

DemocracyNZ

OUR POLICY: ECONOMY

Background

New Zealand is home to great people and a beautiful natural landscape, but it's becoming increasingly unaffordable for people to live and do business here. We're seeing many Kiwis pack up and leave our shores as a result of this. Reckless government spending and the Labour Government's failure to keep up with the demand for new housing, have contributed to high inflation. Kiwis are struggling to be able to access the basics of life – including affording housing, food, and other essentials.

Severe COVID lockdown rules, along with rising inflation, and over regulation by Government, have also made it tough for businesses to keep operating.

Our solution

The Government needs to be part of the solution to fix our economy, not part of the problem.

Reckless Government spending needs to be controlled, and tight economic restraints need to be put in place to significantly reduce inflation. Regressive policies which limit agriculture, manufacturing, and energy production hurt these sectors and will increase the cost of living for Kiwis. We need to focus on growing exports, ensure energy remains affordable, and increase home building, so more Kiwis can own their own home.

We need less Government regulation, not more, and we will focus on supporting business growth. Investing in core infrastructure is also a priority to keep our country moving.

1. We will make addressing the cost-of-living crisis our top priority.

We will take steps to address key factors increasing living costs – like controlling inflation, and a shortage of housing. We will also address future drivers of inflation - like greenhouse gas emission taxes, which would significantly increase a range of costs if introduced.

We would also provide superannuants with a tax rebate. This would provide the average pensioner with around \$100 extra per month.

YOUR VOICE, IT'S WITH US.

We will:

- Revise the Reserve Bank Governors' mandate, so their only role is to control inflation within a 2% band.
- Review the feasibility of introducing a tax-free income threshold to provide extra cash to meet expenses.
- Reform resource management legislation and require councils to free up more land for housing – to make owning and renting a home more affordable.
- Focus on developing sensible policies on agriculture (food production), climate and energy so that costs stay affordable in the future – rather than growing rapidly.
- Provide a tax rebate to superannuants off their super payment during our first term of Government. This would provide superannuants with an average of an extra \$100 per month. We would review this policy after the first term of Government, taking into account the state of the economy.
- Carry out a review into the cost of New Zealand produced foods and beverages to identify if food costs for consumers can be reduced.

2. We will make it easier to develop new housing to allow more Kiwis to own their own home.

The Labour Government's failure to build the 100,000 homes they promised has contributed to rising house prices - as home supply has not kept pace with demand.

Complex resource management and health and safety legislation makes developing new housing slow and unnecessarily costly. Additional iwi consultation requirements also need review, as these are adding additional time to consenting processes. We will reduce building costs by reforming legislation, reviewing building products regulations and encourage more prefabricated home building.

We need to urgently free up more land for housing and enable more Kiwis to access finance so that more New Zealanders can own their own home.

We will:

- Enter into Land Supply Agreements with local councils requiring them to free up more land for urban housing.
- Allow more rural lifestyle block subdivision.
- Review the Credit Contracts Act's restrictions on bank lending, and debt servicing ratio rules, to make it easier for Kiwis to get mortgages.
- Review the criteria for the First Home Grant which can top-up KiwiSaver funds to allow people to buy their first home.
- Review regulations on building products to help establish a more competitive building environment with lower building costs.
- Encourage the use of mass-produced prefabricated homes to reduce home building costs.

YOUR VOICE, IT'S WITH US.

3. We will focus on reducing government regulation and establish an environment which allows businesses to prosper and create jobs.

Business owners tell us the Labour Government is making it increasingly difficult for them to operate. The Government should support business owners to generate jobs, not get in their way.

Our policies focus on reducing red tape for businesses, controlling inflation, and supporting small businesses to start up and grow.

We also recognise that skilled migrants play an important role in our economy, however rapid immigration into larger cities can put pressure on infrastructure and services. We would review immigration settings to ensure immigration occurs in the right regions and industries, and that immigrants can make a valuable contribution to New Zealand.

We will:

- Review health and safety, and resource management, legislation to make it easier for businesses to set up, operate and grow - without unnecessary red tape.
- Focus on controlling inflation so business costs stay affordable.
- Assist small businesses by raising the threshold for registering for GST to a turnover level of \$100,000 a year and indexing this threshold to inflation.
- Provide a tax credit of \$1000 for a first-year business to spend on business support, such as business mentoring or marketing advice. Provide a tax rebate of up to \$1,000 for small business accounting software.
- Keep cash, to support small businesses and ensure services can keep running in natural disasters. We also oppose the introduction of a central bank digital currency (CBDC) as they limit payment options for businesses and households.
- Review rules around foreign direct investment to ensure we are open to the right opportunities to grow New Zealand businesses.
- Support a job creation subsidy to employers. This would reallocate benefit funding to employers to support job creation and wages, and also improve the skills and employability of those taking part in the scheme.
- We will review immigration settings and rules to ensure immigrants can contribute to the right sectors and regions. Immigrants would be required to work in the same sector, rather than for the same employer.

