NZ’s per capita income falling further behind Australia...

...and there are large domestic vulnerabilities

Tradables output has stagnated

Big challenge
From the 2008 gap, NZ needs to grow 1.8%pts faster than Aus every year to 2025.
From the 2013 forecast gap, NZ needs to grow 3.2%pts faster than Aus every year to 2025.

Government spending has lifted sharply...

...on both consumption...

...and transfers