

# **System of National Account Series (SNA) Series Tables**

## Introduction to the System of National Accounts (SNA) Series

The World Bank's System of National Accounts (SNA) consists of an integrated set of macroeconomic accounts based on a set of internationally agreed concepts, definitions, classifications and accounting rules. It provides a comprehensive accounting framework within which economic data can be compiled and presented in a format specifically designed for economic analysis.

Under SNA, a country's economy comprises five distinct institutional sectors, of which General Government is one. The General Government sector includes the Central, State and Local Government subsectors. The following tables comprise forecasts of the **Central Government** subsector only (which is a proxy for, but not identical to, the GAAP Crown reporting entity).

The information in these tables has been used to measure the public sector GDP components in Table 1.1 (see page 22). However, there are some differences between individual categories. For example, the contingency expense provision has been identified separately in these tables, but included in total public consumption in Table 1.1 for the purposes of forecasting GDP.

Statistics New Zealand produces ex-post SNA accounts for Central Government. However, Statistics New Zealand's series is not strictly comparable with the series presented here, owing to differences in information sources and coverage.

### Tables

The SNA accounts comprise two main tables, the Forecast Income and Outlay Account, and the Forecast Capital Accumulation Account.

The **Forecast Income and Outlay Account** deducts the Government's current expenses (outlay) from its current revenue (income), to derive a measure of Government saving (or dissaving). This saving figure is conceptually similar to the GAAP series operating balance, although coverage is not identical (see discussion below).

The **Forecast Capital Accumulation Account** adds this measure of saving to the Government's net acquisition of non-financial assets, to derive its net lending (or borrowing) requirement. This account shows how transactions in non-financial assets, including land and intangible assets, are funded.

In addition, there are tables detailing total outlays, consumption expenditure and current transfers by functional classification, and a reconciliation between Central Government saving (SNA) and the Crown operating balance (GAAP).

While a comprehensive listing is beyond the scope of this introduction, items of note which are treated differently, in terms of either coverage or presentation, between SNA and GAAP are discussed below.

### ***Coverage Differences Requiring Reconciliation***

- Net assets of the Reserve Bank, SOEs and Crown entities, which are included as part of the GAAP Crown reporting entity, are not included in SNA Central Government (however, any flows to or from these organisations, for example dividends, are included).
- Net foreign-exchange gains and losses, which are treated as expenses in GAAP, are not included in SNA.
- Purchases of military equipment and weapons, which are largely treated as prepayments for the purchase of physical assets (capital) in GAAP, are treated as consumption expenditure in SNA.
- Treaty settlements are one example of the other operating balance/saving boundary differences which must be reconciled. They are an expense in GAAP, and therefore, they are included in the operating balance. For SNA purposes, Treaty settlements are classified as a capital transfer. While they do enter into the capital account, they do not affect savings.

### ***Presentational Differences***

- SNA nets off all intra-governmental GST flows (departmental and non-departmental), whereas GAAP only nets off departmental GST flows.
- ACC premium collection by IRD and on-payment to ARCIC, which are both excluded from GAAP, are treated separately as social security contributions (income) and social security benefits (outlay) in SNA.
- The Health and Safety in Employment levy, which is treated as other operational revenue in GAAP, is treated as a tax on production and imports (indirect tax) in SNA.
- Petroleum royalties, which are treated as other operational revenue in GAAP, are treated as taxes on production and imports (indirect tax) in SNA.
- Rents received on buildings, which fall under nontax revenue in GAAP, are treated as an offset to consumption expenditure in SNA.

