

I'd like to update you on some important changes we made in the recent Budget, the next steps in National's programme to build a stronger New Zealand, and some of the results we are achieving for you in government.

Best wishes.



## Budget 2014

# HELPING FAMILIES

- ✓ Government accounts in surplus.
- ✓ 4% economic growth in 2015.
- ✓ \$500 million to help families.

The economy is growing and supporting families with more jobs and higher incomes. A stronger economy means we can provide extra support for families in a way that is effective and affordable.

Around 400,000 children between six and 13 will benefit from free GP visits and prescriptions from 1 July 2015.



## FREE GP VISITS & PRESCRIPTIONS FOR CHILDREN UNDER 13

HELPING FAMILIES

### 4 weeks extra paid parental leave

We're expanding paid parental leave to reflect modern working arrangements and today's diverse family structures. We're extending paid parental leave to 18 weeks, starting with a two-week extension from 1 April 2015, and another two weeks on 1 April 2016. We're including caregivers who aren't parents (for example, permanent guardians) in the scheme, and extending payments to people in less-regular work or who recently changed jobs.

### Boosting parental tax credits

From 1 April 2015, we're increasing the maximum parental tax credit to \$220 a week, and extending it by two weeks to ten weeks. We're also better-targeting payments to lower and middle-income families.

### Support for vulnerable children

The Budget provides \$33 million extra to help vulnerable children. This includes eight new children's teams working with at-risk children and their families.

### Increasing participation in early childhood education

We're providing \$156 million more to help early childhood centres stay accessible and affordable, meet demand pressures, and lift participation towards our 98% target. ECE spending has almost doubled from over \$800m in 2007/08 to \$1.5 billion in 2013/14.



# NATIONAL'S PROGRAMME

## 1. RESPONSIBLE FINANCIAL MANAGEMENT

### Paying down debt

After the Global Financial Crisis and the Canterbury Earthquakes, National has got the Government's accounts back in surplus – one of the few countries in the developed world to do so. We're locking in these hard-won gains by keeping government spending in check to reduce pressure on mortgage rates. We will continue to run government surpluses and start paying down debt. We will also keep up spending on the frontline services families need – such as health and education.

*"The best thing about this Budget is that the Government's finances are back in surplus next year. That gives people confidence and security that we will be able to maintain the services they rely on – from education right through to health."*



## 2. A STRONGER ECONOMY

### More jobs and higher wages

National is building a more competitive and productive economy to provide more jobs and higher incomes. Our business growth agenda is driving change:

- Encouraging investment in research and development, to lift innovation.
- Increasing exports, to lift economic growth and living standards.
- Ensuring New Zealand has high performing capital markets that support investment, growth, and jobs.
- Improving workplace safety and growing the economy through a skilled workforce.
- Better using our natural resources, so we can continue to grow our economy and look after our environment.
- Providing better infrastructure – such as roads, electricity networks, commuter rail in Auckland and Wellington, and ultra-fast broadband.

### BUDGET FORECAST BY 2018

172,000 MORE JOBS

\$62,300 AVERAGE WAGE

4.4 PER CENT UNEMPLOYMENT

Source: NZ Treasury

### Better transport links

Major projects (estimated completion)

- Auckland Western Ring Route (2021) including Waterview Connection (2017).
- Waikato Expressway (2020).
- Tauranga Eastern Link (2016).
- Wellington Northern Corridor (2022) including Transmission Gully (2020).
- Christchurch Southern Motorways (2020).
- Puhoi to Wellsford (2023).

### Balancing the economy and the environment



National is protecting the environment while supporting more jobs and better living standards. Our programme includes:

- Independent environmental reporting.
- More freshwater clean-ups.
- Improving the RMA.
- Better oceans management.
- Meeting our international climate change obligations.
- 90% renewable electricity by 2025.

### Improving home affordability



National's programme of housing reforms will improve affordability and help more people achieve the Kiwi dream of owning their own home. We are increasing land supply by allowing fast-track development in special housing areas. We're improving the RMA to further reduce unnecessary costs and delays. We're also reining in council development charges, increasing productivity in the construction sector, and reducing building costs. From July tariffs and duties on residential construction materials will be suspended.



# 3. BETTER PUBLIC SERVICES

## Better healthcare when you need it

National is investing more in health. Budget 2014 spends \$15.6 billion on health – the most ever. That includes extra funding for programmes that will benefit families. Children with profound hearing loss will be able to get two cochlear ear implants. We're expanding free drop-in sore throat clinics to target 90,000 more children at risk of rheumatic fever. We're providing \$110 million for more elective operations, such as hip, knee, and other surgeries. And we've set aside \$33 million for faster cancer treatment. We'll continue our focus on delivering better frontline services. That means more doctors and nurses, less waiting, and better primary care.

## Supporting vulnerable children

Our targets:

- Fully immunise 95% of eight-month-olds by the end of 2014.
- Reduce the incidence of rheumatic fever by two-thirds by June 2017.
- Halt the 10-year rise in children experiencing physical abuse and reduce current numbers by 5% by 2017.



