

Government finance statistics (general government): Year ended June 2017

Embargoed until 10:45am – 24 November 2017

Key facts

In the year ended June 2017:

- General government net operating balance increased to a \$8.3 billion surplus.
- Total operating income increased 6.1 percent, led by an increase in taxation.
- Total operating expenditure increased 4.0 percent as social benefits rose.
- Net acquisition of non-financial assets fell \$0.3 billion to \$3.7 billion.
- Net lending was \$4.6 billion.
- Net worth totalled \$263.9 billion at 30 June 2017, up strongly from 2016.

Year ended June	General government financial statistics						
	Net operating balance		Net worth		Net debt		GDP ⁽¹⁾
	\$billion	%GDP	\$billion	%GDP	\$billion	%GDP	\$billion
2009	2.8	1.5	212.3	112.0	9.6	5.1	189.6
2010	-3.3	-1.7	208.5	106.0	17.0	8.6	196.7
2011	-13.3	-6.5	200.0	97.1	35.0	17.0	205.9
2012	-3.5	-1.6	184.3	85.7	45.4	21.1	215.1
2013	-0.6	-0.3	191.7	87.7	44.4	20.3	218.7
2014	1.3	0.5	205.7	87.1	43.9	18.6	236.2
2015	3.6	1.5	223.0	91.7	41.3	17.0	243.14
2016	5.9	2.3	235.4	93.0	45.7	18.0	253.2
2017	8.3	3.1	263.9	98.4	42.2	15.8	268.1

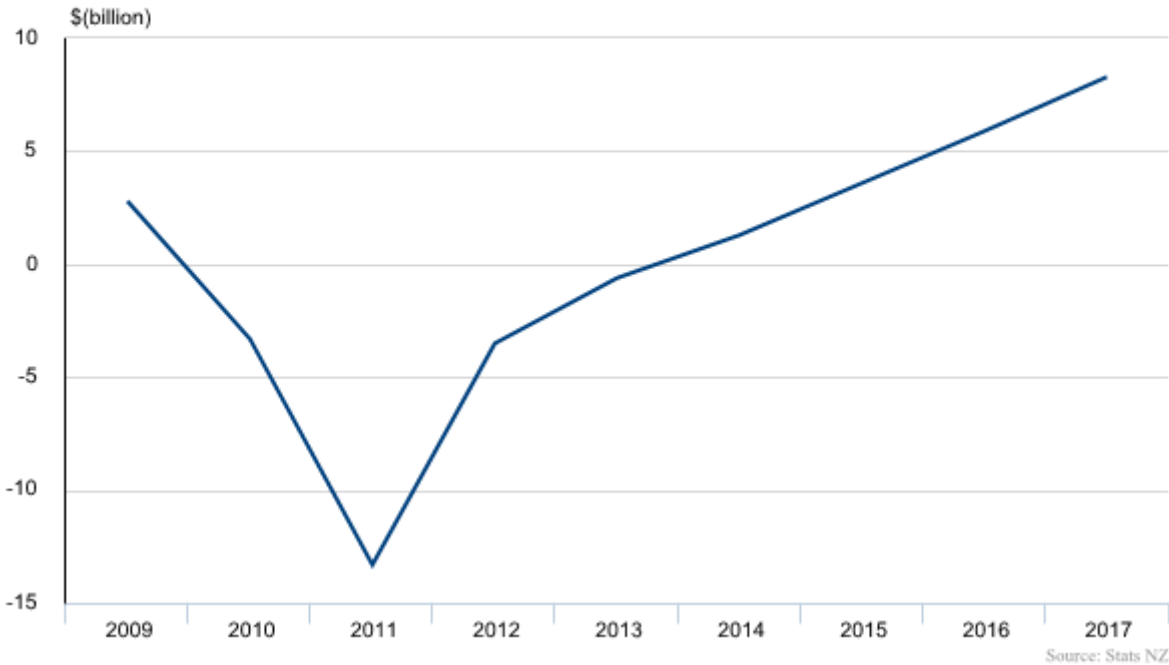
1. Nominal expenditure measure of GDP as at 24 November 2017, and subject to revision.
Source: Stats NZ

Net operating balance surplus continues to grow

Government finance statistics for general government showed the net operating surplus was \$8.3 billion in the year ended June 2017. This was an improvement from the June 2016 year, when the net operating balance was a surplus of \$5.9 billion.

