

System of National Account Series (SNA) Series Tables

Introduction to the System of National Accounts (SNA) Series

The World Bank's System of National Accounts (SNA) consists of an integrated set of macroeconomic accounts based on a set of internationally agreed concepts, definitions, classifications and accounting rules. It provides a comprehensive accounting framework within which economic data can be compiled and presented in a format specifically designed for economic analysis.

Under SNA, a country's economy comprises five distinct institutional sectors, of which General Government is one. The General Government sector includes the Central, State and Local Government subsectors. The following tables comprise forecasts of the **Central Government** subsector only (which is a proxy for, but not identical to, the GAAP Crown reporting entity).

The information in these tables has been used to measure the public sector GDP components in Table 1.1 (see page 20). However, there are some differences between individual categories. For example, the contingency expense provision has been identified separately in these tables, but included in total public consumption in Table 1.1 for the purposes of forecasting GDP.

Statistics New Zealand produces ex-post SNA accounts for Central Government. However, Statistics New Zealand's series is not strictly comparable with the series presented here, owing to differences in information sources and coverage.

Tables

The SNA accounts comprise two main tables, the Forecast Income and Outlay Account, and the Forecast Capital Accumulation Account.

The **Forecast Income and Outlay Account** deducts the Government's current expenses (outlay) from its current revenue (income), to derive a measure of Government saving (or dissaving). This saving figure is conceptually similar to the GAAP series operating balance, although coverage is not identical (see discussion below).

The **Forecast Capital Accumulation Account** adds this measure of saving to the Government's net acquisition of non-financial assets, to derive its net lending (or borrowing) requirement. This account shows how transactions in non-financial assets, including land and intangible assets, are funded.

In addition, there are tables detailing total outlays, consumption expenditure and current transfers by functional classification, and a reconciliation between Central Government saving (SNA) and the Crown operating balance (GAAP).

While a comprehensive listing is beyond the scope of this introduction, items of note which are treated differently, in terms of either coverage or presentation, between SNA and GAAP are discussed below.

Coverage Differences Requiring Reconciliation

- Net assets of the Reserve Bank, SOEs and Crown entities, which are included as part of the GAAP Crown reporting entity, are not included in SNA Central Government (however, any flows to or from these organisations, for example dividends, are included).
- Net foreign-exchange gains and losses, which are treated as expenses in GAAP, are not included in SNA.
- Purchases of military equipment and weapons, which are largely treated as prepayments for the purchase of physical assets (capital) in GAAP, are treated as consumption expenditure in SNA.
- Treaty settlements are one example of the other operating balance/saving boundary differences which must be reconciled. They are an expense in GAAP, and therefore, they are included in the operating balance. For SNA purposes, Treaty settlements are classified as a capital transfer. While they do enter into the capital account, they do not affect savings.

Presentational Differences

- SNA nets off all intra-governmental GST flows (departmental and non-departmental), whereas GAAP only nets off departmental GST flows.
- ACC premium collection by IRD and on-payment to ARCIC, which are both excluded from GAAP, are treated separately as social security contributions (income) and social security benefits (outlay) in SNA.
- The Health and Safety in Employment levy, which is treated as other operational revenue in GAAP, is treated as a tax on production and imports (indirect tax) in SNA.
- Petroleum royalties, which are treated as other operational revenue in GAAP, are treated as taxes on production and imports (indirect tax) in SNA.
- Rents received on buildings, which fall under nontax revenue in GAAP, are treated as an offset to consumption expenditure in SNA.

Forecast Income and Outlay Account

for the years ending 30 June

(\$ million)	1997 Actual	1998		1999 Budget	2000 Budget	2001 Budget
		Previous Budget	Estimated Actual			
Income						
Property income:						
Interest	599	475	588	658	729	796
Dividends	945	654	439	574	535	591
Rent	4	2	3	3	3	3
Taxes on production and imports	10,765	11,090	11,012	11,239	11,601	11,965
Current taxes on income, wealth, etc	20,151	21,051	21,440	21,257	22,724	24,115
Social security contributions	506	516	534	752	777	802
Fees, fines and penalties	113	115	130	134	133	133
Total Income	33,083	33,903	34,146	34,617	36,502	38,405
Outlay						
Consumption expenditure ¹	13,584	14,454	14,427	15,332	15,963	16,716
Interest concessions	6	3	3	3	3	3
Interest payments	3,257	2,779	2,830	2,687	2,802	2,678
Subsidies	153	179	170	139	137	152
Social security benefits	647	669	718	912	949	986
Current transfers:						
Social assistance grants	13,233	13,987	14,070	14,543	14,853	15,157
Rest of world	259	286	284	313	324	337
Other	144	156	224	139	135	127
Contingency expense provision	..	200	..	100	100	100
Total Outlay	31,283	32,713	32,726	34,168	35,266	36,256
Saving	1,800	1,190	1,420	449	1,236	2,149

¹ Includes provision for future initiatives of \$261 million in 1998/99, \$967 million in 1999/2000, and \$967 million in 2000/01 (GST exclusive). In addition, another \$800 million (GST exclusive) provision has been included in 2000/01. This may consist of income or outlay initiatives.

