabilisation	105,072	120,470	158,618	70,095
Foreign Relations	335,186	393,325	458,715	538,850
Land Use	418,979	556,443	522,314	577,540
Fuel and Power	2,562	17,993	32,143	99,814
Other Industrial Services	120,588	205,434	259,739	308,355
Education	813,887	936,671	1,019,475	1,241,475
Social Services	1,563,480	1,891,686	2,196,782	2,487,605
Health	809,731	981,050	1,137,536	1,329,505
Transport and Communications	95,980	112,660	145,220	157,977
Total Annual Appropriations	4,663,671	5,703,305	6,479,524	7,453,661
Unauthorised Expenditure	4,537	1,822	3,850	—
Exchange Differences on Overseas Transactions ⁶	—	—	16,284	—
Additional Contribution to Loans Redemption Account	100,000	—	—	—
Transfer to Loans Account	—	—	—	—
Transfer to Reserve Account	80,000	—	80,000	—
Transfer to Trust Account	—	404	—	—
Provision for Supplementary Estimates	—	—	—	235,000 ⁷
TOTAL PAYMENTS	5,485,398	6,512,803	7,545,404	8,851,580

Source: Public Accounts and Budget.

1. To maintain comparability with later years the 1978 figures combine certain items from the former Consolidated Revenue Account and Works and Trading Account.
2. Introduced 29 July 1976; revised and renamed the International Departure Tax 1 July 1979.
3. Includes \$148.1 million previously recorded in the Works and Trading Account
4. Previously recorded in the Works and Trading Account.
5. Includes Reserve Bank indemnity — compensation payment of \$11.9 million (1978), \$23.1 million (1979), and \$32.7 million (1980) for depreciation of Bank's net overseas assets exchange rate changes.
6. In 1978 and 1979 this item resulted in net gains of \$1.0 million and \$8.1 million respectively, which are included in the item 'Other Receipts — Other' in this table.
7. In addition, \$15 million has been provided for Supplementary Estimates in the Loans Account.

Table G
CONSOLIDATED ACCOUNT

(NZ\$ thousands)

Years ended 31 March	1978 ¹	1979	1980	1981 (Estimated)
RECEIPTS:				
Direct Taxation —				
Income Tax	3,482,781	3,655,179	4,465,644	5,400,000
Estate and Gift Duty..	48,713	53,079	49,695	30,000
Land Tax	8,372	9,494	10,729	10,000
Property Speculation Tax	190	90	48	—
Total Direct Taxation	3,540,056	3,717,842	4,526,116	5,440,000
Indirect Taxation —				
Customs Duty	272,825	286,099	331,622	349,000
Beer Duty	58,693	58,853	58,159	65,000
Sales Tax	371,461	449,694	624,104	802,000
Payroll Tax	3	1	—	—
Racing Duty	33,750	38,525	42,751	50,000
Stamp Duty.. .. .	30,838	33,607	39,629	47,000
Motor Spirits Duty	99,714	153,872	177,241	137,000
Mileage Tax	2,488	290	373	—
Energy Resources Levy	32,467	28,942	18,575	21,000
Motor Vehicles — Fees and Charges	42,603	45,684	45,628	48,000
Foreign Fishing Vessel Entry Tax	844	30	3	—
Foreign Travel Tax ²	13,734	15,890	15,589	13,000
Film Hire Tax	568	1,035	743	—
Total Indirect Taxation	959,987	1,112,522	1,354,417	1,532,000
Total Taxation	4,500,043	4,830,364	5,880,533	6,972,000
Interest —				
On Capital Liability —				
Electric Supply	119,573	154,918	195,968	—
Post Office	33,180	37,078	39,603	—
Housing Corporation	64,262	80,975	96,505	—
Rural Banking and Finance Corporation	38,574	54,182	72,621	—
Housing	39,790	46,030	50,554	—
Railways.. .. .	19,197	23,225	30,526	—
Other	27,413	33,550	26,551	—
On Other Public Moneys	22,589	20,337	26,721	—
Total Interest	364,577	450,295	539,049	—
Other Receipts —				
Profits and Dividends from Trading Undertakings	20,629	27,818	28,703	—
Departmental Receipts	302,046 ³	343,747	390,047	—
Transfers from other accounts	277,900 ⁴	840,000	678,000	—
Other.. .. .	22,025	25,766	30,508	—
Total Other Receipts	622,600	1,237,331	1,127,258	—
TOTAL RECEIPTS	5,487,220	6,517,986	7,546,840	—

Table H
LOANS ACCOUNT

(NZ\$ thousands)

