

## NOTES TO THE ACCOUNTS

**1. Income Tax**

Income tax is net of refunds, and advance payments to the Accident Compensation Corporation in respect of self-employed levies. Refunds to exporters in terms of the Income Tax Act 1976 were \$196,589,576 for 1984-85 and \$237,005,297 for 1983-84. Advance payments to Accident Compensation Corporation were \$19,726,972 for 1984-85 and \$22,478,625 for 1983-84.

**2. Interest on capital liability****Energy: Oil and Gas**

In previous years the interest on capital liabilities incurred by the Oil and Gas Division of the Ministry of Energy were capitalised. The Ministry of Energy has decided to repay a portion of the capitalised interest incurred by the Oil and Gas Division. The total interest that remains outstanding at 31 March 1985 for the division is \$15,498,225.

**Revolving fund**

The initial capital liability of all revolving funds is determined under section 99 of the Public Finance Act 1977.

The amount shown is the interest on the capital liability which is transferred from the Trust Account, made up as follows—

Computer Services Division	.. .. .	\$4,420,814
Government Printing Office	.. .. .	\$681,127

**3. Dividends and Profits—Post Office**

The sum of \$62,000,000 is a dividend paid by the Post Office. The comparative balance for 1983-84 (\$3,560,000) is the profit from the Post Office Savings Bank which under the Post Office Amendment Act 1985 is now no longer required to be paid to the Public Account.

**4. Miscellaneous Payments**

This item includes the following payments:

- Government guarantee for \$533,373 issued in terms of section 86 (2) of the Public Finance Act 1977 in respect of Timber Stockpile Ltd.
- Reserve Bank Indemnity for \$746,187,942.

Since 1981-82 the Bank was reimbursed from Loans Account however this financial year settlement was made by Cash from the Consolidated Account. The actual or realised loss is \$197,755,536 and the balance \$548,432,406 is the Bank's estimate of potential losses on forward currency purchases.

**5. Annual Appropriations—Vote Stabilisation**

Payments previously made from this vote are now made as follows—

- Subsidy on milk—from Vote Agriculture and Fisheries.
- Subsidy on transport of liquid petroleum gas—from Vote Energy.

**6. Ministry of Energy**

The Consolidated Account receipts and payments relate only to the non-trading activities of the Ministry. The Loans Account payments relate to the portion of the Ministry's trading activities advanced from the Public Account.

**7. Special Receipts****Auckland Harbour Bridge Authority**

The Auckland Harbour Bridge Authority was dissolved on 31 March 1984. Investments in property and securities have been acquired by the New Zealand Government and these are being administered by the Ministry of Works and Development.

The receipt for \$780,000 represents principal repayment of short term investments.

**Christmas Island Phosphate Commission**

The receipt of \$1,414,731 is the final payment received in respect of New Zealand's share of the net assets and liabilities of the Christmas Island Phosphate Commission which has now been wound up.

**Government Printing Office**

The receipt of \$11,969,881 is a transfer from the Government Printing Office Fund in the Trust Account being funds surplus to normal operational requirements at 31 March 1984.

**Effect of 18 July 1984 Devaluation on Public Account Balances**

In accordance with the particular accounting policies pertaining to Investments and to Foreign Currencies, investments of Public Account Balances were realigned to reflect the devaluation of 18 July 1984. This has resulted in an increase in investment balances of \$53,009,197 for Reserve Account investments and \$140,552,770 for other public account investments. These figures are included respectively under the items "Adjustment of value of investments consequent on changes in exchange rates" in the Reserve Account, and "Adjustment of balances consequent on changes in exchange rates" in the Consolidated Account.

**Notional Tax Payments**

The receipt of \$100,440,000 is a payment to the Consolidated Account in lieu of income tax from—

Government Printing Office	.. .. .	\$1,440,000
Post Office	.. .. .	\$99,000,000

**Rural Banking and Finance Corporation**

The repayment is in respect of an overclaim of concessions on interest for general lending in 1983-84.

**8. Discount on Government Stock**

This discount is the difference between the purchase price and the nominal value of Government stock purchased from the Reserve Bank of New Zealand. The nominal value of the stock is included in the Loans Redemption Account under loans repaid in New Zealand.

**9. Suspense Account**

As set out in the General Accounting Policy pertaining to recognition of receipts and payments the Suspense Account contains moneys received but not yet allocated to a particular fund or account.

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2 May 1985

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2 May 1985