

Economic Policies

SECURITY AND GROWTH

New Zealand is in very challenging economic times. The international financial crisis is creating risks and opportunities around the world. In New Zealand this comes on top of an economy that was already slowing because of high taxes and government waste.

Getting through the international crisis is just the first step a National-led Government will need to take. We also need to urgently address the longstanding economic issues that have been neglected by Labour, so our economy can recover and grow.

OUR PRINCIPLES

- Security for families, seniors, and young people.
- A strong and growing economy.
- Responsible economic leadership.

NATIONAL'S PLAN

1. Responsible Fiscal Policy

- Peg back forecast deficits.
- No cuts to public services and no extra borrowing to fund tax cuts.
- Maintain the \$1.75 billion operating allowances for new spending, as per the Pre-Election Fiscal Update.

2. Ongoing Personal Tax Cuts

Further tax cuts on 1 April 2009, 1 April 2010, and 1 April 2011. Including the recent tax cuts of 1 October, this will give someone on the average wage a tax cut of about \$47 a week by 1 April 2011.

3. Make KiwiSaver Enduring & Affordable

- Set the minimum contribution for employees in KiwiSaver at 2% of gross salary and require employers to contribute 2%. Allow both to contribute more if they choose.
- Keep the member tax credit, and match member contributions up to \$1,040 a year.

4. Invest more of the NZ Super Fund Here

- Set the target of at least 40% of the Super Fund to be invested in New Zealand.
- Maintain the independence of the Fund's Guardians in every other regard.
- Work to create more investment opportunities for the Fund in New Zealand.

5. Boost Investment in Infrastructure

- Develop a 20-year national infrastructure plan. Reform the RMA and introduce priority consenting for projects of national significance.
- Invest \$8.6 billion in new capital projects over six years. Projects include: an ultrafast broadband network, new roading and transport initiatives, a new prison, and a 21st century school building programme.

6. Improve Public Services

- Cap the number of bureaucrats in our first term. Focus spending on frontline services.
- Establish a Cabinet Expenditure Committee to review departmental spending.

7. Ensure Financial Liquidity

Support an agreed bipartisan government guarantee of retail and wholesale deposits.

8. Provide a Transitional Relief Package

Target assistance at people who are made redundant and have been in the same job for at least six months. The package includes:

- A Working For Families top-up equivalent to the in-work tax credit.
- An increase of \$100 in the maximum weekly accommodation supplement.

This assistance will be available until they get another job and their circumstances improve, or for up to 16 weeks.

FOR MORE INFORMATION

SEE › National's Economic Plan at www.national.org.nz/economy