

Annex A: Tax Revenue Tables

Table A.1 – Treasury and Inland Revenue forecasts of tax revenue

(\$ million)	2000/01	2001/02		2002/03		2003/04		2004/05		2005/06	
	Actual	Forecast		Forecast		Forecast		Forecast		Forecast	
	Treasury	IRD	Treasury	IRD	Treasury	IRD	Treasury	IRD	Treasury	IRD	IRD
CURRENT PRESENTATION	This is the same format under which tax forecasts were presented in the <i>December Update</i>										
Direct Tax											
Individuals											
Source deductions	13,703	14,602	14,618	15,298	15,289	16,133	16,110	17,029	17,005	17,865	17,856
Other persons tax	3,871	3,989	3,955	4,140	4,094	4,267	4,180	4,376	4,325	4,473	4,530
Refunds	(790)	(814)	(755)	(771)	(705)	(762)	(705)	(754)	(700)	(779)	(705)
Fringe benefit tax	342	356	360	381	378	385	374	390	379	395	382
Subtotal: Individuals	17,126	18,133	18,178	19,048	19,056	20,023	19,959	21,041	21,009	21,954	22,063
Company Tax (net)	4,831	4,524	4,530	4,810	4,777	5,282	5,148	5,579	5,397	5,645	5,530
Withholding taxes on:											
Resident interest income	990	986	978	1,026	994	1,039	1,036	1,038	1,058	1,038	1,086
Non-resident income	760	657	670	640	647	692	688	716	720	737	734
Resident dividend income	71	27	20	49	45	45	45	46	45	47	45
Foreign-source dividends	83	149	143	122	120	56	80	56	80	56	80
Subtotal: Withholding Tax	1,904	1,819	1,811	1,837	1,806	1,832	1,849	1,856	1,903	1,878	1,945
Total Income Tax	23,861	24,476	24,519	25,695	25,639	27,137	26,956	28,476	28,309	29,477	29,538
Other Direct Tax											
Estate and gift duties	2	2	2	2	2	2	2	2	2	2	2
Total Direct Tax	23,863	24,478	24,521	25,697	25,641	27,139	26,958	28,478	28,311	29,479	29,540
Indirect Tax											
GST											
GST (Customs)	4,099	4,149	4,150	4,301	4,265	4,587	4,525	4,757	4,680	4,909	4,835
GST (IRD)	5,027	5,817	5,760	6,053	5,914	6,200	6,133	6,530	6,447	6,905	6,771
Subtotal: GST	9,126	9,966	9,910	10,354	10,179	10,787	10,658	11,287	11,127	11,814	11,606
Excise duties on:											
Alcoholic drinks	436	451	447	452	457	462	462	469	468	475	473
Tobacco products	764	818	815	807	811	808	812	806	813	802	813
Petroleum fuels	810	846	855	938	940	943	947	949	955	957	963
Subtotal: Excise Duties	2,010	2,115	2,117	2,197	2,208	2,213	2,221	2,224	2,236	2,234	2,249
Other Indirect Tax											
Customs duty	648	657	650	680	659	697	701	708	729	719	754
Road user charges	532	570	568	602	613	623	637	646	661	672	684
Motor vehicle fees	181	181	187	182	179	184	182	185	185	186	187
Stamp and cheque duties	61	61	60	62	62	65	65	68	68	71	71
Gaming duties	206	242	242	266	266	279	285	292	300	304	317
Energy resources levy	111	107	110	101	105	97	105	93	105	91	105
Other	..	..	..	..	..	..	..	..	..	..	..
Subtotal: Other Indirect Tax	1,739	1,818	1,817	1,893	1,884	1,945	1,975	1,992	2,048	2,043	2,118
Total Indirect Tax	12,875	13,899	13,844	14,444	14,271	14,945	14,854	15,503	15,411	16,091	15,973
Total Tax	36,738	38,377	38,365	40,141	39,912	42,084	41,812	43,981	43,722	45,570	45,513
Tax-to-GDP	32.2%	31.9%	31.9%	32.1%	31.9%	32.1%	31.8%	32.1%	31.9%	31.9%	31.8%
Eliminations	The above figures are net of the following eliminations										
Income tax from NZSF	..	..	..	23	23	52	52	93	93	140	140
GST on departmental outputs	759	771	771	799	799	798	798	796	796	798	798
FUTURE PRESENTATION OF CORE CROWN											
Eliminations	GST on Crown expenses and income tax paid by GSF are further eliminated from the above to arrive at the future Core Crown format										
GST on Crown expenses & tax from GSF	1,743	1,947	1,947	2,037	2,037	2,214	2,214	2,280	2,280	2,382	2,382
Total Tax	34,995	36,430	36,418	38,104	37,875	39,870	39,598	41,701	41,442	43,188	43,131
Tax-to-GDP	30.7%	30.3%	30.3%	30.5%	30.3%	30.4%	30.2%	30.4%	30.2%	30.2%	30.2%
FUTURE PRESENTATION OF TOTAL CROWN											
Eliminations	Income tax paid by SOEs and CEs is further eliminated from Core Crown to arrive at the Total Crown position										
Income tax from SOEs and CEs	251	225	225	202	202	340	340	366	366	417	417
Total Tax	34,744	36,205	36,193	37,902	37,673	39,530	39,258	41,335	41,076	42,771	42,714
Tax-to-GDP	30.4%	30.1%	30.1%	30.3%	30.1%	30.1%	29.9%	30.1%	29.9%	29.9%	29.9%
GDP	114,145	120,309	120,309	124,964	124,964	131,293	131,293	137,201	137,201	143,026	143,026

