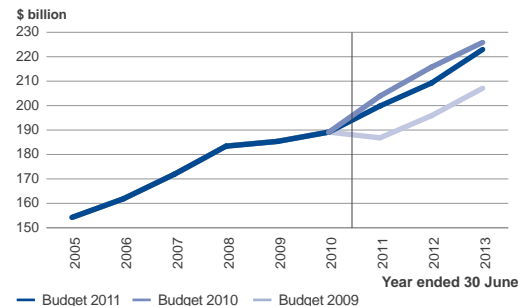
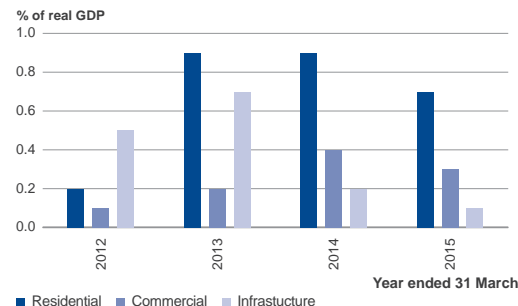


New Zealand's nominal GDP recovering



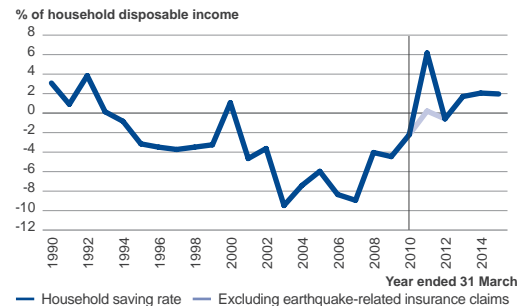
The Budget 2009 figures have been updated to reflect historical revisions to GDP made by Statistics New Zealand in late 2009, but do not include the 1 October 2010 increase in the rate of GST.

Earthquake rebuild to boost growth



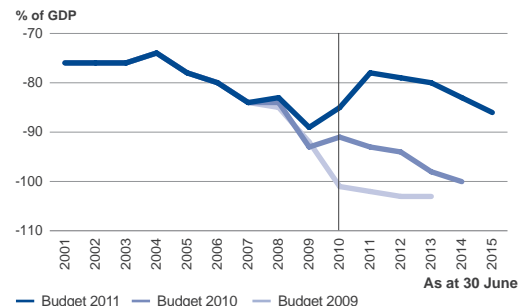
This graph shows the forecast gross expenditure on rebuilding capital stock destroyed in the September 4 and February 22 Canterbury earthquakes, measured as a percentage of real GDP.

Household saving improving



The household saving rate is the difference between the disposable income and expenditure of households, as a percentage of disposable income. The saving rate is boosted in 2010/11 by insurance claims related to the Canterbury earthquakes.

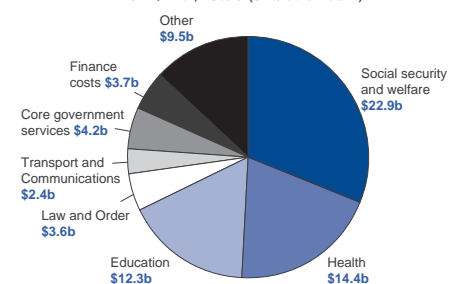
New Zealand's external vulnerability remains



New Zealand's net international investment position is the difference between the value of New Zealand's international assets and liabilities (as a percentage of GDP). 2011 benefits from reinsurance inflows related to the Canterbury earthquakes. Budget 2009 figures have been updated to reflect historical revisions.

Where do core Crown expenses go?

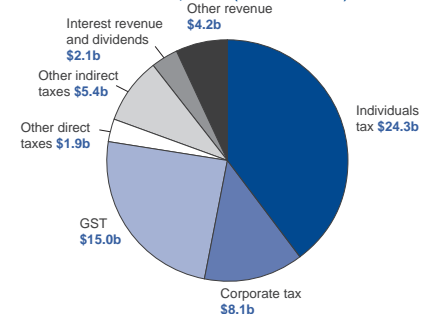
2011/12: \$73.0b (34.9% of GDP)



Social security and welfare includes social assistance benefits such as New Zealand Superannuation, Domestic Purposes and the Unemployment Benefit.

Where does core Crown revenue come from?

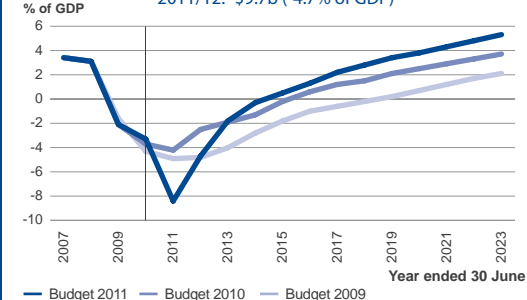
2011/12: \$61.1b (29.2% of GDP)



Other direct taxes include residents' interest and dividend withholding taxes. Other indirect taxes include customs, excise and gaming duties. Expenses and revenue are on a core Crown basis and so exclude Crown entities and state-owned enterprises.

Operating balance before gains and losses

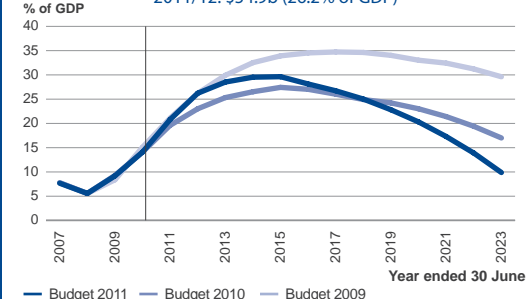
2011/12: -\$9.7b (-4.7% of GDP)



This graph shows the difference between total Crown revenue and expenses. It does not include gains and losses resulting from changing values of assets and liabilities.

