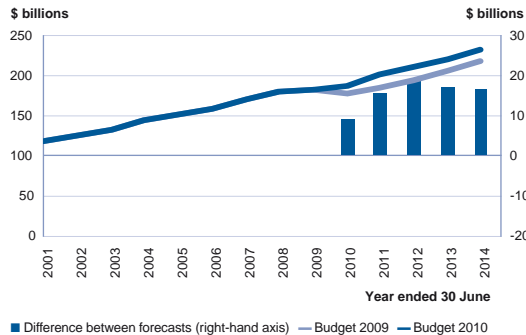
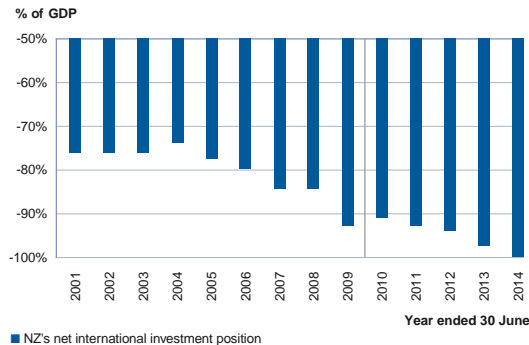


New Zealand's nominal GDP



The Budget 2009 forecast of nominal GDP has been updated to reflect historical revisions to GDP made by Statistics New Zealand in late 2009.

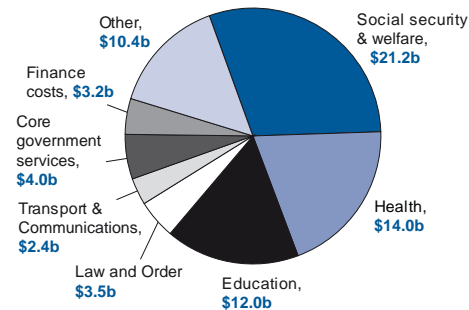
New Zealand's overseas debt



New Zealand's net international investment position - the difference between the value of New Zealand's international assets and liabilities at a particular point in time - (as a percentage of GDP).

Where do core Crown expenses go?

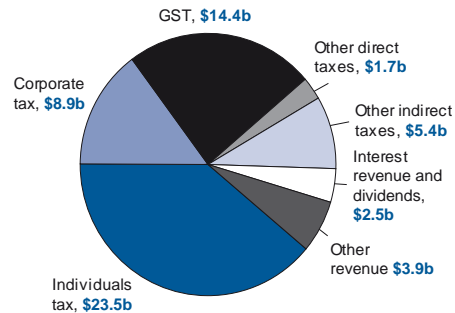
2010/11: \$70.7b (34.7% of GDP)



Social security & welfare includes social assistance benefits such as NZ Superannuation, Domestic Purposes and the Unemployment benefit.

Where does core Crown revenue come from?

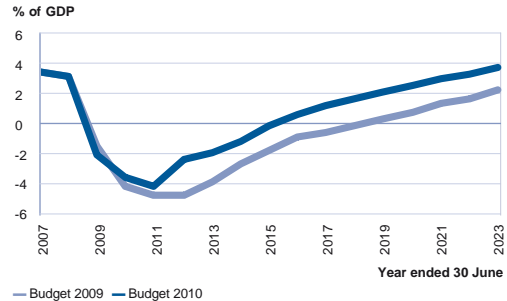
2010/11: \$60.3b (29.6% of GDP)



Expenses and revenue are on a core Crown basis and so exclude Crown entities and state-owned enterprises.

Operating balance before gains and losses

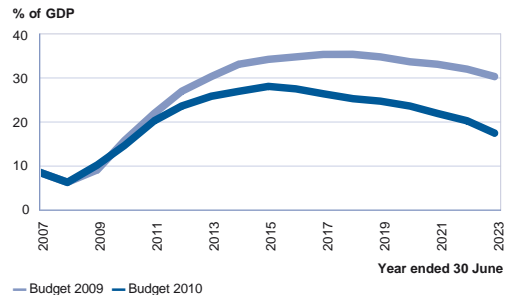
2010/11: -\$8.6b (-4.2% of GDP)



This shows the difference between total Crown revenue and spending. It does not include gains and losses resulting from changing values of assets and liabilities.

Net Government debt

2010/11: \$40.0b (19.6% of GDP)



2010
BUDGET

Key Facts for Taxpayers

Hon Bill English
Minister of Finance

20 May 2010

Embargo: Contents not for communication in any form before 2:00pm on Thursday 20 May 2010.

[New Zealand Government](http://www.treasury.govt.nz)

Who pays income tax... and how much?

Annual individual taxable income (\$)	Number of people		Tax paid	
	(000)	%	(\$m)	%
Zero	236	7	0	0
1 - 10,000	446	13	237	1
10,000 - 20,000	834	25	1,576	7
20,000 - 30,000	416	12	1,507	6
30,000 - 40,000	349	10	1,965	8
40,000 - 50,000	304	9	2,306	10
50,000 - 60,000	244	7	2,506	10
60,000 - 70,000	168	5	2,267	9
70,000 - 80,000	113	3	1,885	8
80,000 - 90,000	67	2	1,367	6
90,000 - 100,000	56	2	1,332	6
100,000 - 150,000	89	3	2,961	12
150,000+	52	2	3,963	17
All	3,374	100	23,872	100

This table includes tax on NZ Superannuation and major Social Welfare benefits, but excludes ACC levies, Working for Families and independent earner tax credits and anyone under 15. Analysis is based on Household Economic Survey data sourced from Statistics New Zealand. Data are projected for the year ended March 2011 and include the 1 October 2010 tax changes.