Sources: Inland Revenue, The Treasury

Table A.2 – Treasury and Inland Revenue forecasts of tax receipts (cash)

(\$ million)	2000/01	2001/02		2002/03		2003/04		2004/05		2005/06	
	Actual	Forecast		Forecast		Forecast		Forecast		Forecast	
		Treasury	IRD	Treasury	IRD	Treasury	IRD	Treasury	IRD	Treasury	IRD
CURRENT PRESENTATION	This is the same format under which tax forecasts were presented in the <i>December Update</i>										
Direct Tax											
Individuals											
Source deductions	13,748	14,602	14,618	15,298	15,289	16,133	16,110	17,029	17,005	17,865	17,856
Other persons tax	4,221	4,385	4,390	4,516	4,519	4,638	4,595	4,743	4,735	4,853	4,925
Refunds	(1,175)	(1,210)	(1,190)	(1,146)	(1,130)	(1,133)	(1,120)	(1,121)	(1,110)	(1,159)	(1,100)
Fringe benefit tax	338	344	345	380	377	384	373	389	378	394	382
Subtotal: Individuals	17,132	18,121	18,163	19,048	19,055	20,022	19,958	21,040	21,008	21,953	22,063
Company Tax (net)	4,592	4,646	4,650	4,751	4,777	5,252	5,148	5,535	5,397	5,644	5,530
Withholding taxes on:											
Resident interest income	971	986	976	1,026	992	1,039	1,036	1,038	1,057	1,038	1,085
Non-resident income	738	634	625	638	647	692	688	716	720	737	734
Resident dividend income	72	27	20	49	45	45	45	46	45	47	45
Foreign-source dividends	98	149	143	122	120	56	80	56	80	56	80
Subtotal: Withholding Tax	1,879	1,796	1,764	1,835	1,804	1,832	1,849	1,856	1,902	1,878	1,944
Total Income Tax	23,603	24,563	24,577	25,634	25,636	27,106	26,955	28,431	28,307	29,475	29,537
Other Direct Tax											
Estate and gift duties	2	2	2	2	2	2	2	2	2	2	2
Total Direct Tax	23,605	24,565	24,579	25,636	25,638	27,108	26,957	28,433	28,309	29,477	29,539
Indirect Tax											
GST											
GST (Customs)	4,063	4,182	4,150	4,301	4,265	4,587	4,525	4,757	4,680	4,909	4,835
GST (IRD)	4,884	5,784	5,760	6,053	5,914	6,200	6,133	6,530	6,447	6,905	6,771
Subtotal: GST	8,947	9,966	9,910	10,354	10,179	10,787	10,658	11,287	11,127	11,814	11,606
Excise duties on:											
Alcoholic drinks	430	446	447	452	457	462	462	469	468	475	473
Tobacco products	735	803	805	807	811	808	812	806	813	802	813
Petroleum fuels	820	851	850	938	940	943	947	949	955	957	963
Subtotal: Excise Duties	1,985	2,100	2,102	2,197	2,208	2,213	2,221	2,224	2,236	2,234	2,249
