



# The 2015 Snapshot

The key facts and figures of the Financial Statements  
of the Government for the year ended 30 June 2015



Embargo: Contents not for communication in any form before 1pm on Wednesday 14 October 2015.

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.

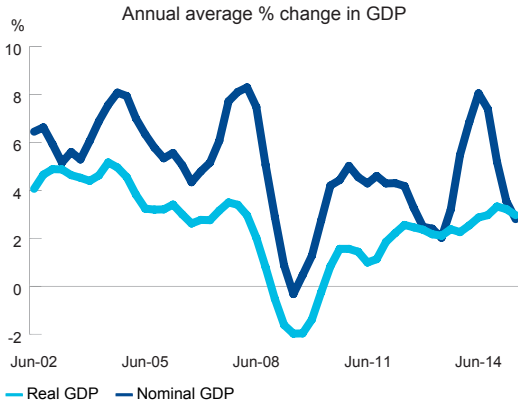
<http://www.treasury.govt.nz/financialstatements/yearend/jun15snapshot>

New Zealand Government

# The economy

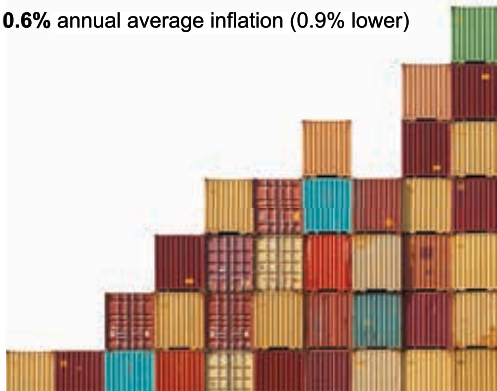
Real gross domestic product growth annual average rate was **3.0%** mainly due to robust growth in construction, household consumption and tourism.

In current dollar terms, the value of output increased **2.8%** in the June 2015 year, down from 8.1% growth in the previous June year.



## Facts and figures – June Year (compared to 2014)

- » **\$240.6 billion** nominal GDP (up 2.8%)
- » **\$217.5 billion** real GDP (up 3.0%)
- » **\$67.6 billion** export receipts (up 0.8%)
- » **1,443,700** average full time employees (44,600 more)
- » **\$28.79** average hourly rate (up 2.4%)
- » **5.7%** average unemployment (0.3% lower)
- » **0.6%** annual average inflation (0.9% lower)



# Where does the Government's money come from?

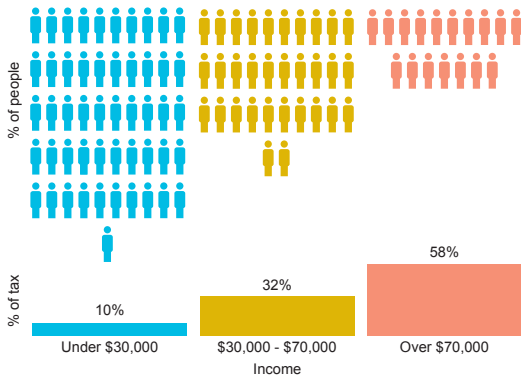
Total revenue: \$95.0b (39.5% of GDP)



- » 70% of revenue was from collection of tax (\$5.1 billion more than last year)
- » 84% of sales of goods and services were from SOEs (eg, NZ Post and listed companies)
- » 13% of total revenue was from other sources (eg, ACC, EQC, and fire service levies)

- » \$5.8 billion increase from last year
- » Represents 39.5% of GDP
- » Core Crown tax revenue was \$66.6 billion

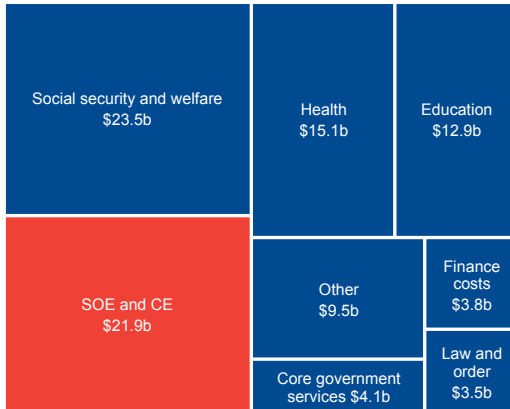
## Who pays income tax, and how much?



