

# A Snapshot of the 2013 Financial Statements of the Government

The New Zealand Government:

2,500 entities

\$86.6 billion revenue

\$91.0 billion expenditure

\$4.4 billion operating deficit

\$244.4 billion assets

\$174.4 billion liabilities



Embargo: Contents not for communication in any form before 4pm on Monday 7 October 2013.

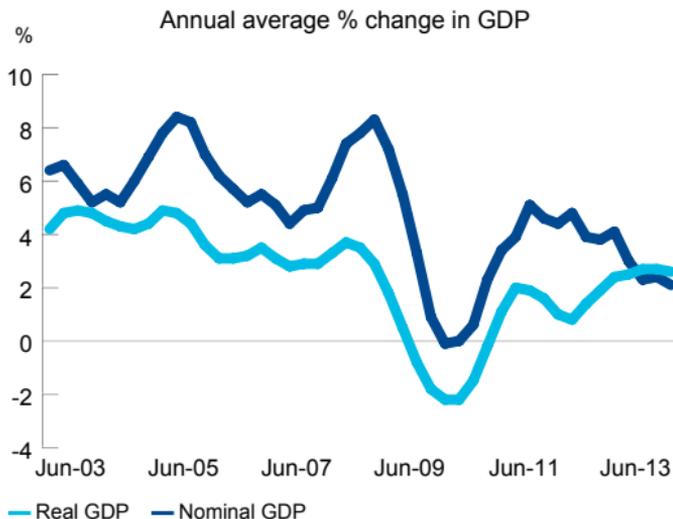
Disclaimer: This publication is not audited. It is not intended to be read as a full picture of the New Zealand Government's financial performance or position.

<http://www.treasury.govt.nz/financialstatements/yearend/jun13snapshot>

New Zealand Government

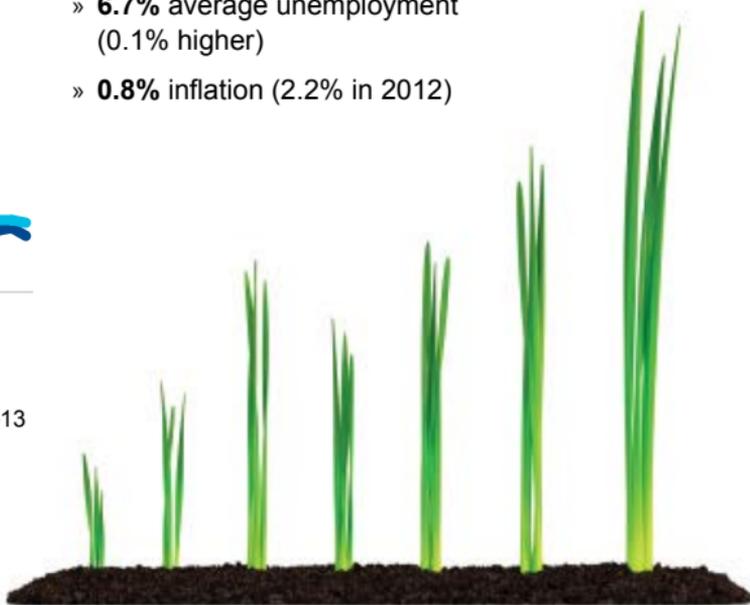
# The economy continued to grow

The size of the nominal economy increased **2.1%** over the year, driven by an increase in consumer spending and a large increase in investment, particularly residential building.

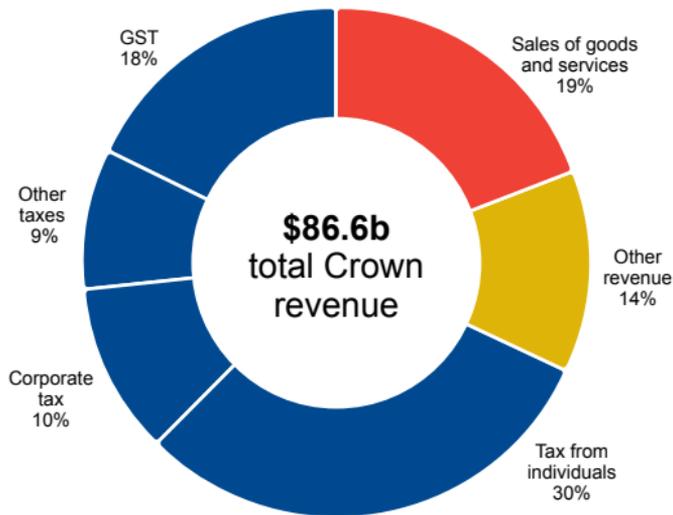


## Facts and figures – June Year

- » **\$212.7 billion** nominal GDP (up 2.1%)
- » **1,360,700** average full time employees (22,275 more)
- » **\$27.42** average hourly rate (up 2.4%)
- » **6.7%** average unemployment (0.1% higher)
- » **0.8%** inflation (2.2% in 2012)