Other Indirect Tax											
Customs duty	628	657	645	680	659	697	701	708	729	719	754
Road user charges	532	565	568	600	613	621	637	646	661	672	684
Motor vehicle fees	174	176	177	182	179	184	182	185	185	191	187
Stamp and cheque duties	63	61	60	62	62	65	65	68	68	71	71
Gaming duties	205	242	242	266	266	279	285	292	300	304	317
Energy resources levy	110	107	110	101	105	97	105	93	105	91	105
Other	1	..	..	..	..	..	..	..	..	..	..
Subtotal: Other Indirect Tax	1,713	1,808	1,802	1,891	1,884	1,943	1,975	1,992	2,048	2,048	2,118
Total Indirect Tax	12,645	13,874	13,814	14,442	14,271	14,943	14,854	15,503	15,411	16,096	15,973
Total Tax	36,250	38,439	38,393	40,078	39,909	42,051	41,811	43,936	43,720	45,573	45,512
Tax-to-GDP	31.8%	32.0%	31.9%	32.1%	31.9%	32.0%	31.8%	32.0%	31.9%	31.9%	31.8%
Eliminations	The above figures are net of the following eliminations										
Income tax from NZSF	..	..	..	23	23	52	52	93	93	140	140
GST on departmental outputs	759	771	771	799	799	798	798	796	796	798	798
FUTURE PRESENTATION OF CORE CROWN											
Eliminations	GST on Crown expenses and income tax paid by GSF are further eliminated from the above to arrive at the future Core Crown format										
GST on Crown expenses & tax from GSF	1,743	1,947	1,947	2,037	2,037	2,214	2,214	2,280	2,280	2,382	2,382
Total Tax	34,507	36,492	36,446	38,041	37,872	39,837	39,597	41,656	41,440	43,191	43,130
Tax-to-GDP	30.2%	30.3%	30.3%	30.4%	30.3%	30.3%	30.2%	30.4%	30.2%	30.2%	30.2%
FUTURE PRESENTATION OF TOTAL CROWN											
Eliminations	Income tax paid by SOEs and CEs is further eliminated from Core Crown to arrive at the Total Crown position										
Income tax from SOEs and CEs	251	174	174	195	195	331	331	357	357	412	412
Total Tax	34,256	36,318	36,272	37,846	37,677	39,506	39,266	41,299	41,083	42,779	42,718
Tax-to-GDP	30.0%	30.2%	30.1%	30.3%	30.2%	30.1%	29.9%	30.1%	29.9%	29.9%	29.9%

Sources: Inland Revenue, The Treasury

Annex B: Expense Tables

The expense tables are based on the current presentation of the Crown forecasts. At the bottom of each table is the adjustment required to reconcile to core Crown as reported under the future presentation (ie, line-by-line consolidation).