4. We will invest in core infrastructure to support productivity and growth and keep New Zealand moving.

In recent years we've seen the Government reprioritise funding needed for roads and other core services into cycleways and public transport. Many cycleways and bus services are poorly used, while roads are not getting the investment they need.

Meanwhile, the Government has also been working to remove water networks from community ownership, without listening to local communities on this issue.

We will:

- Prioritise developing and completing key main arterial routes and highways.
- Consider private investment to develop and fund new toll roads in some locations. Queensland has successfully used this approach to develop high quality roading.
- Review public transport usage and spending. Where there isn't enough usage to justify routes, funding would be reallocated into improving roading.
- Not support major loans from Blackrock.
- Review the funding assistance formula for local council roading to ensure it is fair and equitable.
- Review speed limits to take into account economic considerations and safety and keep the country moving.
- Enable local communities to make their own decisions about the ownership and management of their water networks.

5. We will support strategic initiatives to build our energy independence, so energy remains affordable for households and businesses.

Our country needs reliable and affordable energy sources to keep businesses and households running. Too often we have seen supply shocks, blackouts or infrastructure failures affect our energy supplies.

We need to focus on ensuring we have enough energy production here in New Zealand to keep services operating in the face of international disruptions. Any weaknesses in our electricity network also need to be identified and fixed.

We will:

- Urgently carry out a review of Marsden Point Refinery to assess if it should be re-commissioned and complete a cost analysis of using New Zealand produced oil with minimal refining.
- Develop a strategy to better future proof New Zealand's minimum fuel storage capacity to cope with supply chain shocks.
- Review electricity supply networks against community needs and upgrade these where necessary.
- Support the continued use of New Zealand coal to reduce reliance on imported coal.
- Support reopening local natural gas wells and exploration. Shutting down local production of energy and replacing this with imported energy increases emissions, creates job losses, and threatens our energy security.

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6. We will grow our export sector so we can continue to afford imports.

New Zealanders can be proud of the range of food, beverages and products we produce here. Exports underpin our economy, and we want to support exporting businesses to establish and grow their revenue, for the good of our country.

We will:

- Support our farmers to keep growing export revenue through a range of changes set out in our agriculture and climate policy.
- Consider targeted research and development investment to grow our export sector.
- Through our economic policy make it easier for businesses to set up, grow and expand production.
- Look at opportunities to develop new export products – such as hemp, natural herbal products, medical marijuana and heritage seed varieties.

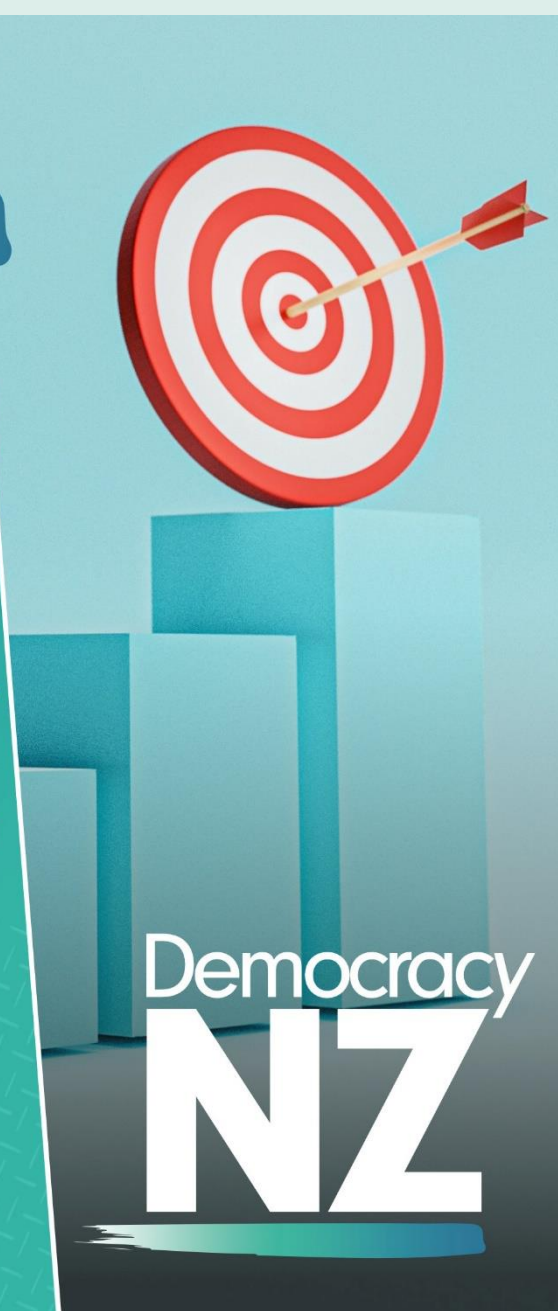
OUR ECONOMIC POLICY FOR ALL NEW ZEALANDERS

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