

BUDGET 2011

Building Our Future

At a glance



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Building a stronger economy

Budget 2011 builds a strong platform for growth, sets a credible path to surplus, and helps lift national savings. It also protects vulnerable families, boosts investment in health and education, and helps rebuild Canterbury.

Back to surplus faster

Surplus in 2014/15. Thanks to Budget 2011, the government is forecast to be in surplus a year earlier than forecast last year. This will reduce net borrowing from \$380 million a week to \$100 million a week, before we start repaying debt from 2014/15.

Building savings and investment

We're encouraging individual and national savings with the following changes, which will take effect after the election:

Mixed ownership – more savings opportunities

Mixed ownership of 4 state-owned energy companies, and reducing our stake in Air NZ, while keeping majority control.

KiwiSaver – increasing private savings

Greater individual and employer contributions, with less call on government debt. KiwiSaver funds will reach \$60b by 2022.

Working for Families – targeting families in need

Focusing on lower income families to keep costs sustainable. WFF costs have gone from \$1.5b in 2005/6 to \$2.8b this year.

Student Loans – keeping loans interest free

Encouraging personal responsibility and better value for taxpayers, by reducing lending to those less likely to repay.

A strong platform for growth



4% economic growth forecast in 2012.



170,000 new jobs forecast by 2015, with wages growing faster than inflation.

Building better public services

\$5.2
BILLION

freed up over 4 years for frontline public services and paying off debt.



HEALTH ▲ \$2.2b over 4 years
\$14b total in 2011/12 - the most ever.



EDUCATION ▲ \$1.4b over 4 years
\$12.2b total in 2011/12 - the most ever.



LAW & ORDER ▲ \$157m over 2 years
To help make communities safer.



INFRASTRUCTURE \$1.6b more
Broadband, schools, and KiwiRail turnaround plan.



YOUTH EMPLOYMENT PACKAGE
\$55.2m to support young people into jobs.

Rebuilding Canterbury



\$5.5b Earthquake Recovery Fund over six years to provide certainty for rebuilding Canterbury.



4500 extra places for construction-related training, including 1500 new places worth \$42 million.



\$10m social support to rebuild lives and communities.



\$25m over 2 years for the Canterbury Earthquake Recovery Authority.