## FORECAST INCOME AND OUTLAY ACCOUNT for the years ending 30 June

(\$ million)	1997					
	1996 Actual	Previous Budget	Estimated Actual	1998 Forecast	1999 Projection	2000 Projection
<b>INCOME</b>						
Property income:						
Interest	705	718	578	475	519	538
Dividends	784	743	980	654	645	728
Rent	3	3	3	2	3	3
Taxes on production and imports	10,353	10,804	10,759	11,090	11,667	12,084
Current taxes on income, wealth, etc	20,928	20,888	20,417	21,051	21,379	22,585
Social security contributions	454	467	484	516	533	548
Fees, fines and penalties	100	115	109	115	115	114
<b>TOTAL INCOME</b>	<b>33,327</b>	<b>33,738</b>	<b>33,330</b>	<b>33,903</b>	<b>34,861</b>	<b>36,600</b>
<b>OUTLAY</b>						
Consumption expenditure <sup>1</sup>	12,671	13,229	13,421	14,236	14,888	15,541
Interest concessions	6	1	6	3	4	3
Interest payments	3,577	3,335	3,215	2,779	2,613	2,602
Subsidies	142	151	158	179	170	163
Social security benefits	605	654	645	669	696	728
Current transfers:						
Social assistance grants	12,602	13,216	13,260	13,987	14,343	14,783
Rest of world	224	251	260	286	310	322
Other	139	161	145	156	142	138
Contingency expense provision	..	200	..	200	200	200
<b>TOTAL OUTLAY</b>	<b>29,966</b>	<b>31,198</b>	<b>31,110</b>	<b>32,495</b>	<b>33,366</b>	<b>34,480</b>
<b>SAVING</b>	<b>3,361</b>	<b>2,540</b>	<b>2,220</b>	<b>1,408</b>	<b>1,495</b>	<b>2,120</b>

<sup>1</sup> Includes provision for future initiatives of \$297 million in 1997/98, \$845 million in 1998/99 and \$1,576 million in 1999/2000 (GST-exclusive).

## FORECAST CAPITAL ACCUMULATION ACCOUNT for the years ending 30 June

(\$ million)	1997					
	1996 Actual	Previous Budget	Estimated Actual	1998 Forecast	1999 Projection	2000 Projection
<b>FINANCING</b>						
Consumption of fixed capital	507	568	541	590	631	649
Capital transfers	(83)	(147)	(178)	(315)	(116)	(111)
Saving	3,361	2,540	2,220	1,408	1,495	2,120
<b>FUNDS AVAILABLE FOR ACCUMULATION</b>	<b>3,785</b>	<b>2,961</b>	<b>2,583</b>	<b>1,683</b>	<b>2,010</b>	<b>2,658</b>
<b>ACCUMULATION</b>						
Gross fixed capital formation	634	692	645	1,019	670	721
Net (sale)/purchase of:						
Intangible assets	(19)	..	9	(7)	(7)	..
Land	(30)	46	133	15	32	10
Contingency capital provision	..	200	..	80	100	60
<b>TOTAL GROSS ACCUMULATION</b>	<b>585</b>	<b>938</b>	<b>787</b>	<b>1,107</b>	<b>795</b>	<b>791</b>
<b>NET LENDING REQUIREMENT</b>	<b>3,200</b>	<b>2,023</b>	<b>1,796</b>	<b>576</b>	<b>1,215</b>	<b>1,867</b>

## FORECAST OUTLAY BY FUNCTIONAL CLASSIFICATION for the years ending 30 June

(\$ million)	1997					
	1996 Actual	Previous Budget	Estimated Actual	1998 Forecast	1999 Projection	2000 Projection
<b>OUTLAY</b>						
General public services	1,241	1,210	1,257	1,287	1,308	1,333
Defence	952	1,088	1,019	1,049	1,004	824
Law and order	1,184	1,203	1,236	1,221	1,228	1,223
Education	4,440	4,701	4,762	5,012	5,141	5,227
Health	4,846	5,108	5,228	5,567	5,661	5,722
Social security and welfare	12,044	12,535	12,579	13,133	13,451	13,865
Housing	33	36	34	38	36	37
Recreation and culture	212	233	236	263	251	239
Fuel and energy	19	21	18	18	16	16
Agriculture, forestry and fishing	86	87	104	103	100	97
Mining, minerals, manufacturing and construction	..	..	..	..	..	..
Transport and communication	722	746	770	808	830	837
Other economic affairs and services	599	684	675	748	673	673
Other expenditure <sup>1</sup>	3,588	3,546	3,192	3,244	3,666	4,384
<b>TOTAL OUTLAY</b>	<b>29,966</b>	<b>31,198</b>	<b>31,110</b>	<b>32,495</b>	<b>33,366</b>	<b>34,480</b>

<sup>1</sup> Includes provision for future initiatives of \$297 million in 1997/98, \$845 million in 1998/99 and \$1,576 million in 1999/2000 (GST-exclusive) and contingency expense provision.

