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Financial Statements of the Government of New Zealand

for the year ended 30 June 2017

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Commentary on the Financial Statements

Fiscal Overview

FISCAL STRATEGY

Operating revenue

Ensure sufficient operating revenue to meet the operating balance objective

Operating expenses

To meet the operating balance objective the Government will control the growth in government spending so that over time core Crown expenses are below 30% of GDP

Operating balance

Return to an operating surplus sufficient to meet the Government's net capital requirements, including contributions to the NZS Fund, and ensure consistency with the debt objective

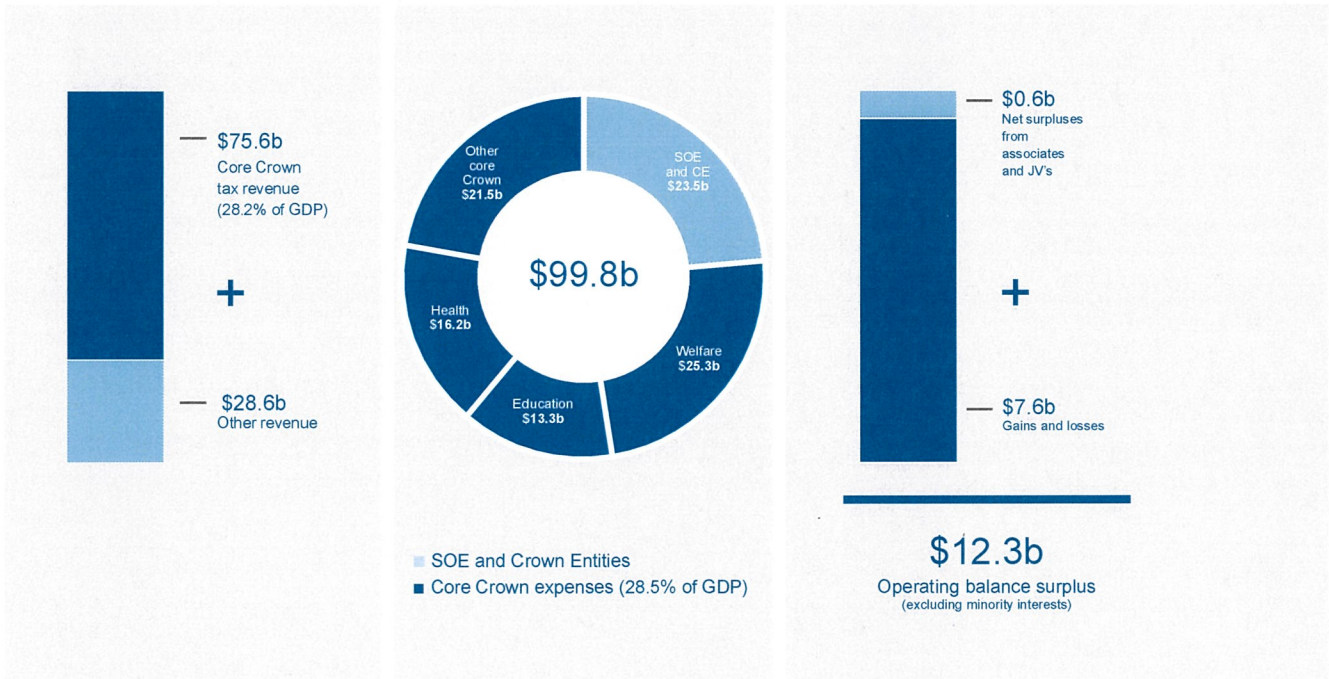
Total Crown

The difference between total Crown revenue and expenses gives us the operating balance before gains and losses (OBEGAL)

$$\begin{array}{r}
 \text{\$104.2b} \\
 \text{TOTAL CROWN REVENUE}
 \end{array}
 -
 \begin{array}{r}
 \text{\$99.8b} \\
 \text{TOTAL EXPENSES}
 \end{array}
 =
 \begin{array}{r}
 \text{\$4.1b} \\
 \text{OBEGAL (excluding minority interests)}
 \end{array}$$

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FINANCIAL RESULTS



WHERE TO FIND THESE IN THE FINANCIAL STATEMENTS

Fiscal strategy

- Capital objectives and fiscal policy (p90)

Revenue

- Tax revenue (p10)
- Other revenue (p11)

Expenses

- Functional classification tables (p29)
- Detailed expense notes (p51–53)
- SOE and Crown entities results (p131–133)
- Unappropriated expenditure (p117–121)

Net result

- Operating statement (p28)
- Gains and losses notes (p53)
- ACC insurance liability (p53–59)
- GSF note (p84–87)