



Budget Economic *and* Fiscal Update

21 May 2015

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 Budget Statement the Minister of Finance delivers 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 the Government's long-term fiscal objectives and short-term fiscal intentions plus fiscal trends covering at least the next 10 years.

The Government must explain changes in the *Fiscal Strategy Report* from the *Budget Policy Statement* and the previous year's *Fiscal Strategy Report* and any inconsistencies between these documents.

Budget Economic and Fiscal Update

The *Update* includes Treasury's economic forecasts and the forecast financial statements of the Government incorporating the financial implications of Government decisions and other information relevant to the fiscal and economic outlook.

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 into 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.

Also released on Budget day:

The Supplementary Estimates of Appropriations

The *Supplementary Estimates* outlines the additional expenses, capital expenditure and capital injections to departments required for the financial year about to end. Supporting information for each Vote provides reasons for the changes to appropriations during the year, related changes in performance information and full 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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Contents

Statement of Responsibility	1
Executive Summary	3
Economic Outlook	7
Overview	7
Recent Developments and Near-term Outlook.....	10
Medium-term Outlook	17
Fiscal Outlook	25
Overview	25
Core Crown Tax Revenue.....	28
Core Crown Expenses	33
Operating Balance.....	36
Residual Cash	40
Net Core Crown Debt.....	42
Total Crown Balance Sheet.....	43
Comparison to the <i>Half Year Update</i>	45
Fiscal Forecast Assumptions	49
Risks and Scenarios	53
Overview	53
Economic Risks.....	54
Alternative Scenarios	58
General Fiscal Risks	63
Specific Fiscal Risks.....	67
Overview	67
Statement of Specific Fiscal Risks	69
Contingent Liabilities and Contingent Assets	81
Forecast Financial Statements	91
Statement of Accounting Policies.....	92
Government Reporting Entity as at 1 May 2015.....	94
Forecast Financial Statements.....	97
Notes to the Forecast Financial Statements	105
Forecast Statement of Segments.....	119
Core Crown Expense Tables.....	125
Glossary of Terms.....	131
Time Series of Fiscal and Economic Indicators	137

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/befu2015>

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 1 May 2015 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 1 May 2015. This *Update* does not incorporate any decisions, circumstances or statements that the Minister of Finance has determined, in accordance with section 26V of the Public Finance Act 1989, should not be incorporated in this *Update*.



Gabriel Makhoul
Secretary to the Treasury

11 May 2015

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 1 May 2015 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 Part 2 (Fiscal responsibility) of the Public Finance Act 1989.



Hon Bill English
Minister of Finance

11 May 2015

