

# Budget 2016: Economic Perspective



**CPAG POST BUDGET BRIEFING**  
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EAQUB & EAQUB

# Budget 2016: Economic Perspective

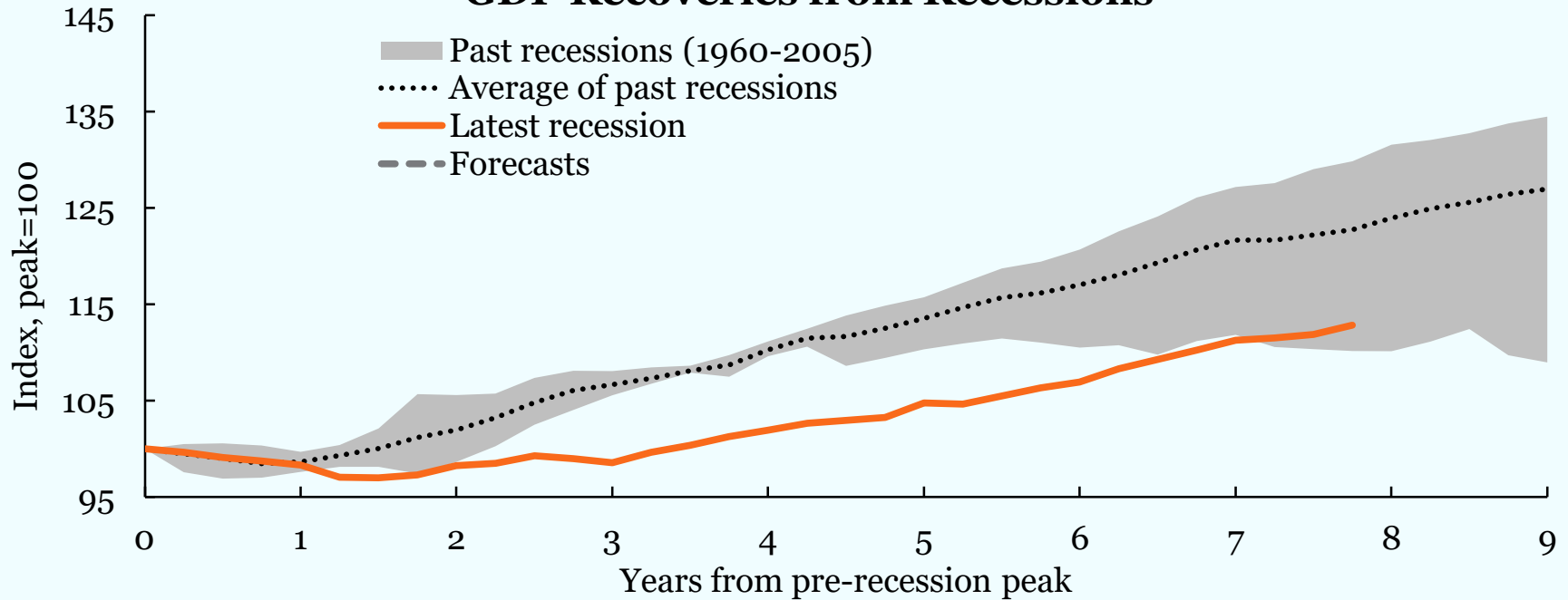
2

- Forecasts, especially about the future...
- Public policy
  - Tax
  - Borrow
  - Spend
- Versus philosophy
  - Politics
    - ✦ Incremental management
    - ✦ Aspirational nation building
  - Public: empathy vs disconnect.