Years Ended 31st March	1979	1980
New Zealand Loans Act 1953 —		
Securities Issued for Government Purposes		
In New Zealand ¹	618,577	1,042,935
Overseas ²	400,601	571,450
Advance Subscriptions	—	—
Loan Subscriptions unallocated	—	31,471
International Finance Agreements Act 1961		
— Non-negotiable, non-interest-bearing		
Stock and Notes issued to International		
Financial Institutions	38,289	8,512
Transfer from Loans Redemption Account ..	450,000	—
Total Receipts:	1,507,467	1,654,368
Excess of Payments over Receipts	121,645	—
	1,629,112	1,654,368
PAYMENTS		
Transfer to Consolidated Account ..	730,000	678,000
Capital Equipment purchased under credit		
arrangements	45,115	52,992
Appropriations outside the public Account:		
Electricity Supply	275,525	135,167
State Coal Mines	21,276	20,381
Geothermal	—	4,793
Housing Corporation	219,483	221,500
New Zealand Railways	63,000	31,486
Post Office	6,000	2,000
New Zealand Export-Import Corporation.	185	197
Petroleum Corporation of N.Z. Ltd ..	12,109	36,492
Shipping Corporation of N.Z. Ltd ..	4,639	—
Tasman Pulp and Paper Co. Ltd ..	3,251	—
Tourist Hotel Corporation	1,775	2,574
Rural Banking and Finance Corporation ..	182,705	208,000
International Bank of Reconstruction and		
Development	53	49
Asian Development Bank	912	913
Subscriptions under International Finance		
Agreements Act 1961:		
Non-negotiable, non-interest bearing		
notes	1,842	1,803
Encashment of Securities	835	730
Charges and expenses of raising and		
repaying loans	6,630	6,788
Security in favour of IMF	36,447	6,709
Advance subscriptions allocated	17,330	—
Transfer to Loans Redemption Account ..	—	230,000
TOTAL PAYMENTS:	1,629,112	1,640,574
Excess of Receipts Over Payments:	—	13,794
	1,629,112	1,654,368

Source: Public Accounts.

¹ Includes Inflation Adjusted Savings Bonds of \$6,265,000 in 1978, \$8,061,000 in 1979 and \$42,289,000 in 1980.² Includes capital equipment credit arrangements.

Table I
LOANS REDEMPTION ACCOUNT

(NZ\$ thousands)

Years ended 31 March	1978	1979	1980
RECEIPTS:			
From Loans Converted —			
In New Zealand ¹	1,954,482	1,594,939	2,567,928
Borrowing for Repayment of			
Loans²			
Overseas	163,465	207,484	150,834
New Zealand ³	94,900	282,500	222,600
Total from Loans and			
Conversions²	2,212,848	2,084,923	2,941,362
Transfers from within Public			
Account —			
Consolidated Account ⁴	190,112	75,000	60,000
National Roads Fund ⁵	—	4,000	—
Loans Account	—	—	230,000
Total Transfers	190,112	79,000	290,000
Other Receipts —			
Miscellaneous	124,660	102,724	150,970
Total Receipts	2,527,620	2,266,647	3,382,332
Excess of Payments over			
Receipts	—	86,603	—
	2,527,620	2,353,250	3,382,332
PAYMENTS:			
Securities Issued for Loans			
Converted —			
In New Zealand	1,389,132	438,954	303,828
Securities Redeemed —			
Overseas ⁶	425,003	267,591	323,968
In New Zealand ^{7, 8}	646,523	1,194,729	2,650,168
Charges and Expenses	455	1,976	1,410
Transfers⁹	4,000	450,000	—
Total Payments	2,465,113	2,353,250	3,279,374
Excess of Receipts over			
Payments	62,507	—	102,958
	2,527,620	2,353,250	3,382,332

Source: Public Accounts.

¹ Includes registered Treasury Bills issued.² Borrowings for capital works are shown in the Loans Account.³ Includes issues to Reserve Bank.⁴ Prior to 1 April 1978, this account consisted of the Consolidated Revenue Account (transfer of \$165,000,000 in 1978) and the Works and Trading Account (transfer of \$25,112,000 in 1978).⁵ Temporary Transfer to National Roads Fund repaid.⁶ Includes repayments under capital equipment credit arrangements.⁷ Includes Reserve Bank holdings redeemed.⁸ Includes registered Treasury Bills redeemed.⁹ Transfer of \$4.0 million to National Roads Fund in 1978. Transfer of \$450 million to Loans Account in 1979.