Net operating balance (general government)

Year ended June, 2009–17



Operating income rose by \$6.1 billion to a total of \$103.1 billion in the year ended June 2017. The main drivers for the increase in 2017 were the three major tax types:

- Taxes payable by individuals was up \$2.1 billion (up 6.4 percent) as the number of people employed grew by 3.1 percent during the period while wage inflation was 1.7 percent. See [Labour Market Statistics: June 2017 quarter](#)
- Taxes payable by corporations was up \$1.7 billion (up 12.3 percent) due to increased profits of both small and large companies across the economy.
- Taxes on goods and services was up \$1.4 billion (up 5.4 percent) on the back of increased domestic consumption.

Tax revenue (general government)

Year ended June, 2009–17



Operating expenses increased by \$3.6 billion to a total of \$94.9 billion in the year ended June 2017. The three main drivers were social benefits (up \$1.4 billion from 2016), employee expenses (up \$0.9 billion), and purchases of goods and services (up \$1.0 billion).

General government net lending in the June 2017 year was \$4.6 billion, compared with a net lending figure of \$1.9 billion in the year ended June 2016. The continued growth of net lending for general government was due to the strong increase in taxation revenue combined with a drop in the net acquisition of non-financial assets (down \$0.3 billion) as the Canterbury rebuild wound down for local government.

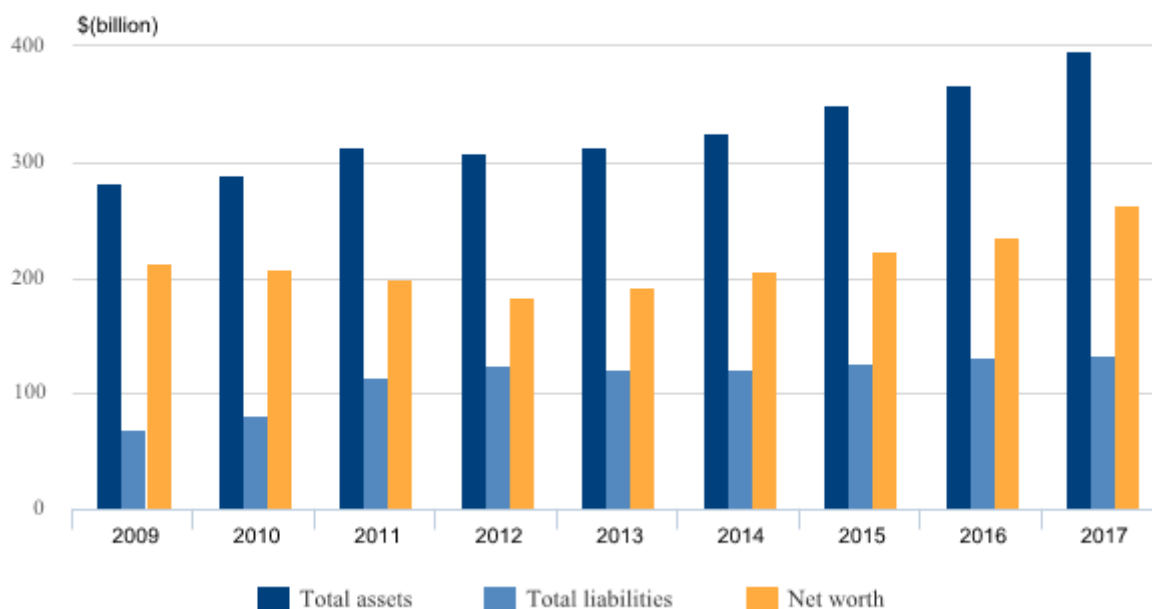
Strong rise in net worth

General government net worth totalled \$263.9 billion at 30 June 2017, up \$28.5 billion from 2016. This \$28.5 billion increase compares with the \$12.5 billion increase in the previous year. The main drivers for the strong increase in 2017 were:

- non-financial assets up \$14.1 billion, in part due to a \$10.4 billion increase from other economic flows such as revaluations
- shares and other equity up \$7.2 billion, primarily due to the strong investment performance of the New Zealand Superannuation Fund
- equity accounted investments, which mostly represents governments claim on state-owned enterprises, up \$4.2 billion.

Local government net worth grew by \$5.2 billion in 2017, which compares with \$3.3 billion in 2016. Local government made up 44.9 percent of total general government net worth.