# Different this time

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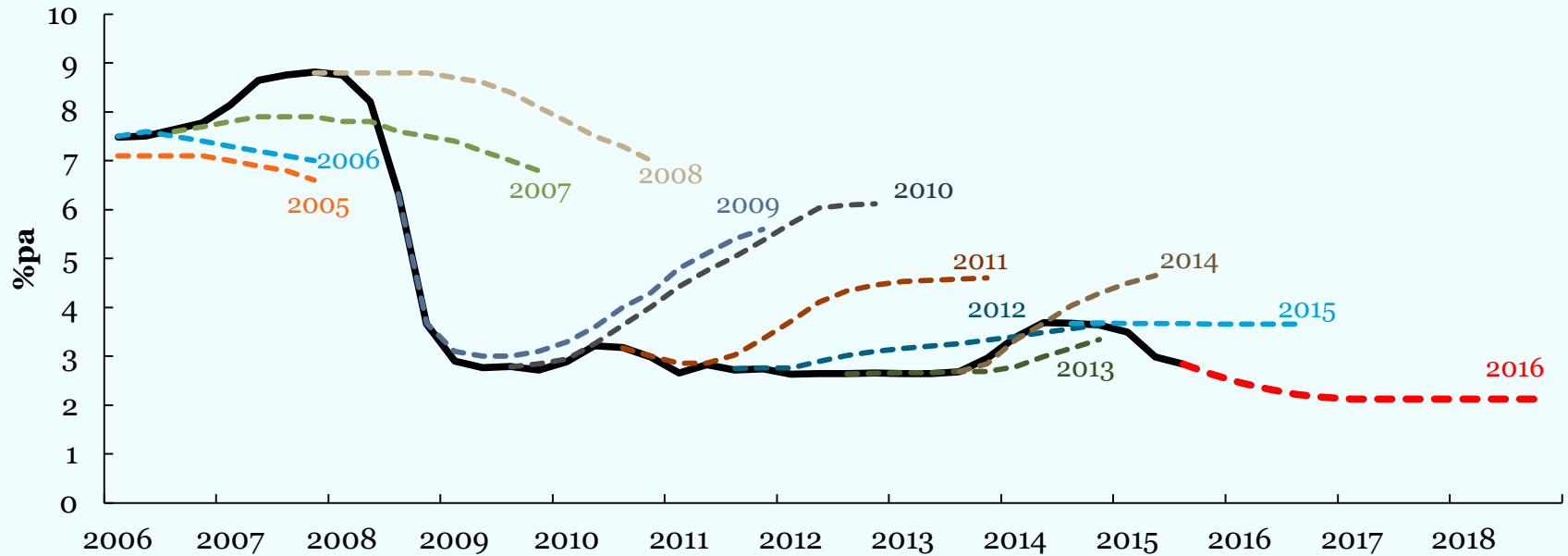
## GDP Recoveries from Recessions



# We don't get it

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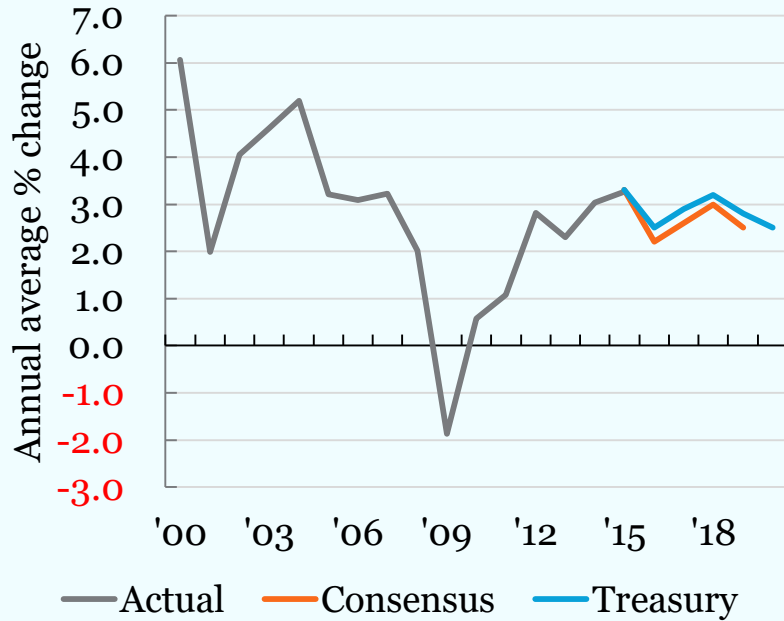
## 90 day bank bill: Actual & RBNZ forecasts



