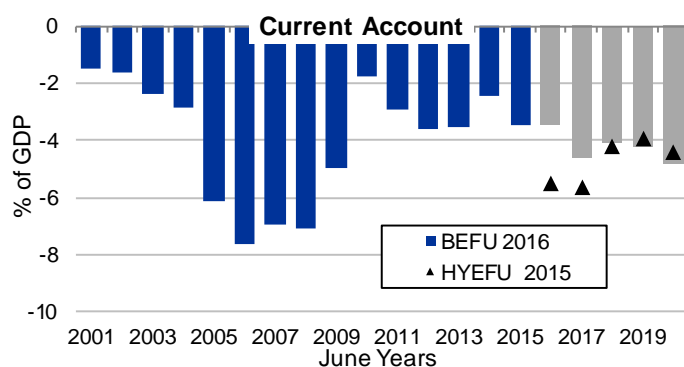
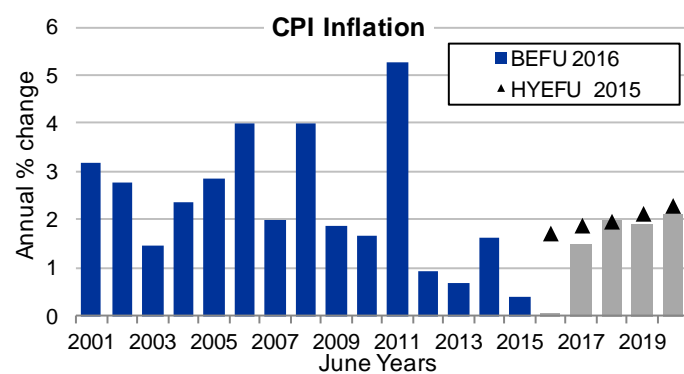
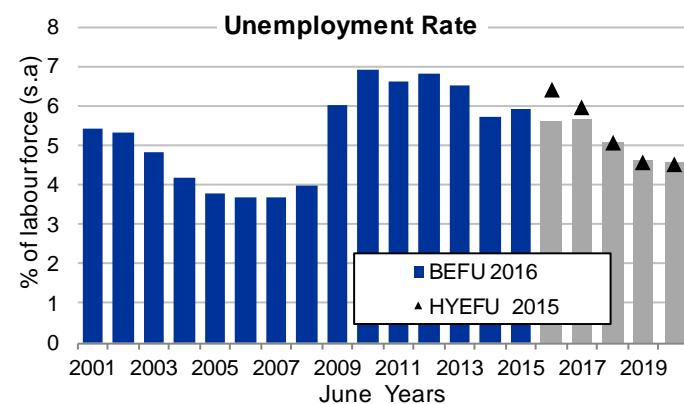
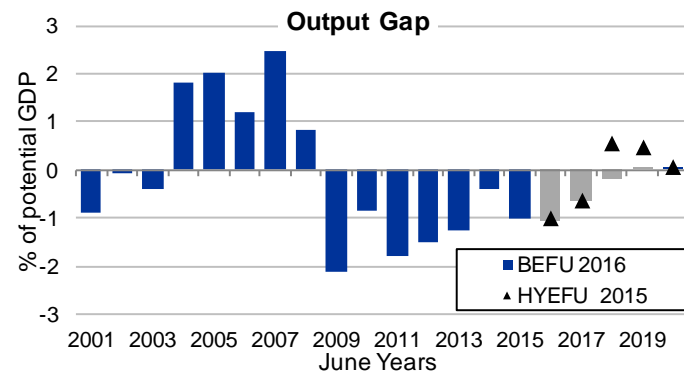
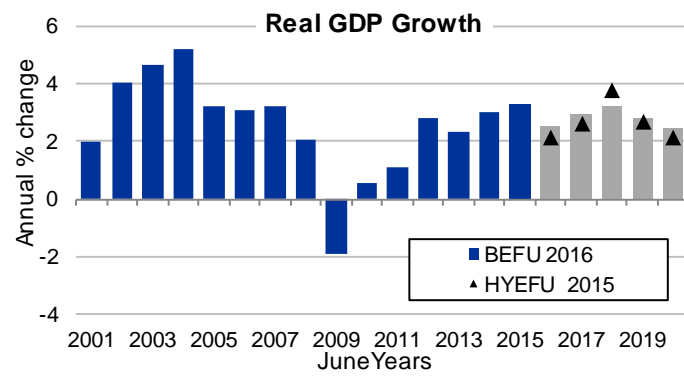