Assets and liabilities (general government)
As at 30 June, 2009–17



Source: Stats NZ

Net debt to GDP ratio decreases

Net debt as defined by the government finance statistics framework includes all financial assets and liabilities, except for shares and other equity, equity accounted investments, and financial derivatives.

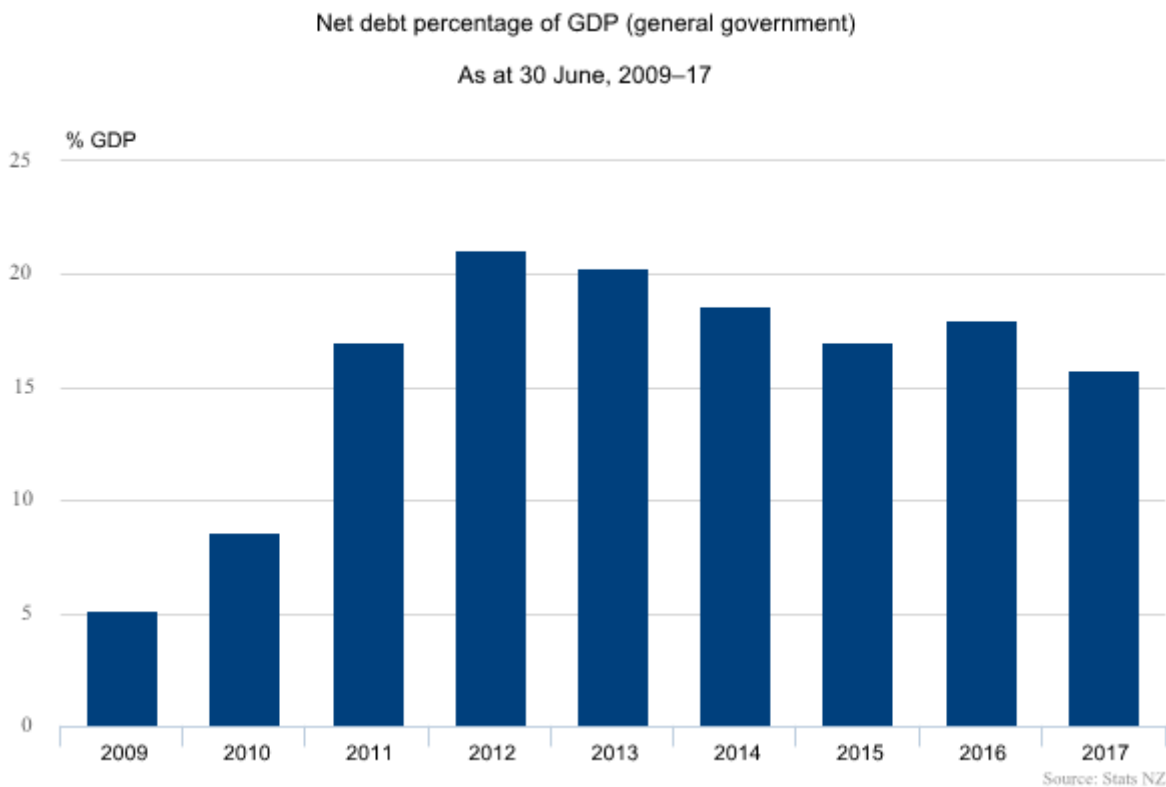
The ratio of general government net debt to nominal GDP decreased from 18.0 percent to 15.8 percent during the year ended June 2017. The decreased net debt was mostly due to a relatively flat increase in

liabilities combined with growth in taxes receivable, cash and deposits, and securities held by central government.

Central government net debt has been decreasing in nominal terms since 2012, with the exception of an increase in 2016. The increased borrowing prior to 2012 was mostly due to the insurance costs relating to the Canterbury earthquakes and reduced tax intake following the global financial crisis.

Local government net debt has been increasing in nominal terms across the time series due to the rebuild in Christchurch and the expansion of core infrastructure in Auckland. The nominal expenditure measure of GDP increased from \$253.2 billion to \$268.1 billion during the June year.

Note that June-year nominal GDP figures are subject to revision, particularly for more recent years, when they are updated quarterly as part of the release of gross domestic product. The largest revisions are typically made in the September quarter, see for instance, *Gross domestic product: September 2017 quarter*, scheduled for 21 December 2017.



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[Government Finance Statistics \(General Government\): Concepts – DataInfo+](#)
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This reference manual describes the GFS system.

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Tables

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