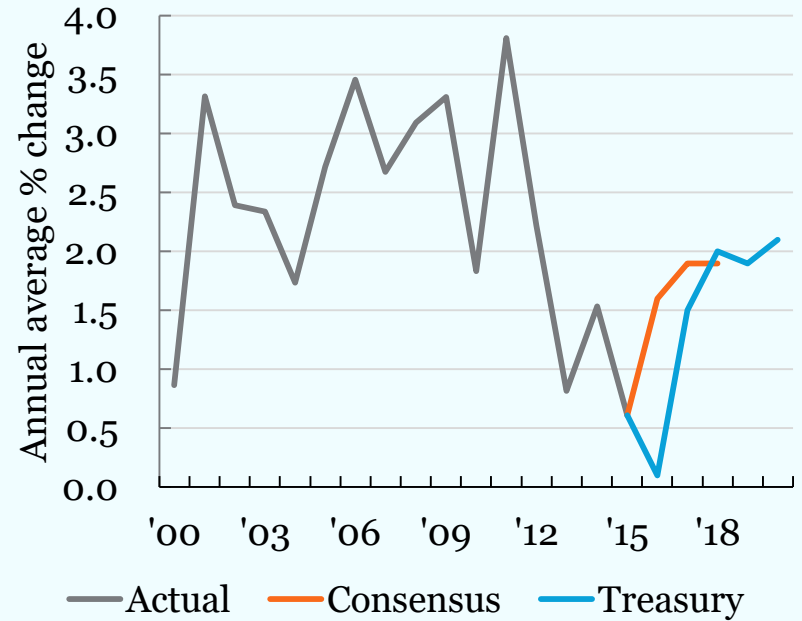
# Optimistic, again

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## GDP



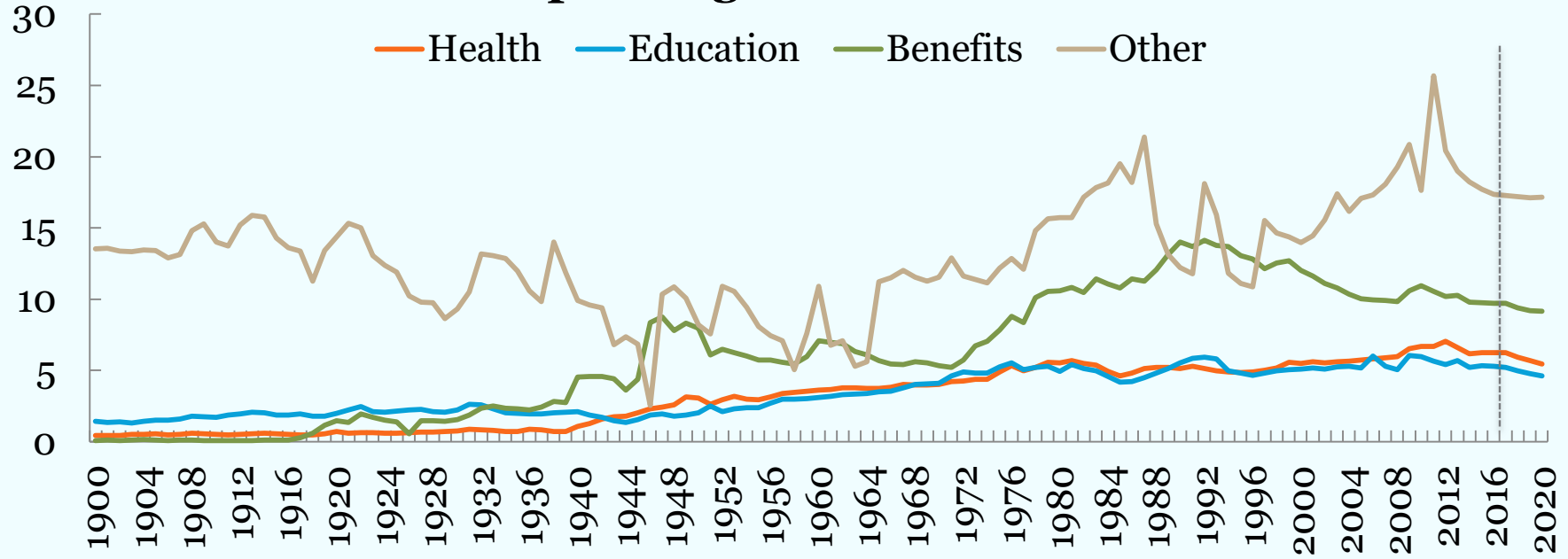
## CPI



# Promise to do less