*"We've set specific targets to ensure our education system gives students the skills they need to reach their potential."*

## Lifting achievement in education

We're investing \$359 million and introducing new roles in schools for the best teachers and principals to help them lead a step change in student achievement. Children and teachers will also benefit from the Network for Learning, and our 21st Century Schools building programme.

## Our education targets

- 98%** of school new entrants having participated in early childhood education in 2016.
- 85%** of 18-year-olds achieving NCEA Level 2 or equivalent qualification in 2017.
- 55%** of 25 to 34-year-olds qualified at Level 4 or above in 2017.

## LESS WELFARE DEPENDENCE BY 2017

**30% FEWER PEOPLE ON A BENEFIT FOR MORE THAN A YEAR**

## Safer streets in your community

We're driving better performance across the justice system to improve services for victims and cut crime. We're making great progress towards our 2017 targets which are:

- 15% drop in overall crime.
- 20% drop in violent crime.
- 25% drop in youth crime.
- 25% drop in prisoner reoffending.

Start dates for Better Public Services targets vary

# 4. REBUILDING CHRISTCHURCH

## Building momentum

National is standing beside the people of Canterbury as we rebuild Christchurch. This work will take time, but it is already having a huge effect. In almost every measure, the region is moving ahead – retail sales, employment, house and section sales, and dwelling approvals. Budget 2014 provides \$50 million more for the rebuild, bringing the Government's commitment to \$15.4 billion.

## Projects underway

- \$300 million Justice and Emergency Services Precinct.
- \$650 million hospitals rebuild.
- \$1.1 billion schools plan.
- \$1.8 billion horizontal infrastructure.
- Moving 1700 staff from government agencies into the CBD by 2016.
- The Avon River Precinct and Hagley Oval.
- \$53 million bus interchange.

NATIONAL IS COMMITTED TO MAKING CHRISTCHURCH A GREAT PLACE TO LIVE, WORK, AND RAISE A FAMILY



# OUR RESULTS

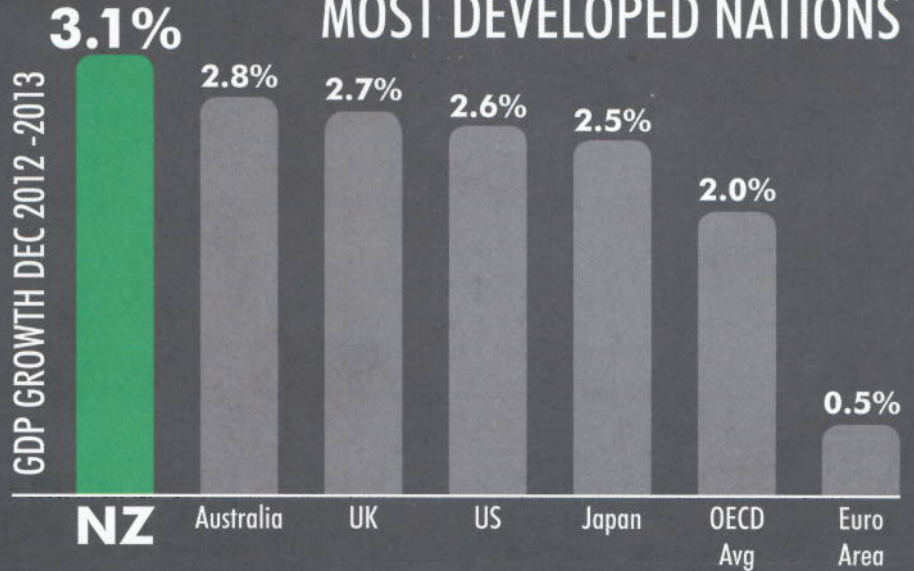
## More jobs and higher wages

Since September 2008, average weekly earnings, after tax, have increased by 26% - more than twice the rate of inflation.

# 84,000 MORE PEOPLE IN WORK IN THE PAST YEAR

Source: HILFS, March 2014

## NZ'S ECONOMY IS GROWING FASTER THAN MOST DEVELOPED NATIONS



## Lifting achievement in education

National is working to give children the skills they need to reach their potential. We've boosted funding for early childhood education. We've introduced National Standards in schools and plain language reporting so parents are getting better information about their children's achievement. We've also provided more trades training options for teenagers.

# 77% OF SCHOOL LEAVERS ACHIEVING NCEA LEVEL 2 UP FROM 66.5% IN 2008\*

\*Provisional data.

Source: Ministry of Education

## Reforming welfare

Since National's welfare reforms came in effect in 2013, 1500 people are moving off a benefit and into work each week.

## Reducing crime

We've put more police on the frontline and given them the tools they need, and passed tougher parole and sentencing laws.

# CRIME RATE THE LOWEST IN 35 YEARS

Source: Ministry of Justice

## Better healthcare

Despite difficult financial times, we've increased health spending every year, and shifted resources to frontline services. 93% of two-year olds are fully immunised. Every cancer patient ready for radiation and chemotherapy treatment is getting it within four weeks. There are 1500 more doctors and 3700 more nurses working in our public health service.

# 40,000 MORE ELECTIVE OPERATIONS LAST YEAR THAN 2008

Source: Ministry of Health

*"Parents are charged with doing the most fundamentally important job in our society. They deserve our utmost support."*



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