Table B.1 – Expenses by category

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Social security and welfare	13,216	13,615	13,936	14,407	14,805	15,273
GSF Pension expense	855	339	671	680	680	719
Health	7,342	7,733	8,370	8,873	9,347	9,475
Education	6,690	7,150	7,494	7,674	7,747	7,850
Core government services	1,817	1,611	1,641	1,616	1,628	1,658
Law and order	1,560	1,771	1,734	1,737	1,734	1,727
Defence	1,267	1,188	1,166	1,208	1,159	1,146
Transport and communications	1,026	1,156	1,238	1,300	1,324	1,335
Economic and industrial services	1,141	1,187	1,275	1,268	1,261	1,272
Primary services	287	327	343	330	326	323
Heritage, culture and recreation	424	500	533	558	584	595
Housing and community	50	95	103	99	91	91
Other	75	109	114	110	110	110
Finance costs	2,483	2,303	2,339	2,425	2,501	2,572
Net foreign exchange (gains)/losses	(47)	64	..	..	..	..
Forecast for future new spending	..	..	230	700	1,180	2,080
Total Expenses (current presentation)	38,186	39,148	41,187	42,985	44,477	46,226
Less						
Foreign exchange gains/(losses)	47	(64)	..	..	..	..
Unfunded GSF liability revaluation	(164)	368	..	..	..	..
NPF revaluation	(253)	..	..	..	..	..
Adjusted Total Expenses	37,816	39,452	41,187	42,985	44,477	46,226
Core Crown Expenses (future presentation)						
Less GST on Crown spending	(1,661)	(1,863)	(1,956)	(2,135)	(2,201)	(2,302)
Plus GSF expenses	257	257	257	257	257	257
Other Eliminations	(94)	(40)	66	66	66	66
Core Crown Expenses	36,688	37,502	39,554	41,173	42,599	44,247

Source: The Treasury

Table B.2 – Social security and welfare

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Welfare benefits	12,385	12,685	12,991	13,474	13,877	14,342
Social rehabilitation & compensation	62	91	103	106	108	110
Departmental expenses	618	669	656	635	634	633
Other non-departmental expenses	151	170	186	192	186	188
Total Social Security and Welfare	13,216	13,615	13,936	14,407	14,805	15,273
<i>Less GST on Crown Spending</i>	9	1	1	1	1	1
Core Crown Social Security and Welfare (excluding GSF)	13,207	13,614	13,935	14,406	14,804	15,272

Source: The Treasury

Table B.3 – New Zealand superannuation and welfare benefits

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
New Zealand Superannuation	5,273	5,457	5,645	5,888	6,112	6,399
Domestic Purposes Benefit	1,444	1,486	1,521	1,570	1,599	1,631
Unemployment Benefit	..	1,406	1,364	1,419	1,451	1,468
Community Wage	1,849	..	..	..	..	..
Accommodation Supplement	795	723	744	784	820	856
Invalids Benefit	745	835	912	995	1,060	1,124
Sickness Benefit	..	382	409	433	448	462
Disability Allowance	210	223	235	247	259	273
Transitional Retirement Benefit	127	97	50	10	..	..
Income Related Rents	161	276	286	296	305	314
Family Support	878	870	870	872	874	876
Child Tax Credit	161	159	159	159	160	160
Special Benefit	40	50	59	63	65	66
Benefits paid in Australia	171	161	126	111	101	90
Paid Parental Leave	..	..	41	44	45	46
Other benefits	531	560	570	583	578	577
Total Welfare Benefits	12,385	12,685	12,991	13,474	13,877	14,342

Source: The Treasury

Table B.4 – Beneficiary numbers

(Thousands)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
New Zealand Superannuation	449	448	454	462	472	484
Domestic Purposes Benefit	110	110	110	111	112	112
Unemployment Benefit	..	141	134	136	137	136
Community Wage	189	..	..	..	..	..
Accommodation Supplement	297	270	267	273	279	284
Invalids Benefit	58	62	67	71	74	77
Sickness Benefit	..	35	37	38	39	39

Source: The Treasury

Table B.5 – GSF pension expense

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Pension expenses	691	707	671	680	680	719
Revaluation of Unfunded Liability	164	(368)	..	..	..	..
Total GSF pension expense	855	339	671	680	680	719
<i>Additional Pension Expenses (offset by revenue)</i>	257	257	257	257	257	257
Core Crown GSF	1,112	596	928	937	937	976