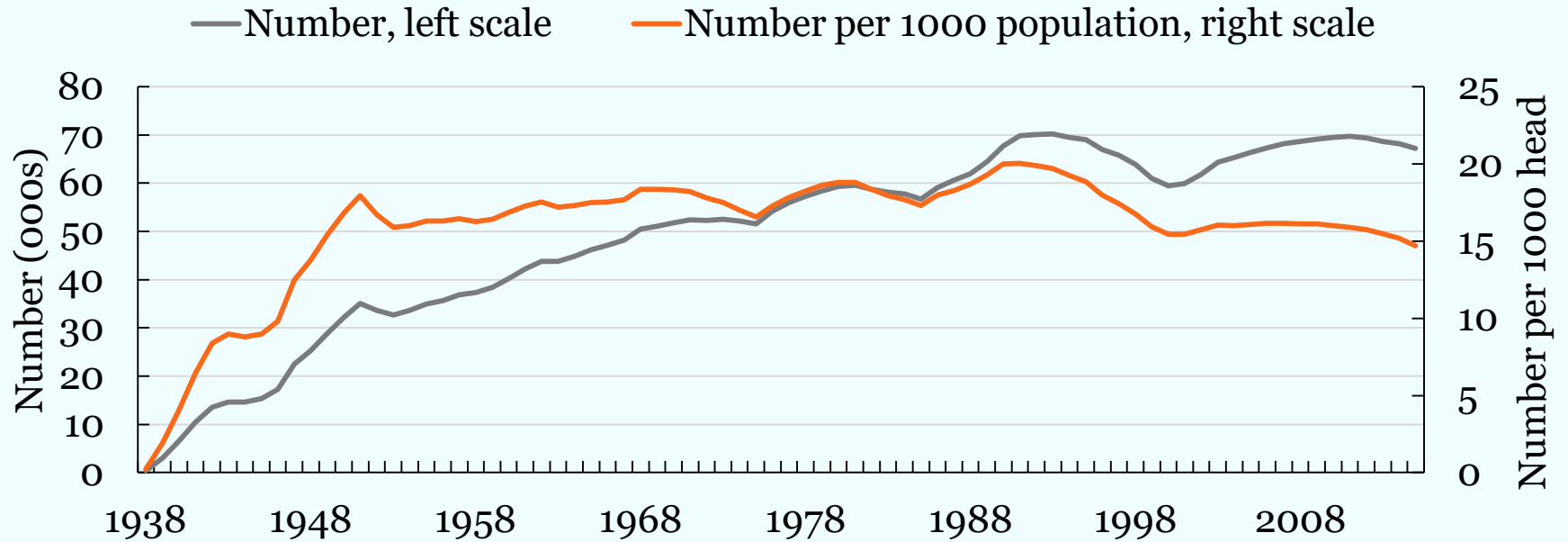
## Spending share of GDP



# Context

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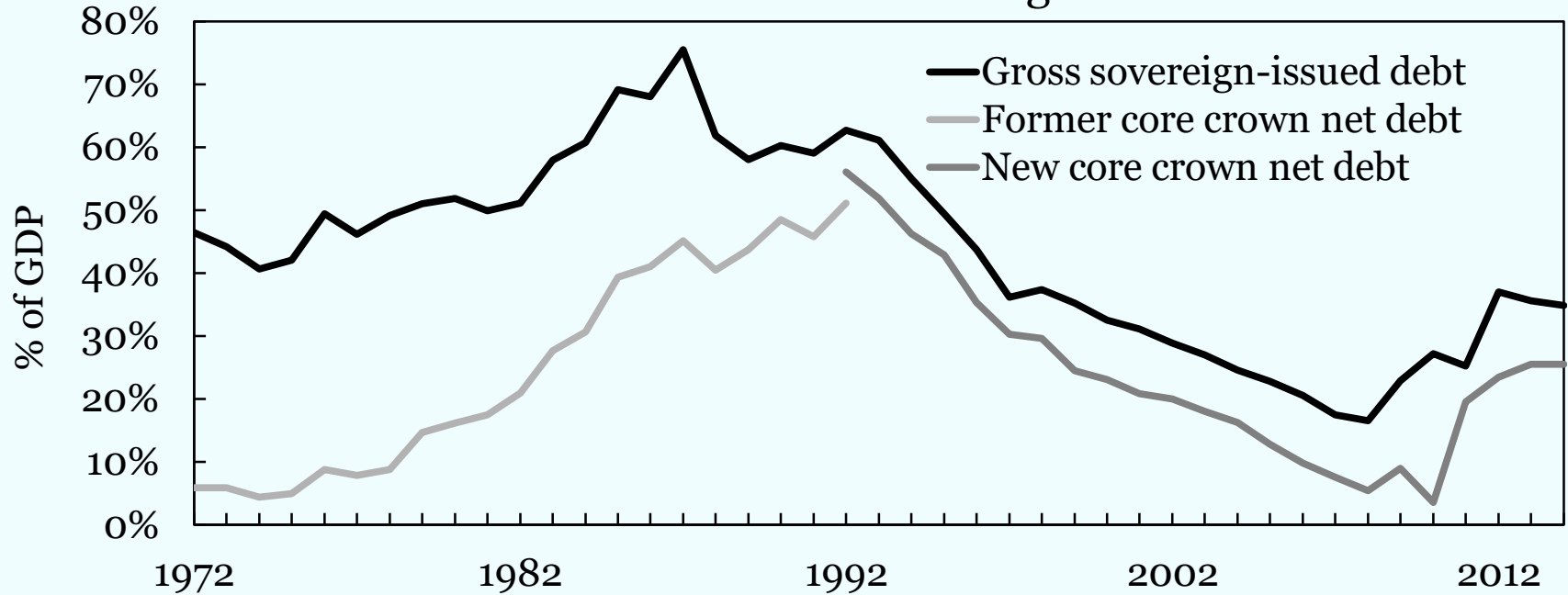
## State Housing in NZ