Forecast Capital Accumulation Account

for the years ending 30 June

(\$ million)	1997 Actual	1998		1999 Budget	2000 Budget	2001 Budget
		Previous Budget	Estimated Actual			
Financing						
Consumption of fixed capital	533	590	552	615	638	650
Capital transfers	(176)	(315)	(507)	(160)	(153)	(149)
Saving	1,800	1,190	1,420	449	1,236	2,149
Funds available for Capital Accumulation	2,157	1,465	1,465	904	1,721	2,650
Accumulation						
Gross fixed capital formation	374	1,019	884	1,001	668	646
Net purchase/(sale) of:						
Intangible assets	11	(7)	(6)	(12)	..	..
Land	57	15	71	(43)	17	33
Contingency capital provision	..	80	..	..	..	300
Total Gross Accumulation	442	1,107	949	946	685	979
Net Lending Requirement	1,715	358	516	(42)	1,036	1,671

Forecast Outlay by Functional Classification

for the years ending 30 June

(\$ million)	1997 Actual	1998		1999 Budget	2000 Budget	2001 Budget
		Previous Budget	Estimated Actual			
Outlay						
General public services	1,257	1,287	1,294	1,299	1,310	1,318
Defence	922	1,049	1,103	1,126	965	906
Law and order	1,248	1,221	1,292	1,345	1,346	1,335
Education	4,744	5,012	5,115	5,307	5,431	5,475
Health	5,449	5,785	5,752	6,165	6,217	6,266
Social security and welfare	12,588	13,133	13,322	13,900	14,215	14,491
Housing	33	38	36	38	37	36
Recreation and culture	236	263	253	281	260	251
Fuel and energy	19	18	19	23	15	15
Agriculture, forestry and fishing	99	103	184	95	80	75
Mining, minerals, manufacturing and construction	..	..	..	..	..	..
Transport and communication	791	808	802	828	835	865
Other economic affairs and services	662	748	726	734	698	688
Other expenditure ¹	3,235	3,248	2,828	3,027	3,857	4,535
Total Outlay	31,283	32,713	32,726	34,168	35,266	36,256

¹ Includes provision for future initiatives of \$261 million in 1998/99, \$967 million in 1999/2000, and \$967 million in 2000/01 (GST exclusive). In addition, another \$800 million (GST exclusive) provision has been included in 2000/01. This may consist of income or outlay initiatives.

Forecast Consumption Expenditure by Functional Classification

for the years ending 30 June

(\$ million)	1997 Actual	1998		1999 Budget	2000 Budget	2001 Budget
		Previous Budget	Estimated Actual			
Consumption Expenditure						
General public services	1,054	1,063	1,079	1,073	1,075	1,072
Defence	922	1,049	1,103	1,126	965	906
Law and order	1,179	1,153	1,218	1,256	1,252	1,241
Education	4,365	4,593	4,703	4,856	4,958	4,997
Health	3,496	3,697	3,662	3,949	3,965	3,966
Social security and welfare	1,120	1,062	1,105	1,109	1,127	1,125
Housing	27	35	33	34	33	32
Recreation and culture	198	214	205	246	225	216
Fuel and energy	19	18	19	23	15	15
Agriculture, forestry and fishing	94	97	113	90	74	69
Mining, minerals, manufacturing and construction	..	..	..	..	..	..
Transport and communication	790	808	801	827	834	864
Other economic affairs and services	307	357	365	502	485	455
Other expenditure ¹	13	308	21	241	955	1,758
Total Consumption Expenditure	13,584	14,454	14,427	15,332	15,963	16,716

¹ Includes provision for future initiatives of \$261 million in 1998/99, \$967 million in 1999/2000, and \$967 million in 2000/01 (GST exclusive). In addition, another \$800 million (GST exclusive) provision has been included in 2000/01. This may consist of income or outlay initiatives.

Forecast Current Transfers by Functional Classification

for the years ending 30 June

(\$ million)	1997 Actual	1998		1999 Budget	2000 Budget	2001 Budget
		Previous Budget	Estimated Actual			
Current Transfers						
General public services	204	223	215	226	235	246
Defence	..	..	..	..	..	..
Law and order	69	67	74	89	94	94
Education	379	418	412	451	473	478
Health	1,769	1,902	1,919	1,984	2,011	2,049
Social security and welfare	11,024	11,606	11,669	12,110	12,380	12,631
Housing	1	1	1	1	1	1
Recreation and culture	28	40	38	25	25	25
Fuel and energy	..	..	..	..	..	..
Agriculture, forestry and fishing	3	4	70	5	6	6
Mining, minerals, manufacturing and construction	..	..	..	..	..	..
Transport and communication	..	..	1	1	1	1
Other economic affairs and services	159	168	179	103	86	90
Other expenditure	..	..	..	..	..	..
Total Current Transfers	13,636	14,429	14,578	14,995	15,312	15,621

Reconciliation between Operating Balance and SNA Saving

for the years ending 30 June

(\$ million)	1997 Actual	1998		1999 Budget	2000 Budget	2001 Budget
		Previous Budget	Estimated Actual			
Operating Balance	1,908	1,532	2,778	1,305	2,021	2,984
Reserve Bank surplus	(141)	(127)	(154)	(130)	(129)	(128)
Commercial forestry losses	48	..	7	..	..	..
Surplus attributable to State-owned enterprises and Crown entities	(83)	(477)	(1,049)	(880)	(906)	(1,058)
Net deficit of Crown Health Enterprises included in consumption	(226)	(218)	(198)	(180)	(164)	(164)
Net foreign-exchange losses/(gains)	12	..	(8)	..	..	..
Equiticorp provision	..	..	112	..	..	..
Movement in unfunded pension liability	(4)	85	(232)	48	40	24
Movement in National Provident Fund guarantee	27	..	..	..	..	..
Other revaluations and writedowns	226	104	(65)	98	111	116
Net loss/(gain) on sale of fixed assets	9	..	(8)	..	..	..
Net gain on investments	(70)	..	(75)	..	..	..
New Zealand Defence Force depreciation	195	205	180	203	213	236
Other operating balance/saving boundary differences	(101)	86	132	(15)	50	139
SNA Saving	1,800	1,190	1,420	449	1,236	2,149

Where necessary, comparative figures have been adjusted to conform with changes in presentation and classification adopted in the Budget forecasts.