Source: The Treasury

Table B.6 – Health

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Departmental outputs	116	139	150	135	134	133
Health service purchasing	6,807	7,011	7,639	8,100	8,608	8,716
Other non-departmental outputs	101	73	102	142	93	96
Health payments to ACC	291	478	457	478	502	519
Other expenses	27	32	22	18	10	11
Total Health Expenses	7,342	7,733	8,370	8,873	9,347	9,475
<i>Less GST on Crown Spending</i>	778	801	862	923	973	974
<i>Plus Other Eliminations</i>	96	87	87	87	87	87
Core Crown Health Expenses	6,660	7,019	7,595	8,037	8,461	8,588

Source: The Treasury

Table B.7 – Health service purchasing

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Personal health services:						
Northern	1,671	..	..	..	..	..
Midland	997	..	..	..	..	..
Central	1,174	..	..	..	..	..
Southern	1,097	..	..	..	..	..
Total Personal Health	4,939	..	..	..	..	..
Disability support services						
Northern	557	..	..	..	..	..
Midland	332	..	..	..	..	..
Central	428	..	..	..	..	..
Southern	426	..	..	..	..	..
Total Disability Support	1,743	..	..	..	..	..
Payments to District Health Boards	..	5,460	5,843	6,080	6,300	6,408
National Disability Support Services	..	1,345	1,422	1,466	1,530	1,530
Public Health Service Purchasing	125	206	374	554	778	778
Total Health Servicing Purchasing	6,807	7,011	7,639	8,100	8,608	8,716

Source: The Treasury

Table B.8 – Health-related payments to ACC

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Petrol excise	67	69	69	70	71	71
Medical treatment	224	409	388	408	431	448
Total Health related payments	291	478	457	478	502	519

Source: The Treasury

Table B.9 – Education

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Early childhood education	331	362	387	393	395	398
Primary and secondary schools	3,505	3,642	3,653	3,698	3,700	3,712
Tertiary funding	2,133	2,397	2,592	2,705	2,805	2,891
Departmental expenses	419	476	556	568	565	566
Other education expenses	302	273	306	310	282	283
Total Education Expenses	6,690	7,150	7,494	7,674	7,747	7,850
<i>Less GST on Crown Spending</i>	<i>554</i>	<i>651</i>	<i>677</i>	<i>692</i>	<i>695</i>	<i>702</i>
Core Crown Education	6,136	6,499	6,817	6,982	7,052	7,148

Source: The Treasury

Table B.10 – Primary and secondary education

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Primary	1,780	1,845	1,877	1,904	1,890	1,884
Secondary	1,333	1,301	1,303	1,333	1,354	1,371
School transport	106	109	112	112	113	114
Special needs support	286	284	247	235	235	236
Professional Development	..	87	97	97	91	90
Schooling Improvement		16	17	17	17	17
Total Schools Funding	3,505	3,642	3,653	3,698	3,700	3,712
Places (year)	2001	2002	2003	2004	2005	2006
Primary	463,000	465,000	464,000	459,000	458,000	455,000
Secondary	251,000	256,000	264,000	272,000	278,000	280,000

Sources: Ministry of Education, The Treasury

Table B.11 – Tertiary education

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Tuition	1,362	1,550	1,672	1,725	1,788	1,831
Other tertiary funding	153	183	220	233	234	234
Total Tertiary Education and Training	1,515	1,733	1,892	1,958	2,022	2,065
Tertiary student allowances	391	411	441	458	473	490
Student loan provision and write-offs	227	253	259	289	310	336
Total Tertiary Funding	2,133	2,397	2,592	2,705	2,805	2,891
Places (year)	2001	2002	2003	2004	2005	2006
EFT Students	192,000	213,000	223,000	230,000	236,000	242,000

Sources: Ministry of Education, The Treasury

Table B.12 – Core government services

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Official development assistance	226	223	230	227	226	226
Indemnity and guarantee expenses	253	..	..	..	..	..
Departmental expenses	901	938	1,006	986	984	1,017
Science expenses	247	244	261	275	281	296
Other expenses	190	206	144	128	137	119
Total Core Government Services	1,817	1,611	1,641	1,616	1,628	1,658
<i>Less GST on Crown Spending</i>	19	64	45	41	37	36
Core Crown Core Government Services	1,798	1,547	1,596	1,575	1,591	1,622