## FORECAST CONSUMPTION EXPENDITURE BY FUNCTIONAL CLASSIFICATION for the years ending 30 June

(\$ million)	1997					
	1996 Actual	Previous Budget	Estimated Actual	1998 Forecast	1999 Projection	2000 Projection
<b>CONSUMPTION EXPENDITURE</b>						
General public services	1,052	998	1,051	1,063	1,076	1,083
Defence	952	1,088	1,019	1,049	1,004	824
Law and order	1,120	1,132	1,166	1,153	1,155	1,151
Education	4,098	4,339	4,378	4,593	4,694	4,768
Health	2,984	3,177	3,276	3,479	3,522	3,544
Social security and welfare	1,139	1,072	1,091	1,062	1,058	1,066
Housing	27	31	28	35	33	33
Recreation and culture	169	186	199	214	212	201
Fuel and energy	19	21	18	18	16	16
Agriculture, forestry and fishing	83	81	99	97	93	90
Mining, minerals, manufacturing and construction	..	..	..	..	..	..
Transport and communication	722	746	770	808	830	837
Other economic affairs and services	294	345	314	357	339	341
Other expenditure <sup>1</sup>	12	13	12	308	856	1,587
<b>TOTAL CONSUMPTION EXPENDITURE</b>	<b>12,671</b>	<b>13,229</b>	<b>13,421</b>	<b>14,236</b>	<b>14,888</b>	<b>15,541</b>

<sup>1</sup> Includes provision for future initiatives of \$297 million in 1997/98, \$845 million in 1998/99 and \$1,576 million in 1999/2000 (GST-exclusive).

## FORECAST CURRENT TRANSFERS BY FUNCTIONAL CLASSIFICATION for the years ending 30 June

(\$ million)	1997					
	1996 Actual	Previous Budget	Estimated Actual	1998 Forecast	1999 Projection	2000 Projection
<b>CURRENT TRANSFERS</b>						
General public services	193	212	206	223	235	247
Defence	..	..	..	..	..	..
Law and order	63	71	69	67	72	72
Education	342	363	384	418	446	459
Health	1,687	1,746	1,769	1,902	1,942	1,972
Social security and welfare	10,493	11,013	11,047	11,606	11,911	12,298
Housing	1	5	1	1	1	1
Recreation and culture	33	36	27	40	28	29
Fuel and energy	..	..	..	..	..	..
Agriculture, forestry and fishing	1	4	3	4	5	6
Mining, minerals, manufacturing and construction	..	..	..	..	..	..
Transport and communication	..	..	..	..	..	..
Other economic affairs and services	152	178	159	168	155	159
Other expenditure	..	..	..	..	..	..
<b>TOTAL CURRENT TRANSFERS</b>	<b>12,965</b>	<b>13,628</b>	<b>13,665</b>	<b>14,429</b>	<b>14,795</b>	<b>15,243</b>

## RECONCILIATION BETWEEN OPERATING BALANCE AND SNA SAVING for the years ending 30 June

(\$ million)	1997					
	1996 Actual	Previous Budget	Estimated Actual	1998 Forecast	1999 Projection	2000 Projection
<b>OPERATING BALANCE</b>	<b>3,314</b>	<b>2,758</b>	<b>2,448</b>	<b>1,532</b>	<b>1,927</b>	<b>2,568</b>
Adjustments:						
Reserve Bank surplus	(167)	(134)	(145)	(127)	(125)	(126)
Commercial forestry losses/(gains)	87	..	(8)	..	..	..
Net deficit/(surplus) attributable to SOEs and Crown entities	2	(277)	(317)	(477)	(614)	(704)
Net foreign-exchange (gains)/losses	(603)	..	30	..	..	..
Debt buy-back losses	250	..	..	..	..	..
Equiticorp judgment	328	..	..	..	..	..
Movement in unfunded pension liability	226	7	66	85	78	69
Movement in National Provident Fund guarantee	(15)	..	27	..	..	..
Other revaluations and writedowns	(15)	75	152	104	113	113
Net loss on sale of fixed assets	44	..	1	..	..	..
Net gain on investments	(87)	..	(40)	..	..	..
New Zealand Defence Force depreciation	202	201	199	205	219	250
Other operating balance/saving boundary differences	(205)	(90)	(193)	86	(103)	(50)
<b>SNA SAVING</b>	<b>3,361</b>	<b>2,540</b>	<b>2,220</b>	<b>1,408</b>	<b>1,495</b>	<b>2,120</b>