# Where does the Government's money come from?

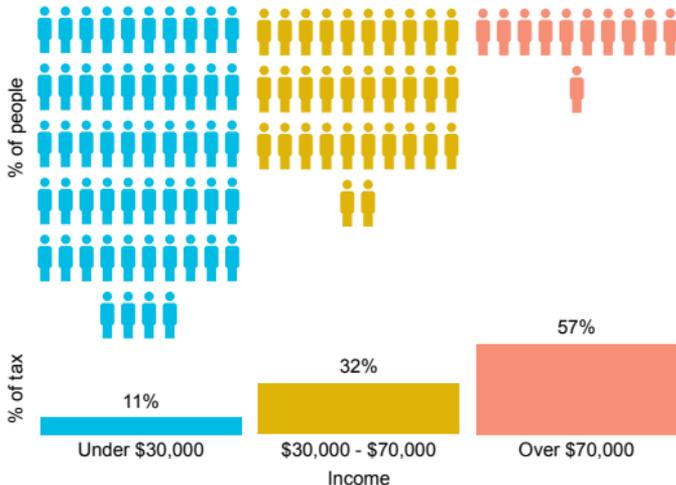


- » **67%** of revenue was from collection of tax (\$3.5 billion more than last year)
- » **84%** of sales of goods and services from SOEs (eg, NZ Post, Meridian Energy, KiwiRail)
- » **14%** was from other sources (eg, ACC, EQC, and fire service levies)

## Total revenue \$86.6 billion

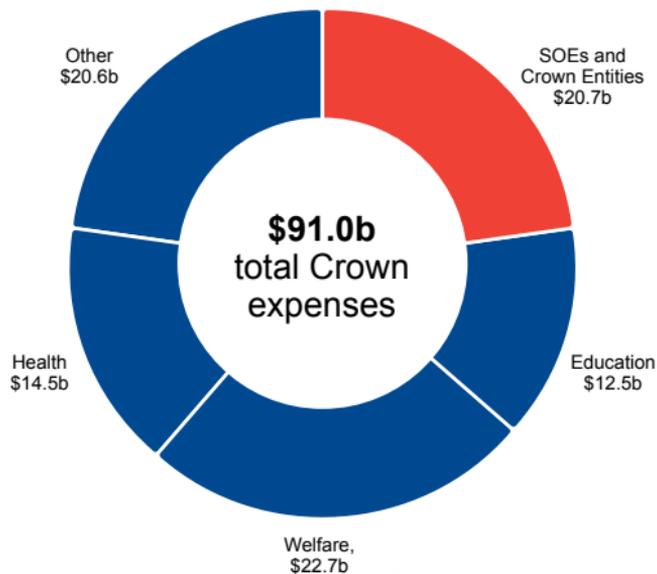
- » \$3.1 billion increase from last year
- » Represents 40.7% of GDP
- » Core Crown tax revenue was \$58.7 billion

## Who pays income tax, and how much?

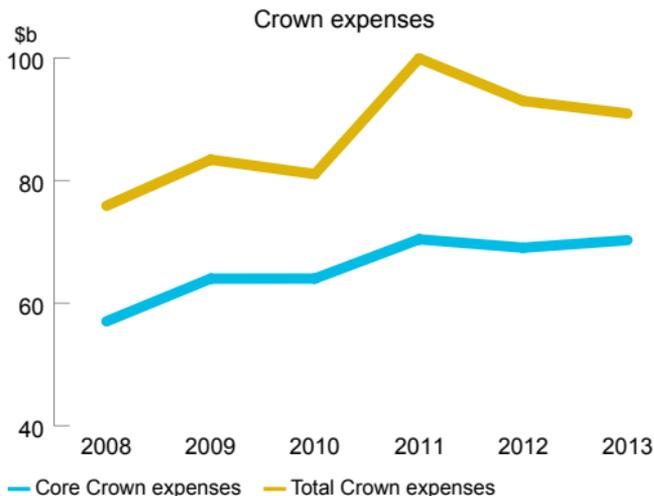


- » Next year 3.4 million New Zealanders are expected to pay tax of \$26.4 billion – an average of \$7,765 each

# Your tax dollar – where was it spent?



- » **\$70.3 billion** core Crown expenses
- » **55% of all spending** on welfare, education and health
- » **23% of all spending** by SOEs and Crown entities



**Total Crown expenses were \$1.7 billion less than last year** as insurance expenses and one-off impairments were higher in 2012.

The peak in 2011 was a result of large Canterbury earthquake costs, which are detailed on the next page.

