



Budget Economic *and* Fiscal Update

15 May 2014

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Guide to the Budget Documents

A number of documents are released on Budget day. The purpose of these documents is to provide information about the Government's spending intentions for the year ahead and the wider fiscal and economic picture. The Budget documents are as follows:

Executive Summary

The *Executive Summary* is the overview of all the Budget information and contains the main points for the media and public. This summarises the Government's spending decisions and key issues raised in the *Budget Speech*, the *Fiscal Strategy Report*, and the *Budget Economic and Fiscal Update*.

Budget Speech

The *Budget Speech* is the Minister of Finance's speech delivering the Budget Statement at the start of Parliament's Budget debate. The Budget Statement generally focuses on the overall fiscal and economic position, the Government's policy priorities and how those priorities will be funded.

Fiscal Strategy Report

The *Fiscal Strategy Report* sets out the Government's fiscal strategy in areas such as the balance between operating revenues and expenses, and its debt objectives. The report includes fiscal trends covering at least the next 10 years and the Government's long term fiscal objectives.

The Government must explain changes in, and/or inconsistencies between, the *Fiscal Strategy Report*, the *Budget Policy Statement* and the previous year's *Fiscal Strategy Report*.

Budget Economic and Fiscal Update

The *Update* includes Treasury's overall economic forecasts and the forecast financial statements of the Government, along with the implications of Government financial decisions and other information relevant to the fiscal and economic position.

The Estimates of Appropriations

The *Estimates* outlines for the financial year about to start (the Budget year) expenses and capital expenditure the Government plans to incur on specified areas within each Vote, and capital injections it plans to make to individual departments. The *Estimates* is organised on the basis of 10 sector volumes, with each Vote allocated to one sector. Supporting information in the *Estimates* summarises the new policy initiatives and trend information for each Vote and provides information on what is intended to be achieved with each appropriation in a Vote and how performance against each appropriation will be assessed and reported on after the end of the Budget year.

The Supplementary Estimates of Appropriations and Supporting Information

The *Supplementary Estimates* outlines the additional expenses and capital expenditure required for the financial year about to end. The *Supporting Information* provides reasons for the changes to appropriations during the year, related changes in performance information and certain additional performance information for new appropriations.

NZ Budget App

Smartphone and tablet users can also access the Budget documents through the NZ Budget App. The App is available on the Apple Store for iOS devices and the Google Play store for Android devices or see www.treasury.govt.nz/budget/app

Websites

These documents are available at www.treasury.govt.nz and www.budget.govt.nz

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Other Information

On the Treasury's website is a series of other information that provides users of the *Budget Economic and Fiscal Update* with further detail. This other information should be read in conjunction with the published document.

Additional *Budget Update* information includes:

- Detailed economic forecast information – tables providing breakdowns of the economic forecasts.
- Treasury and Inland Revenue tax forecasts – detailed tax revenue and receipts tables comparing Treasury's forecasts with IRD's forecasts.
- Tax policy changes – an analysis of the effect of changes in tax policy on forecasts for tax revenue since the *Half Year Update*.
- Additional fiscal indicators – estimates of the cyclically-adjusted balance and fiscal impulse.
- Government Finance Statistics (GFS) for central government – fiscal tables presented under a GFS presentation framework to help with cross-country comparisons.
- Accounting policies – outline of the specific Crown accounting policies. The published forecast financial statements only provide a summary.

This other information can be accessed at:

<http://www.treasury.govt.nz/budget/forecasts/befu2014>

Statement of Responsibility

On the basis of the economic and fiscal information available to it, the Treasury has used its best professional judgement in supplying the Minister of Finance with this *Economic and Fiscal Update*. The *Update* incorporates the fiscal and economic implications both of Government decisions and other circumstances as at 29 April 2014 that were communicated to me by the Minister of Finance in accordance with the requirements of the Public Finance Act 1989 and of other economic and fiscal information available to the Treasury as at 29 April 2014. This *Update* does not incorporate any decisions, circumstances, or statements that the Minister of Finance has determined, in accordance with the Public Finance Act 1989, should not be incorporated in this *Update*.



Gabriel Makhoul
Secretary to the Treasury

6 May 2014

To enable the Treasury to prepare this *Economic and Fiscal Update* I have ensured the Secretary to the Treasury has been advised, in accordance with the requirements of the Public Finance Act 1989, of all Government decisions and other circumstances as at 29 April 2014 of which I was aware and that had material economic or fiscal implications.

I accept responsibility for the integrity of the disclosures contained in the *Update* and responsibility for the consistency and completeness of the *Update* information with the requirements of Fiscal Responsibility in the Public Finance Act 1989.



Hon Bill English
Minister of Finance

6 May 2014