- » Next March tax year 3.6 million New Zealanders are expected to pay tax of \$29.3 billion – an average of \$8,138 each

# How was the money spent?

Total expenses: \$94.3b (39.2% of GDP)



- » **\$72.4 billion** core Crown Expenses increased by \$1.2 billion since last year
- » **23%** of all spending was by SOEs and Crown Entities

## \$51.5 billion was spent on welfare, health and education



### Social welfare

**\$11.6 billion** to provide **665,000** super annuitants with income support and **\$4.4 billion** to **302,000** people receiving Jobseeker Support and Emergency Benefit, Sole Parent Support and Supported Living Payment.



### Health

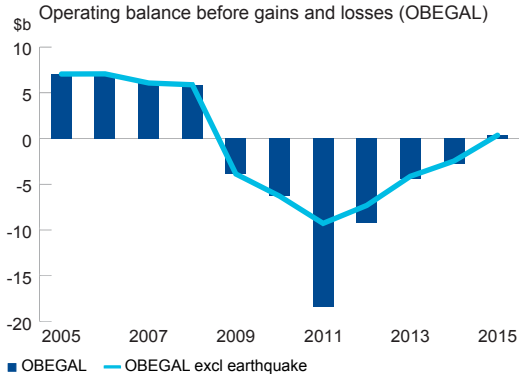
**\$11.4 billion** of funding to District Health Boards, which contributed to a range of hospital and community-based services, including around **167,000** elective surgeries and **92.9%** of eight-month-olds being immunised.



### Education

**\$12.9 billion** helped to fund **96.1%** participation in early childhood education, **81.2%** of 18 year olds to achieve NCEA Level 2 or equivalent.

# OBEGAL returns to surplus



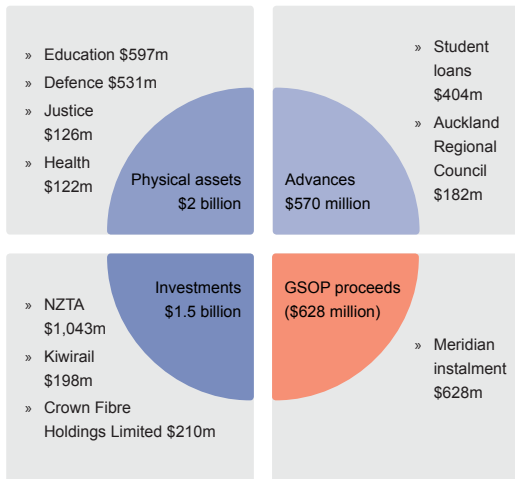
- » **\$0.4 billion surplus**
- » Growth in tax revenue has outpaced growth in expenditure
- » First surplus since 2008
- » Core Crown tax revenue was \$5.1 billion more than last year
- » Core Crown expenses increased \$1.2 billion from last year

Reconciliation to Budget 2015	\$b
Forecast OBEGAL deficit	(0.7)
Higher core Crown taxes	0.6
Lower core Crown expenses	0.5
<b>Actual surplus</b>	<b>0.4</b>

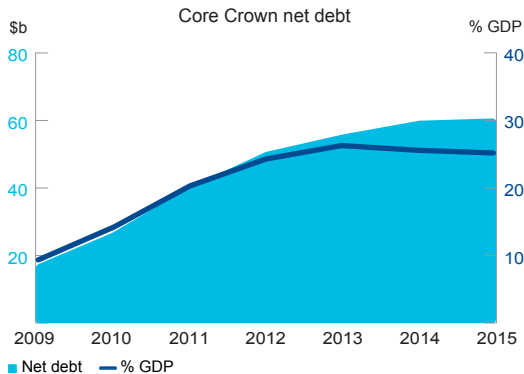
- » Core Crown tax revenue being 0.8% higher than forecast
- » Core Crown expenses were 0.7% less than forecast
- » While core Crown tax and core Crown expenses were close to forecast (within 1%), combined they had a significant impact on OBEGAL