# Good vs bad debt

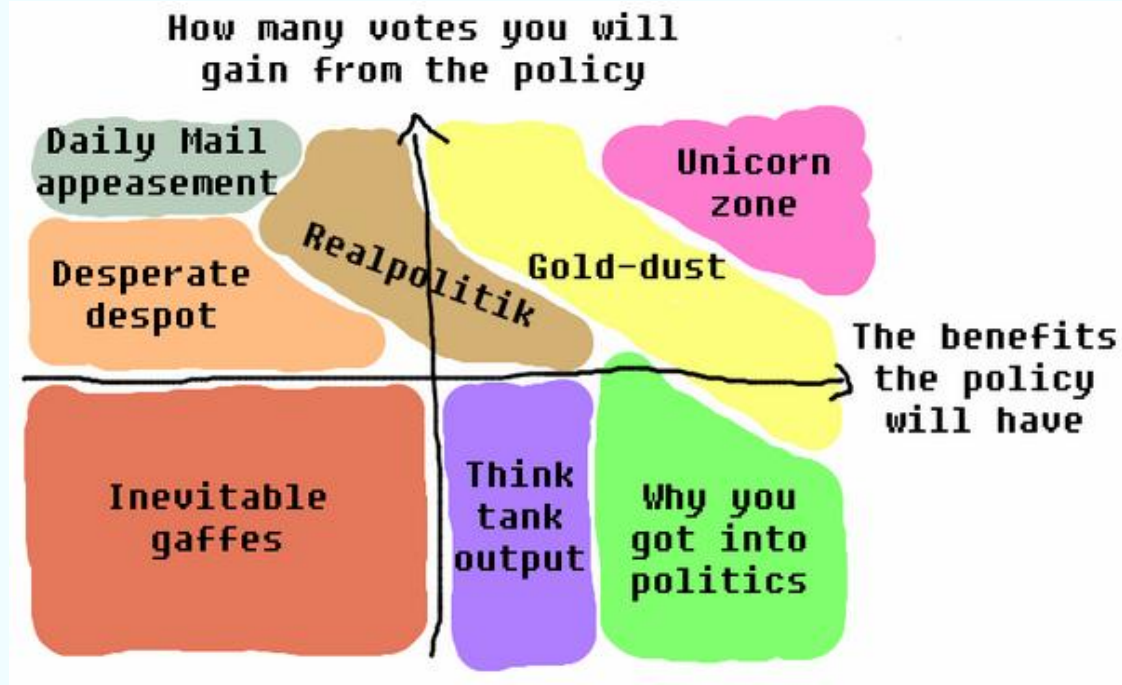


## Government borrowing





# Policy vs politics: nation building



“Invincibility lies in the defence;  
the possibility of victory in the attack.”

- Sun Tzu

Thank you