Economic and Fiscal Forecasts Dashboard - 2016 Budget Economic and Fiscal Update



Economic Forecasts at 13 April 2016

BEFU 2016
SUMMARY OF ECONOMIC FORECASTS

(Annual average percent change, unless specified otherwise)

June Years	2015	2016	2017	2018	2019	2020
		Fcast	Fcast	Fcast	Fcast	Fcast
Private consumption	2.7	3.0	3.3	2.6	2.5	2.3
Public consumption	2.1	2.1	2.0	1.4	1.0	1.1
TOTAL CONSUMPTION	2.6	2.8	3.0	2.3	2.2	2.0
Residential investment	8.5	5.4	6.5	7.4	5.5	-0.8
Market investment*	5.2	2.2	6.1	6.1	7.7	5.0
Non-market investment**	27.0	3.0	8.4	-1.9	-8.3	0.5
TOTAL INVESTMENT	7.8	3.1	5.8	5.4	5.6	2.8
Stocks (contribution to GDP growth)	-0.3	-0.2	-0.1	0.3	0.3	0.4
GROSS NATIONAL EXPENDITURE	3.4	2.7	3.7	3.3	3.3	2.5
Exports	5.7	3.7	0.4	4.5	2.7	2.3
Imports	6.6	0.5	3.8	4.6	4.3	2.4
GDP (EXPENDITURE MEASURE)	3.3	3.5	2.6	3.3	2.8	2.5
GDP (PRODUCTION MEASURE)	3.3	2.6	2.9	3.2	2.8	2.5
annual % change, June quarter (production)	2.4	2.9	3.3	3.0	2.8	2.3
Potential GDP	3.0	3.0	2.9	2.6	2.6	2.4
Output gap (June qtr.% of potential)	-1.0	-1.0	-0.6	-0.2	0.0	0.0
Nominal GDP (Expenditure Basis)	2.8	3.5	3.6	5.6	5.1	4.1
Real GDP per capita (Production basis)	1.5	0.5	0.9	1.9	1.9	1.6
Employment	3.2	1.4	2.2	1.9	2.0	1.5
Unemployment Rate (June quarter)	5.9	5.6	5.6	5.1	4.6	4.6
Labour Productivity (Hours worked basis)	0.7	0.8	1.0	1.5	0.8	1.0
Wages (QES average hourly ord time earnings, apc)	2.8	1.7	1.4	1.9	2.3	2.9
Net Migration (000s, year to June)	58.3	70.7	50.5	18.5	12.0	12.0
90-day Bank Bill Rate (June quarter av)	3.5	2.2	2.2	2.6	3.7	4.2
TWI (June quarter av)	76.2	72.5	70.5	70.2	70.3	69.5
CPI Inflation (apc, June quarter)	0.4	0.1	1.5	2.0	1.9	2.1
House Price Inflation (apc, June quarter)	11.1	8.9	7.7	2.3	2.0	2.0
Current account balance (% of GDP)	-3.5	-3.5	-4.6	-4.1	-4.3	-4.8
Terms of Trade (SNA Basis)	-5.0	-4.7	0.4	3.7	2.3	-0.6
Household saving ratio (% of HHD)	-0.7	0.6	0.8	0.4	0.3	0.1

* Includes Local Government and Non-profit Organisations
** Central Government (includes Crown Entities but not SOEs)

Balance Sheet Forecasts/Projections at 29 April 2016

Year ending 30 June	2015	2016	2017	2018	2019	2020
\$ billion	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Financial assets	135.8	134.7	141.3	139.6	142.2	151.5
Property, plant and equipment	124.6	127.0	131.1	133.5	135.3	136.8
Other assets	18.4	18.7	19.2	20.3	21.3	22.4
Total Assets	278.7	280.4	291.6	293.3	298.7	310.7
- Percent of GDP	115.4	112.1	112.5	107.2	103.9	103.9
Borrowings	112.6	113.0	121.7	118.8	115.1	115.9
Other	73.9	78.1	77.5	77.1	78.4	79.9
Total Liabilities	186.5	191.1	199.2	195.9	193.6	195.8
- Percent of GDP	77.2	76.4	76.8	71.6	67.3	65.5
Net worth attributable to Crown	86.5	83.5	86.6	91.6	99.3	108.9
Net worth attributable to minority interest	5.8	5.8	5.8	5.9	5.9	6.0
Total Net Worth	92.2	89.3	92.4	97.5	105.2	114.9
- Percent of GDP	38.2	35.7	35.7	35.6	36.6	38.4