Net core Crown debt

2011/12: \$54.9b (26.2% of GDP)



Net core Crown debt excludes advances and financial assets held by the New Zealand Superannuation Fund.

Who pays income tax... and how much?

Annual individual taxable income (\$)	Number of people (000)		Tax paid (\$m)	
		%		%
Zero	244	7	0	0
1 - 10,000	433	13	221	1
10,001 - 20,000	700	21	1,213	5
20,001 - 30,000	497	15	1,615	7
30,001 - 40,000	330	10	1,689	7
40,001 - 50,000	315	9	2,165	10
50,001 - 60,000	223	7	2,095	9
60,001 - 70,000	176	5	2,178	10
70,001 - 80,000	119	3	1,861	8
80,001 - 90,000	89	3	1,665	7
90,001 - 100,000	52	2	1,150	5
100,001 - 150,000	106	3	3,170	14
150,001+	58	2	3,788	17
All	3,343	100	22,809	100

This table includes tax on NZ Superannuation and major Social Welfare benefits, but excludes ACC levies, Working for Families and independent earner tax credits. Only individuals of working age are included (ie, 16 years and above). Analysis is based on Household Economic Survey data sourced from Statistics New Zealand. Data are projected for the year ended March 2012.

Note: Figures may not sum to total due to rounding.

Personal income tax (decreased on 1 October 2010)

- 10.5c per \$1 on income up to \$14,000 (down from 12.5c)
- 17.5c per \$1 on income between \$14,001 and \$48,000 (down from 21c)
- 30c per \$1 on income between \$48,001 and \$70,000 (down from 33c)
- 33c per \$1 on income over \$70,000 (down from 38c)

Company tax

The company tax rate dropped from 30% to 28% on 1 April 2011.

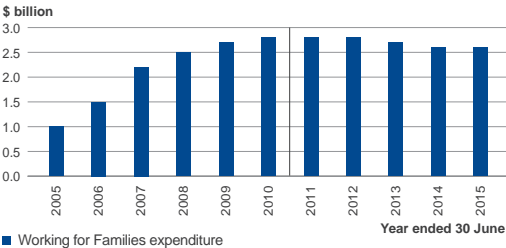
GST

The rate of GST rose from 12.5% to 15% on 1 October 2010.

Working for Families changes

- Increase the abatement rate of the Working for Families tax credits from 20% currently to 25% over the next four indexation rounds.
- Reduce income abatement threshold from \$36,827 to \$36,350 on 1 April 2012 and reduce it by \$450 each indexation round until it reaches \$35,000.
- Remove the indexation of Family Tax Credit for children 16 and over until it is aligned to the Family Tax Credit amounts for the eldest child under 16 or for subsequent children aged 13 to 15.

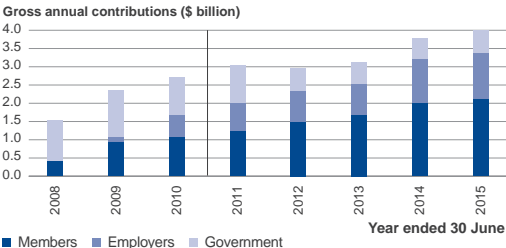
Working for Families spending has increased significantly



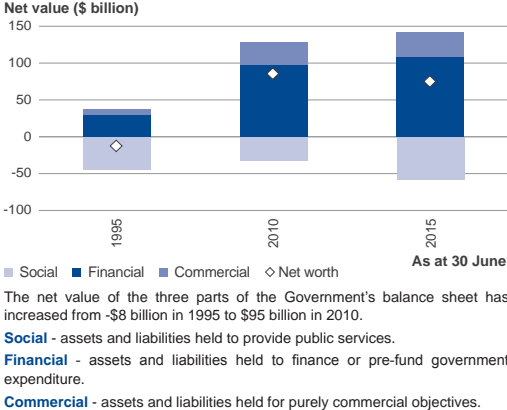
KiwiSaver changes

- Increase minimum employee contribution from 2% to 3% from 1 April 2013.
- Increase compulsory employer contribution from 2% to 3% from 1 April 2013, subject to Employer Superannuation Contribution Tax at employee's marginal tax rate.
- Decrease member tax credit from \$1 to 50c, up to a maximum of \$521 a year, for the year ending 30 June 2012 and beyond.

Total contributions to KiwiSaver will continue to increase



Growth in the Government's net worth



How does a 1% change in growth affect tax?

Tax source:	(\$m)
Wages and salaries	245
Taxable business profits	130
Spending by households	133

Estimated effect on a full year's revenue of a one-percentage point change in the growth or income or spending source in 2011/12.

What is the full-year cost of... ?

	(\$m)
\$1 a week increase (in the hand) to NZ Super	30
\$1 a week increase (in the hand) to other benefits	19
\$1 billion increase in government debt	53

Ready reckoner for tax rate and base changes:
<http://www.treasury.govt.nz/government/revenue/estimatesrevenueeffects>

Further Budget 2011 information is available on:
<http://www.treasury.govt.nz/budget/2011>



2011
BUDGET

Key Facts
for Taxpayers

Hon Bill English
Minister of Finance

19 May 2011

Embargo: Contents not for communication in any form
before 2:00pm on Thursday 19 May 2011.

[New Zealand Government](http://www.treasury.govt.nz/budget/2011)