# Your dollar provided

## \$49.7 billion on welfare, health, education



### Social welfare

**\$10.2 billion** to provide **612,000** super-annuitants with income support and **\$4.7 billion** to **323,000** people receiving the unemployment, sickness, invalids, and domestic purpose benefits.



### Health

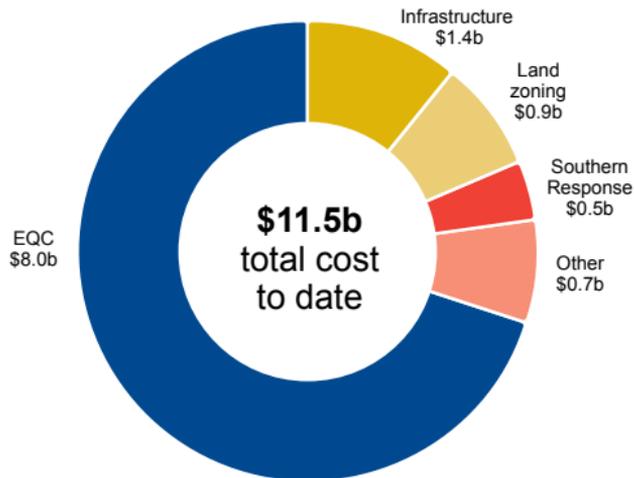
**\$11.7 billion** of funding to hospitals, which helped provide over **52,000** nurses, **14,000** doctors and **158,000** elective surgeries.



### Education

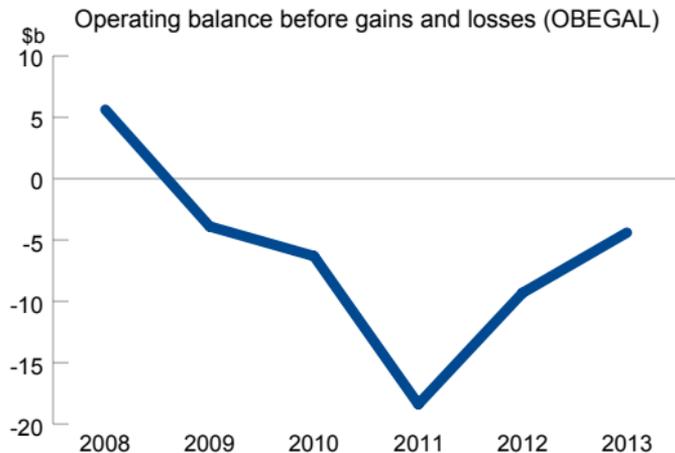
**\$12.5 billion** helped to fund over **200,000** enrolments in early childhood education and over **750,000** school students.

## \$11.5 billion so far to rebuild Canterbury



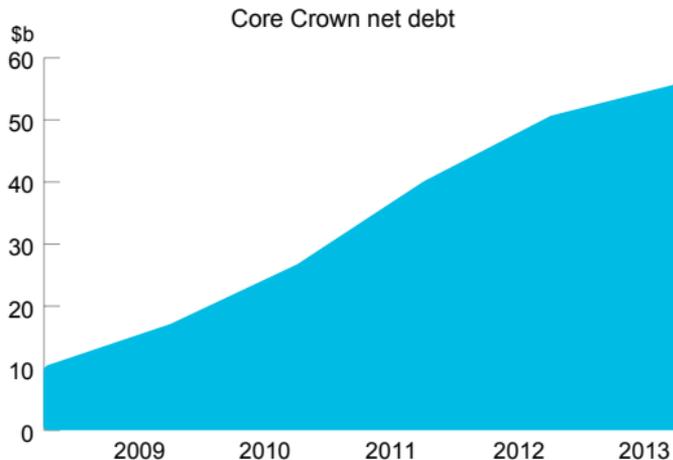
- » **\$11.5 billion** total cost so far, \$9.1 billion of that was recorded in 2011, \$1.9 billion last year and \$0.5 billion this year
- » **70%** are the claims costs of EQC, with 423,273 building claims received and approximately \$4.4 million paid out per day
- » **7,493** red zone properties with over 85% now settled

# Government spending exceeded income



## \$4.4 billion deficit

- » Second successive year that the deficit halved
- » Deficit was \$18.4 billion in 2011 and \$9.2 billion in 2012
- » Recovery of OBEGAL reflects the recovery in the economy
- » Next surplus forecast for 2014/15 (one more year in deficit)



## \$55.8 billion core Crown net debt

- » \$5.1 billion increase from last year as the Crown continued to run a cash deficit