Fiscal Forecasts/Projections at 29 April 2016

Table - Reconciliation from operating balance to residual core Crown cash

Year ending 30 June	2015	2016	2017	2018	2019	2020
\$billions	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Social security and welfare	(23.5)	(24.3)	(25.2)	(25.7)	(26.4)	(27.4)
Health	(15.1)	(15.6)	(16.2)	(16.3)	(16.3)	(16.3)
Education	(12.9)	(13.2)	(13.5)	(13.7)	(13.7)	(13.9)
Core government services	(4.1)	(4.4)	(4.9)	(4.8)	(4.6)	(4.6)
Finance costs	(3.8)	(3.6)	(3.7)	(3.8)	(3.7)	(3.7)
Forecast new operating spending	..	(0.0)	(0.5)	(1.8)	(3.4)	(4.9)
Other core Crown expenses	(13.0)	(13.1)	(13.3)	(13.7)	(13.8)	(14.0)
Total core Crown expenses	(72.4)	(74.4)	(77.4)	(79.7)	(82.0)	(84.8)
Core Crown revenue	72.2	75.3	78.5	82.1	87.0	91.4
Net surpluses/(deficits) of SOEs and Ces	0.6	(0.3)	(0.4)	0.1	(0.0)	0.1
Total Crown OBEGAL	0.4	0.7	0.7	2.5	5.0	6.7
Gains and losses	5.4	(3.2)	2.3	2.5	2.6	2.9
Total Crown operating balance	5.8	(2.6)	3.1	5.0	7.6	9.6
Net retained surpluses of SOEs, CEs and NZS Fund	(6.5)	3.0	(1.9)	(2.6)	(2.7)	(3.1)
Non-cash items and working capital movements	2.3	1.7	0.8	0.4	1.1	1.3
Net core Crown cash flow from operations	1.6	2.1	1.9	2.8	6.0	7.8
Purchase of physical assets	(2.0)	(2.2)	(2.8)	(2.2)	(1.7)	(1.6)
Advances and capital injections	(2.1)	(2.0)	(2.7)	(1.9)	(1.6)	(1.4)
Proceeds from Government share offers	0.6	..	..	..	..	..
Forecast for future new capital spending	..	(0.0)	(0.6)	(0.7)	(0.7)	(0.9)
Core Crown residual cash	(1.8)	(2.1)	(4.2)	(2.1)	2.0	3.9
Opening net debt	59.9	60.6	62.3	66.3	68.3	66.3
Core Crown residual cash (above)	1.8	2.1	4.2	2.1	(2.0)	(3.9)
Other valuation changes in financial assets and financial liabilities	(1.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.0)
Closing net debt	60.6	62.3	66.3	68.3	66.3	62.3

Year ending 30 June
\$ billion

Year ending 30 June	2015	2016	2017	2018	2019	2020
\$ billion	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
2015 core Crown expenses	72.4	72.4	72.4	72.4	72.4	72.4
New spending (operating allowances)						
Budget 2015 decisions	..	1.0	1.3	1.4	1.4	1.4
Budget 2016 operating allowance	..	..	1.9	1.9	1.9	2.0
Budget 2017 operating allowance	..	..	..	1.5	1.5	1.5
Budget 2018 operating allowance	..	..	..	..	1.5	1.5
Budget 2019 operating allowance	..	..	..	..	..	1.5
Existing policies						
NZS payments	0.7	1.3	1.9	2.6	3.3	..
Other social assistance	(0.5)	0.4	0.1	0.2	0.5	..
Debt impairments	..	0.1	0.2	0.2	0.2	..
Finance costs	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
GSF expenses	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Treaty settlements	0.4	0.3	0.3	0.3	0.3	..
Other expenses						
Earthquake expenses	(0.1)	(0.3)	(0.5)	(0.5)	(0.6)	..
Other changes	0.8	0.3	0.7	0.7	0.9	..
Core Crown expenses	74.4	77.4	79.7	82.0	84.8	84.8

Year ending 30 June	2015	2016	2017	2018	2019	2020
% of GDP	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
Core Crown expenses	30.0	29.7	29.9	29.1	28.5	28.3
Total Crown operating balance before gains and losses	0.2	0.3	0.3	0.9	1.7	2.2
Total Crown operating balance	2.4	(1.0)	1.2	1.8	2.6	3.2
Core Crown residual cash	(0.8)	(0.8)	(1.6)	(0.8)	0.7	1.3
Net core Crown debt	25.1	24.9	25.6	25.0	23.1	20.8

