



WEALTH, INCOME AND ASSET OWNERSHIP

Vision

United**Future** wants all New Zealanders to be able to earn an income that enables them to care for their family, meet their needs and to accrue assets for retirement or passing on across generations. It wishes to ensure that most of New Zealand's core assets remain the property of its people and that we steadily increase national wealth.

Issues

- Dropping living standards
- Low wage economy
- Widening gap, rich and poor
- Gen X and Y won't own many assets
- Increasing levels of debt
- Increased foreign ownership of institutions
- Loss of manufacturing capability
- Poor productivity
- Long working hours
- Historically low investment in research and development
- Lack of funds for building new companies and ideas
- Near zero unemployment
- Youth unemployment too high

Policy Principles

- Any change in this area is long term, even generational.
- GDP is not the only measure of wealth and asset ownership in sustainable economy
- Our economy is very unbalanced, care is needed when making long term changes

What we have done so far

- Business tax reform: the company rate cut to 30 cents in the dollar, as of 1st April 2008, the first tax cut in twenty years, which led to the consequential personal tax changes.
- Supported and promoted Kiwisaver, specifically negotiating mortgage diversion whereby up to 50% of individuals' contributions to KiwiSaver may be diverted into their mortgage.
- Released a discussion document on the possibilities of income-splitting for families with children.
- Introduced a 15 per cent tax credit for businesses investing in research and technology

POLICIES

United**Future** values the innovation, self-reliance and integrity displayed by New Zealanders in their businesses. We are committed to advancing these qualities in our business policy.

Tax

It is United**Future** policy to:

- Set personal tax rates as follows:
 - 10% up to \$12,000
 - 20% between \$12,001 and \$38,000
 - 30% above \$38,000
- Introduce income splitting for parents with dependent children
- Make honoraria for volunteers up to \$1000 tax free
- Abolish gift duty
- Align the top personal, company and trust tax rates at 30 cents

The Role of Government

It is United**Future** policy to:

- support recurring regulatory responsibility reviews
- conduct regular reviews of the Resource Management Act to ensure that it is working as well as possible with regard to improving certainty, shortening timelines and reducing user costs
- improve transport infrastructure, giving priority to areas where ports, roading and rail investment constraints are holding back economic growth and development
- support the retention of the Reserve Bank Act, the Fiscal Responsibility Act, the Public Finance Act
- retain the Ministry of Economic Development, but re-focus key elements of their work away from 'picking winners' and towards removing impediments to business especially exporting
- upgrade the BIZ website and hotline, so that businesses can make enquiries relating to any government department using a single point of contact, and have their queries answered by staff from these departments (e.g. Department of Labour, Occupational Health and Safety, IRD, ACC).

Small Business

United**Future** sees itself as the representative party for small to medium size businesses. UF desires for them to succeed and be handed down to successive generations or to build assets.

It is United**Future** policy to:

- reduce the tax and administration burdens of SMEs
- encourage entrepreneurial activity, especially export orientation, assistance in export introductions, pooling of expertise, mentoring schemes, and introduction to funders all through a regionally available MED co-ordinated service that has minimal bureaucracy attached to it.

Savings

United**Future** believes that savings are an integral part of wealth and asset creation that helps stabilise families in the long term.

It is United**Future** policy to:

- continue to evolve Kiwisaver to be a robust long term savings vehicle for all new Zealanders and to convert it to a compulsory national savings scheme
- seek to have some of the funds re-invested in NZ innovation and infrastructure assets.
- Re-introduce savings schemes to children at school and promote the purpose of savings as a core feature of the curriculum

Trade

It is United**Future** policy to:

- support free and fair trade and embrace free trade agreements and pacts where there is a reasonable opportunity for New Zealand to benefit.

Employment Relations

United**Future** promotes a modern, flexible labour market that is stable. We will avoid wholesale changes to employment legislation every time a government changes on the grounds of ideology, and will instead amend current legislation to make it better.

It is United**Future** policy to:

- improve workplace literacy
- review general grievance and dismissal procedures in the Employment Relations Act
- review employment law to ensure that it reflects the reality of workplace relations in small businesses
- ensure that advice and information is available to businesses to support them in hiring migrants to fill skill shortages.

Energy

Security of supply and competitive pricing are United Future's key policy goals. We support the current regulatory structure but do not want to see any further regulation of the electricity industry. Line companies should have the ability to build new generation capacity. In the interests of security of supply, we support the maintenance of reserve electricity generation capacity, such as the plant at Whirinaki. The best generation is that which is the most reliable and can be consistently delivered at the lowest cost within full compliance with New Zealand's high environmental standards.

Electricity

It is United**Future** policy to:

- develop a National Energy Strategy
- fund all stages of investment of significant NZ inventions of new sustainable energy forms to ensure the innovation is not lost to NZ and is implemented as soon as practicable
- invest in distributed local energy and water schemes and free regulations & rules in District Plans to permit this to happen

- support upgrading the national grid in areas where such an upgrade provides the best solution for ensuring security of supply
- convert Transpower NZ Ltd to a public utility with the sole objective of transporting power through the National Grid at the lowest possible long-term cost to the consumer
- make it easier and cheaper for micro-generators to connect directly to local electricity networks (including a requirement for lines companies and electricity retailers to trade with micro-generators at 'fair' market rates)
- encourage the development of NZ owned and operated alternative energy schemes.