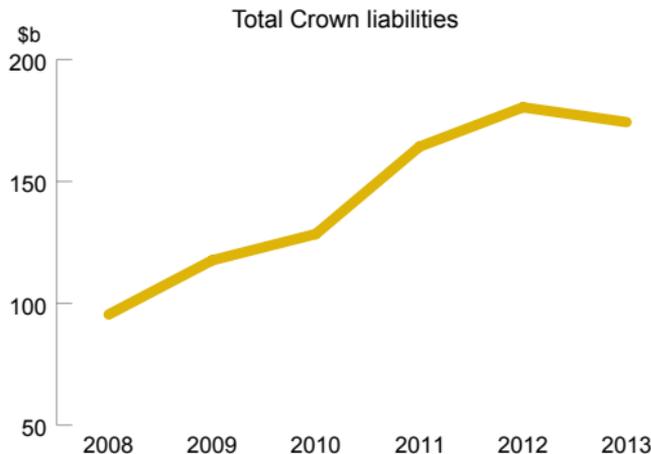
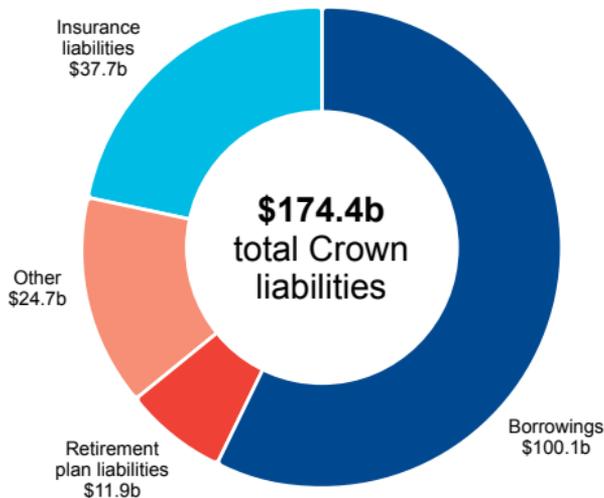
OBEGAL  
deficit

Capital  
Spending

Cash  
deficit

Net Debt

# What does the Government owe?



## » \$100.1 billion

of borrowings, the same as last year. While \$15.5 billion of government bonds were issued (at a rate of \$304 million per week) \$15.4 billion of maturing debt was repaid. Overall net cash from borrowing was \$0.1 billion

## » \$37.7 billion

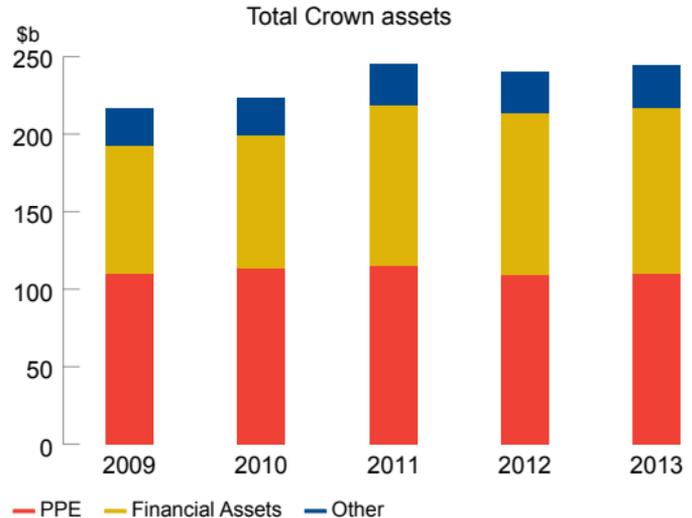
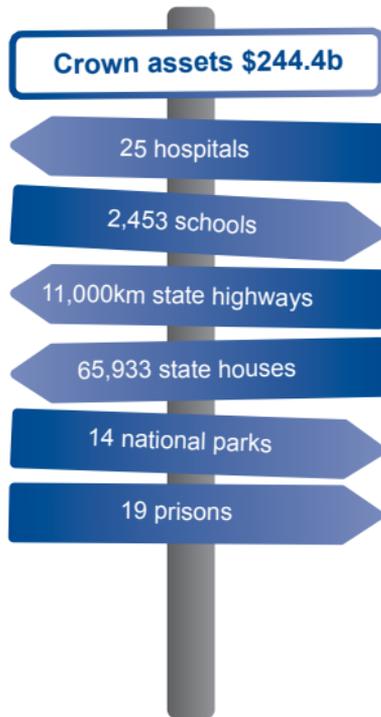
of insurance liabilities, \$3.5 billion less than last year, with all the main insurers having lower amounts outstanding this year



## » \$6.1 billion less than last year

Total Crown liabilities fell from last year, mostly due to falls in the estimated future cost of the long-term obligations for ACC claims and the Government Superannuation Fund (GSF)

# What does the Government own?



- » **\$109.8 billion** of property, plant and equipment (PPE) 55%, or \$60 billion, was land and buildings
- » **\$106.8 billion** of financial assets with 47% held in New Zealand and 16% in both the USA and Europe
- » **\$27.8 billion** of other assets, including inventory and intangible assets