Source: The Treasury

Table B.13 – Law and order

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Departmental expenses:						
Police	724	765	795	796	797	797
Ministry of Justice	13	15	15	15	15	15
Department of Corrections	369	416	402	406	402	395
Department for Courts	181	190	200	198	201	204
Other departments	67	70	75	76	76	76
Total Departments	1,354	1,456	1,487	1,491	1,491	1,487
Non-departmental outputs	177	205	203	195	207	204
Other expenses	29	110	44	51	36	36
Total Law and Order Expenses	1,560	1,771	1,734	1,737	1,734	1,727
<i>Less GST on Crown Spending</i>	19	6	6	6	6	6
Core Crown Law and Order	1,541	1,765	1,728	1,731	1,728	1,721

Source: The Treasury

Table B.14 – Defence

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
NZDF Core expenses	1,058	1,072	1,103	1,108	1,107	1,107
NZDF write-offs	104	..	..	..	..	..
NZDF East Timor deployment	22	20	..	..	..	..
DWI East Timor deployment	22	23	9	..	..	..
Other departments	36	38	42	42	39	39
GST on defence acquisitions	25	35	12	58	13	..
Total Defence Expenses	1,267	1,188	1,166	1,208	1,159	1,146
<i>Less GST on Crown Spending</i>	25	36	12	59	13	..
Core Crown Defence	1,242	1,152	1,154	1,149	1,146	1,146

Source: The Treasury

Table B.15 – Transport and communications

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Transfund	890	1,012	1,096	1,158	1,181	1,192
Departmental outputs	75	80	83	83	83	83
Other non-departmental expenses	52	56	54	54	54	54
Other expenses	9	8	5	5	6	6
Total Transport and Communications	1,026	1,156	1,238	1,300	1,324	1,335
<i>Less GST on Crown Spending</i>	<i>121</i>	<i>129</i>	<i>142</i>	<i>145</i>	<i>149</i>	<i>153</i>
Core Crown Transport	905	1,027	1,096	1,155	1,175	1,182

Source: The Treasury

Table B.16 – Economic and industrial

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Departmental outputs	422	420	445	437	432	431
Employment initiatives	204	221	241	244	241	244
Non-departmental outputs	423	424	432	441	445	456
Other expenses	92	122	157	146	143	141
Total Economic and Industrial Services	1,141	1,187	1,275	1,268	1,261	1,272
<i>Less GST on Crown Spending</i>	<i>104</i>	<i>142</i>	<i>147</i>	<i>150</i>	<i>154</i>	<i>157</i>
Core Crown Economic and Industrial Services	1,037	1,045	1,128	1,118	1,107	1,115

Source: The Treasury

Table B.17 – Employment initiatives

(\$ million)	2000/01 Actual	2001/02 Forecast	2002/03 Forecast	2003/04 Forecast	2004/05 Forecast	2005/06 Forecast
Training benefit (including tax)	..	..	..	..	..	..
Training incentive allowance	36	45	43	43	43	43
Community employment projects	17	22	22	19	19	19
Subsidised work	95	94	112	119	109	109
Employment support for disabled	53	58	61	61	68	70
Other employment assistance schemes	3	2	3	2	2	3
Total Employment Initiative Expenses	204	221	241	244	241	244

Source: The Treasury

Table B.18 – Primary services

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Departmental expenses	194	214	226	224	220	219
Non-departmental outputs	69	95	96	97	98	97
Other expenses	24	18	21	9	8	7
Total Primary Services Expenses	287	327	343	330	326	323
<i>Less GST on Crown Spending</i>	8	12	13	12	12	11
Core Crown Primary Services	279	315	330	318	314	312

Source: The Treasury

Table B.19 – Heritage, culture and recreation

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Community grants	18	6	6	6	6	6
Departmental outputs	206	219	253	249	253	255
Non-departmental outputs	181	173	194	206	205	204
Other expenses	19	102	80	97	120	130
Total Heritage, Culture and Recreation	424	500	533	558	584	595
<i>Less GST on Crown Spending</i>	24	21	25	28	30	31
Core Crown Heritage, Culture and Recreation	400	479	508	530	554	564