Oil and Gas

United**Future** believes every effort should be made to encourage rapid exploration and economic exploitation of New Zealand's potential oil and gas reserves (within current environmental standards).

It is United**Future** policy to:

- oppose levying the oil industry to build additional oil storage capacity – this is a strategic government policy and as such should be paid for by the government (it is really a “defence of the realm” issue)
- oppose a standard royalty rate on new offshore oil discoveries being fixed in advance. We believe that the general policy should be a zero royalty rate with the government reserving the right to apply a royalty, on a case-by-case basis specific to rate of any medium to large oil field discovered

Agriculture, Aquaculture, Forestry

It is United**Future** policy to:

- promote a strong and viable economic policy framework to underpin the role of primary industries as our major export earners
- undertake an immediate review of all legislation and regulations that impose coercive powers and administrative burdens on farmers to ensure their impact is minimised, consistent with the overall public interest
- investigate alternative local body funding arrangements with the aim of abolishing rates on domestic and commercial properties
- continue to increase agricultural workforce skills by encouraging more people into industry training e.g. through modern apprenticeships in the agriculture and horticulture sectors
- encourage landowners to return non-viable farming land to native regenerative forest, possibly with assistance from the QEII National Trust and carbon credits allocated through New Zealand's Kyoto obligations
- accelerate the position of declaring Aquaculture Management Areas around NZ so that aquaculture investment can take place in a climate of certainty
- ensure that biosecurity remains a top Government priority
- promote the planting of native trees and bush along or close by all inland waterways where practical in order to limit soil erosion and reduce agricultural runoff (via Government subsidy)
- boost funding for Crown Research Institutes to conduct research into the health, wellbeing and productivity of New Zealand soils, and to develop new techniques for remedying any deterioration that has occurred over time
- support the current policy of allowing the application of GE and GM technology to proceed – but with caution
- support through Government subsidy voluntary environmental codes of conduct such as the Clean Streams Accord

- ensure that a significant proportion of fuel taxes collected within a specific region are earmarked for improvements to roads in that region, rather than being diverted into the Crown Account
- increase the Financial Assistance Rate (FAR) that is paid by central government to local authorities for the construction and maintenance of local roads up to 80% of their total costs as a first step to reducing the rates burden faced by many rural communities

Research, Science & Technology

With significant issues such as climate change facing our energy, primary and export sectors, it is imperative that scientific research is given the required funding to successfully meet those challenges.

It is United**Future** policy to:

- increase government funding of Research, Science & Technology (RST) to at least the OECD average
- reduce the proportion of research funding that is contestable, to increase certainty within the research community, maintain core competencies, improve recruitment and retention, allow for capital development, improve collegiality and collaboration, and allow more "blue sky" work to be done. A reduction in the contestability of funds would also reduce the administrative burden faced by researchers, as well as cutting some of the expanding bureaucracies within institutions
- investigate ways to increase the amount of privately-funded RST, as New Zealand enjoys only one third of the OECD average in percentage of GNI
- simplify the different funding mechanisms for research. The system has become inefficient and difficult to navigate
- encourage national research specialisation, bearing in mind New Zealand's size, as well as specialisation by institution
- provide opportunities for researchers to gain knowledge of business practices and commercial applications
- reinstate research excellence as an important funding criterion by external peer review

Immigration

It is United**Future** policy to:

- progressively increase the current net migration inflow of 10,000 residents per annum
- prioritise the residency applications of those who have skills we need and a job offer that is relevant to those skills, and regularly update the priority occupations list
- establish a one-stop Business Development Agency to help migrants in setting up their own businesses
- review the operations of NZQA to ensure that the process of formally recognising migrants' skills is effective and efficient
- develop a global online service that matches potential skilled migrants with job opportunities in New Zealand to help fill critical skill shortages
- take a proactive approach to skills shortages through promotional events in overseas target markets with high proportions of skilled people.

Employment and Income Support

United**Future** believes that work is a good, for society and for individuals. Having a job boosts self-esteem and a sense of personal dignity.

It is United**Future** policy to:

- pay premiums to not-for-profit agencies who find sustained employment for the unemployed, with higher rates available for placing clients facing greater barriers to employment
- establish regional employment initiatives that arrive at local solutions to the specific causes of unemployment in communities, with a clear focus on getting people into jobs
- support the work of the Mayoral Taskforce that encourages all young people under 25 who are not at school to either be 'earning or learning' (i.e. in some form of education/training or work)
- reduce caseloads for Work and Income case managers to enable them to actively assist the jobless into work
- ensure that sickness and invalids beneficiaries seek treatment for their incapacity where this is appropriate as a condition of their benefit, and make funding available to provide treatment where it is likely to hasten their return to work
- ensure that jobseekers have access to vacancies in other regions, and increase relocation grants for those who have to move to take up employment

ACC policy

It is United Future policy to:

- support the continuation of the 'no-fault' regime and mandatory workplace accident insurance
- continue ACC's focus on injury prevention
- discount employer levies for those who undertake workplace safety regimes, and give more responsibility to industry sector groups to ensure safe practices
- establish a truly independent committee to review appeals against ACC decisions. This committee would also have the power to make recommendations to the government on potential changes to ACC legislation should it find flaws that regularly lead to unfair decisions
- establish legal guidelines for drug and alcohol testing high-risk workplaces.

This is a sample of unitedFuture's policies. To read them in full, go to:

http://www.unitedfuture.org.nz/default,93,practical_policies_for_new_zealanders.sm