# Capital spending increases core Crown net debt



- » OBEGAL surplus contributed to core Crown operating cash surplus of \$1.6 billion
- » \$4 billion of capital spending (offset by \$0.6 billion from the second Meridian instalment)
- » Overall cash deficit of \$1.8 billion



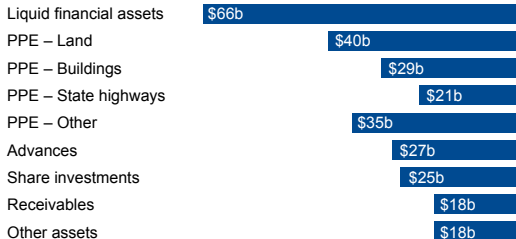
## \$60.6 billion core Crown net debt

- » \$0.7 billion increase from last year due to continuing cash deficits
- » Relatively flat as a percentage of GDP (0.4% decrease on last year)

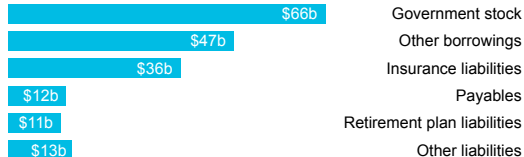


# The Crown balance sheet

## Assets \$279b



## Liabilities \$186b

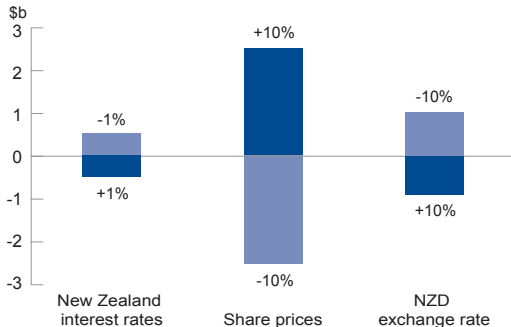


- » The Crown balance sheet grew over the year with total assets reaching \$279 billion
- » Total liabilities were \$186 billion
- » Financial assets and liabilities are particularly sensitive to changes in market rates such as share prices

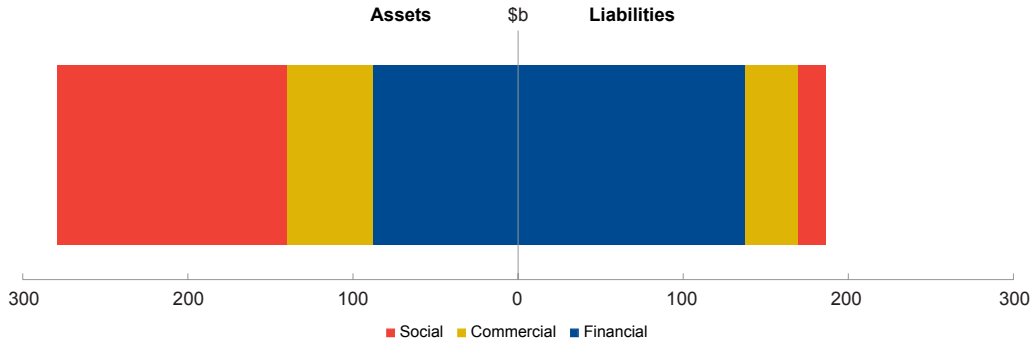


## Balance sheet sensitivities

Impact on operating balance of change in key market rates



# Balance sheet composition



» **Social sector net worth \$121.7 billion**

\$138.8 billion of social sector assets (eg, schools, hospitals and social housing) have increased by \$5.6 billion from last year.

Social sector liabilities were similar to last year at \$17.1 billion, a \$0.1 billion increase.



» **Financial sector net worth -\$49.9 billion**

\$87.4 billion of financial sector assets with a \$12.8 billion increase from last year.

\$137.3 billion of financial sector liabilities, an increase of \$7.7 billion from last year.



» **Commercial sector net worth \$20.4 billion**

\$52.5 billion of commercial sector assets (mainly SOE's) with a \$3.5 billion increase from last year.

\$32.1 billion of commercial sector liabilities (including Kiwibank), an increase of \$2.6 billion from last year.