Source: The Treasury

Table B.20 – Housing and community development

(\$ million)	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Housing subsidies	..	22	26	26	21	22
Departmental outputs	35	52	55	53	52	52
Other non-departmental expenses	15	21	22	20	18	17
Core Crown Housing and Community Development	50	95	103	99	91	91

Source: The Treasury

Glossary of Terms

ACC unfunded liability

The future cost of past ACC claims, less the asset reserves held to meet these claims. The ACC outstanding claims liability is the gross liability of the future cost of past ACC claims.

Baselines

The level of funding approved for any given spending area (eg, Education). All amounts within baselines are included in the forecasts.

Capital provision (or forecast for future new capital spending)

An amount provided in the forecasts to represent the balance sheet impact of capital initiatives expected to be introduced over the forecast period.

Contingent liability

Contingent liabilities are costs which the Crown will have to face if a particular event occurs. Typically, contingent liabilities consist of guarantees and indemnities, legal disputes and claims, and uncalled capital.

Core Crown

Under the future presentation of the Crown accounts, the core Crown represents the revenues, expenses, assets and liabilities of departments, the Reserve Bank and the GSF.

Corporate tax

The sum of net company tax, non-resident withholding tax (NRWT) and foreign dividend withholding payments (FDWP).

Current account

A measure of the flows of income between New Zealand and the rest of the world. A net inflow to New Zealand is a current account surplus, while a net outflow is a deficit. The current account balance is usually expressed as a percentage of GDP (see below), rather than a dollar amount.

Customs duty

Duty levied on the imports of certain goods.

Cyclically adjusted or structural fiscal balance

An estimate of the operating balance adjusted for short-term fluctuations of actual GDP around the productive potential of the economy. The estimate provides a picture of the underlying trend fiscal position and an indication of the effects of policy decisions. Because it is based on a number of assumptions and is sensitive to new information, the estimate is subject to some uncertainty. Trends in the cyclically adjusted balance are, however, more reliable.

Demographic changes

Changes to structure of the population, for example the age, sex or ethnic make-up of the population.

Domestic bond programme

The amount of new government stock (taking into account the repayment of maturing government stock) expected to be issued over the financial year to fund the Government's cash flow requirements.

Excise duties

Tax levied on the domestic production of alcohol, tobacco and light petroleum products (CNG, LPG and petrol).

Financial assets

Either cash or shares (equity) or a right to receive a financial instrument, which can be converted to cash (see net Crown debt).

Fiscal allowance

The amount included in the *Fiscal Strategy Report and Budget Policy Statement* projections for Government decisions on new spending and cost pressures.

Fiscal provisions

A system used by the Government to record the cost of policy decisions. The framework distinguishes situations where the Government is able to control the cost from those that are beyond immediate control (eg, tax forecasts). The fiscal provision is used to measure the aggregate cost of policy initiatives against the limits for operating and capital policies (which are referred to as the provision for future initiatives and capital provision). This is to be revised in the new parliamentary term.

Forecast for future new spending

An amount included in the forecasts to provide for the operating balance impact of policy initiatives and changes to demographics expected to occur over the forecast period. This represents the forecast for future new spending not yet allocated to initiatives for example.

Fringe benefit tax (FBT)

Tax levied on non-cash benefits provided to employees as part of remuneration packages.

Gross Crown debt

Total borrowings (financial liabilities).

Gross domestic product (GDP)

A measure of the value of all goods and services produced in New Zealand; changes in GDP measure growth in economic activity or output. GDP can be measured as the actual dollar value of goods and services measured at today's prices (nominal GDP), or excluding the effects of price changes over time (real GDP).

Gross domestic product (expenditure)

This is the sum of total final expenditures on goods and services in the economy.

Gross national expenditure (GNE)

Measures total expenditure on goods and services by New Zealand residents.