Personal tax, GST and company tax changes

Personal income tax

From 1 October 2010 rates of personal income tax will be:

- 10.5c per \$1 on income up to \$14,000 (down from 12.5c)
- 17.5c per \$1 on income between \$14,001 and \$48,000 (down from 21c)
- 30c per \$1 on income between \$48,001 and \$70,000 (down from 33c)
- 33c per \$1 on income over \$70,000 (down from 38c)

GST

The rate of GST will rise from 12.5% to 15% from 1 October 2010.

Company tax

The company tax rate will drop from 30% to 28% from the 2011/12 income year.

These changes are part of a package of wider tax reform - further information is available at www.taxguide.govt.nz

How will changes to personal tax rates and GST affect me?

Annual individual taxable income (\$)	Annual decrease in income tax (\$)	Annual increase in GST (\$)	Net annual after-tax income change (\$)	Net weekly after-tax income change (\$)
5,000	100.00	88.38	11.63	0.22
10,000	200.00	176.75	23.25	0.45
15,000	315.00	263.41	51.59	0.99
20,000	490.00	343.20	146.80	2.82
25,000	665.00	433.49	231.51	4.45
30,000	840.00	513.28	326.72	6.28
35,000	1,015.00	593.07	421.93	8.11
40,000	1,190.00	672.86	517.14	9.94
45,000	1,365.00	750.03	614.97	11.83
50,000	1,530.00	817.09	712.91	13.71
55,000	1,680.00	884.76	795.24	15.29
60,000	1,830.00	952.43	877.57	16.88
65,000	1,980.00	1,020.10	959.90	18.46
70,000	2,130.00	1,087.77	1,042.23	20.04
80,000	2,630.00	1,213.01	1,416.99	27.25
90,000	3,130.00	1,338.25	1,791.75	34.46
100,000	3,630.00	1,463.49	2,166.51	41.66
110,000	4,130.00	1,588.73	2,541.27	48.87
120,000	4,630.00	1,713.97	2,916.03	56.08

After-tax changes in disposable income presented above are indicative only. The net after-tax changes apply to a single income earner and do not include tax credits (except the independent earner tax credit), tax rebates and the ACC levy. In addition, actual changes to the amount of GST an individual pays will depend on an individual's spending and savings choices.

For more on how changes to personal income tax and GST affect you, please visit the Budget 2010 tax calculator: www.taxguide.govt.nz

Personal income tax change examples

Example 1: Single earner near the average wage

Weekly income (\$)	Before	After
Regular taxable income	961.54	961.54
Income tax	183.65	154.23
Disposable income	777.89	807.31
Change in disposable income due to personal tax changes		29.42
Increase in GST		13.51
Net weekly change in disposable income		+15.91

Example 2: Couple receiving New Zealand Superannuation only

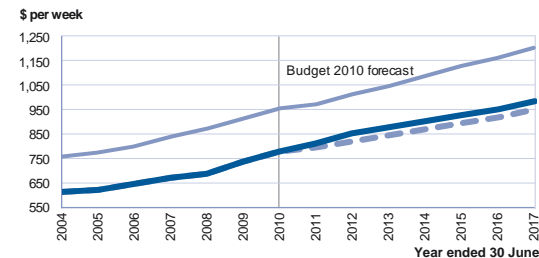
Weekly income (\$)	Before	After
Regular taxable income	561.24	561.24
NZ Super adjustment	0.00	10.12
Income tax	71.82	60.30
Disposable income	489.42	511.06
Change in disposable income due to personal tax changes		21.64
Increase in GST		10.87
Net weekly change in disposable income		+10.77

Example 3: Combined income couple with 10 properties in Auckland

Weekly income (\$)	Before	After
Regular income (salary)	5,769.23	5,769.23
New taxable income (depreciation changes)	0.00	769.23
Tax-free income	769.23	0.00
Income tax	1,790.38	1,808.46
Disposable income	4,747.85	4,729.77
Change in disposable income due to personal tax changes		-18.08
Increase in GST		89.39
Net weekly change in disposable income		-107.47

The examples illustrated above assume certain levels of weekly rent, savings, property values, income and consumption. For more information on these and other tax examples, please visit www.taxguide.govt.nz

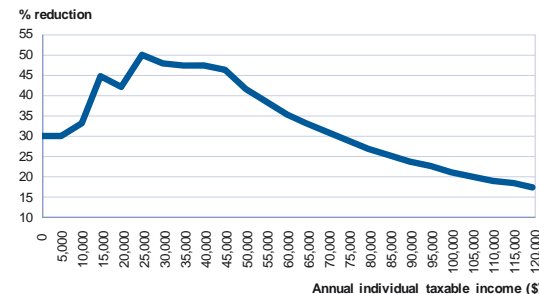
Average weekly earnings before and after tax



— Gross average weekly earnings — After-tax earnings before Budget 2010
— After-tax earnings after Budget 2010

Budget 2010 forecasts of average ordinary time weekly earnings averaged over the fiscal year. Average ordinary time weekly earnings are produced as part of the Quarterly Employment Survey sourced from Statistics New Zealand.

Reduction in tax paid since 1996



Cumulative reduction in income tax paid as a percentage of annual tax applicable as at June 1996, including the October 2010 personal income tax cuts. Tax credits and rebates (except the low income rebate and the independent earner tax credit) have been excluded.

Further Budget 2009 information is available on: <http://www.treasury.govt.nz/budget/2009>