Labour productivity

Measures output per input of labour (where labour inputs might be measured as hours worked or people).

Line-by-line consolidation

This is a term used to refer to the change required to the presentation of the Crown financial statements. It means that the revenues, expenses, assets and liabilities of all departments, the Reserve Bank, SOEs and Crown entities will be included in the Crown financial statements.

Marketable securities and deposits

Assets held with financial institutions. These assets are held for both cash flow and investment purposes, and include any funds the Government has invested in the International Monetary Fund.

Monetary conditions

The combination of short-term interest rates and the exchange rate. Tightening monetary conditions refers to actions taken by the Reserve Bank to raise interest rates (which also influences the exchange rate) in order to moderate demand pressures to reduce inflationary pressures.

Monetary policy

Action taken by the Reserve Bank to affect interest rates and the exchange rate in order to control inflation.

Net Crown debt

Borrowings (financial liabilities) less cash and bank balances, marketable securities and deposits, and advances (financial assets). Net debt excludes the assets of the NZS Fund.

Net worth

Assets less liabilities (also referred to as Crown balance).

Objectives (long-term)

The Government's long-term goals for operating expenses, operating revenue, the operating balance, debt and net worth, as required by the Fiscal Responsibility Act 1994. The objectives must be consistent with the principles of responsible fiscal management outlined in the Act.

Operating balance

The operating balance is the residual of revenues less expenses plus surpluses from state-owned enterprises and Crown entities. It is the Government's profit or loss.

Operating balance excluding revaluation and accounting policy changes (OBERAC)

The OBERAC is the operating balance adjusted for revaluation movements and accounting policy changes. It provides a measure of underlying stewardship.

Participation rate

Measures the percentage of the working age population in work or actively looking for work.

Projections

Tracks of the key fiscal indicators for a further five years beyond the five-year forecast period. The tracks are based on long-run economic assumptions and current fiscal policy settings. For example, the projections assume no economic cycle with constant long-run interest rate, inflation rate and unemployment assumptions.

Provisional tax

A thrice-yearly payment of tax on income that has not been taxed, or been under-taxed, at source (relates only to company tax and other persons' tax).

Scenarios

Tracks of the key fiscal indicators based on long-run economic and fiscal assumptions. For example growth in expense categories reflects the sum of the change in the appropriate population cohort, inflation and a real growth factor (to reflect rising real wages and technology costs).

Short-term intentions

In the *Budget Policy Statement* the Government must, under the Fiscal Responsibility Act 1994, indicate explicitly its planned track for operating expenses, operating revenues, the operating balance, debt and net worth over the Government's planning horizon (defined as the two financial years following the current financial year).

Source deductions

Tax withheld on wages, salaries, social welfare benefits, bonuses, lump-sum payments and superannuation fund contributions. About 80% of source deductions come from PAYE on wages and salaries. Source deductions is the biggest single tax type.

Specific fiscal risks

These are a category of Government decisions or circumstances which may have a material impact on the fiscal position (excluding contingent liabilities). They are not included in the main forecasts because their fiscal impact cannot be reasonably quantified, the likelihood of realisation is uncertain and/or the timing is uncertain.

Stock change

The change in the value of stocks (raw materials, work in progress, and finished goods) during a given period.

System of National Accounts (SNA)

SNA is a comprehensive, consistent and flexible set of macroeconomic accounts to meet the needs of government and private sector analysts, policy-makers, and decision-takers. See www.imf.org for further information.

Tax revenue

The accrual, rather than the cash ("tax receipts") measure of taxation. It is a measure of tax due, regardless of whether or not it has actually been paid.

Trade weighted index (TWI)

A measure of movements in the New Zealand dollar against the currencies of our major trading partners. The currencies comprise the US dollar, the Australian dollar, the Japanese yen, the euro and the UK pound.

Unit labour costs

The wages and other costs associated with employment per unit of output.

Year ended

Graphs and tables use different expressions of the timeframe. For example, 2000/01 or 2001 will generally mean “year ended 30 June” unless otherwise stated.