

JOBS AND SURPLUS TARGETS

HIGHLIGHTS

Labour will:

- **Bring unemployment back down to pre-National levels and set a target of 4% unemployment by the end of our first term**
- **Run surpluses every year, unless there is a significant downturn, so that we can reduce the record debt that National has built up.**

BRING UNEMPLOYMENT BACK DOWN TO PRE-NATIONAL LEVELS BY THE END OF OUR FIRST TERM AND THEN KEEP DRIVING IT LOWER

Labour believes that people matter most. Work is at the heart of Labour's values. Labour believes in full employment; that every New Zealander who wants a job should be able to find one.

The previous Labour Government brought unemployment down and kept it low at 3.5%-4.5% for five years from 2004 to 2008. The number of people who had been unemployed for over a year fell to as low as 2,400.

Five years on from the end of the recession and in the middle of a rebuilding boom in Christchurch, unemployment is still more than 50% above pre-recession levels. The number of people unemployed for over a year now stands at 18,000.

It is understandable that unemployment increased during the recession but not that it is still so high five years later. Just 11 of 34 OECD countries have had a larger percentage increase in the unemployment rate than New Zealand between 2008 and 2014. In 7 OECD countries, the unemployment rate is now lower than 2008 levels.

The cost to families and communities of unemployment is huge. It is also a significant burden on the Crown. The extra unemployment under National has cost over \$2 billion in additional benefit expenses and untold billions in lost tax revenue.

The most recently released Treasury projections show that National will never get unemployment back down to pre-recession levels.

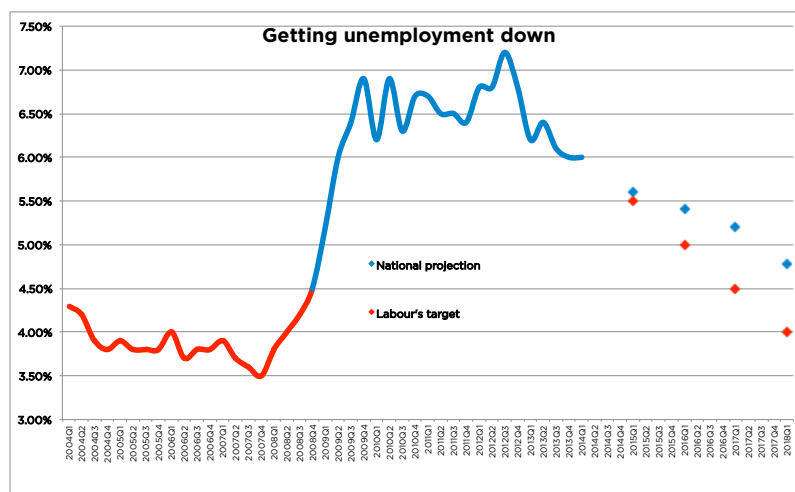
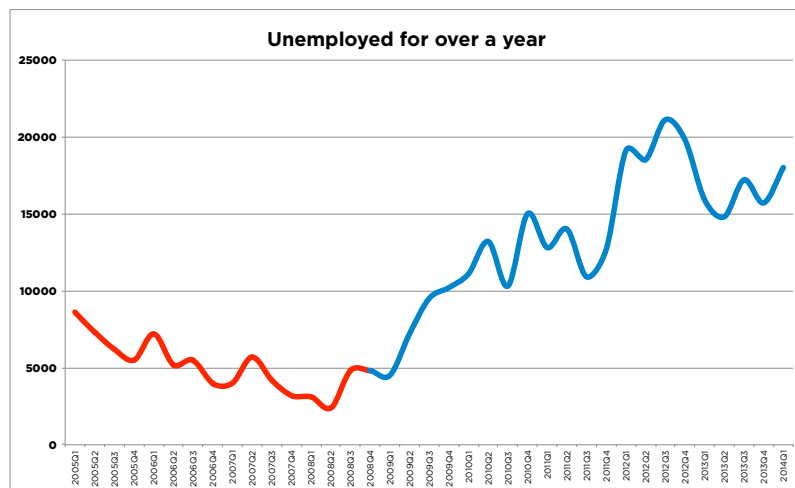
Labour will undo the damage done by National. We will set a target of reducing unemployment to 4% by the end of our first term.

This will involve creating around 20,000 more jobs than are projected under National.

Labour's policies of Economic Upgrades, monetary policy, Kiwibuild and NZ Power will all grow the economy and create thousands of jobs. In the lead up to the election, we will be announcing further policies that will get more Kiwis into work.

LABOUR'S JOBS POLICIES

- **Manufacturing Upgrade** — create jobs by ensuring the government buys more Kiwi-made products and supports high-tech manufacturing
- **Forestry Upgrade** — create jobs with policies to expand the high-value wood products sector
- **KiwiBuild** — create jobs in the construction sector
- **Monetary Policy Upgrade** — create jobs by easing interest rates and the exchange rate, making our exporters more competitive and increasing household disposable income
- **Capital Gains Tax** — create jobs by shifting investment into the productive sector
- **NZ Power** — create jobs by reducing electricity costs to businesses and increasing household disposable income
- Further policies to be announced.



RUN SURPLUSES EVERY YEAR, UNLESS THERE IS A SIGNIFICANT DOWNTURN, SO THAT WE CAN REDUCE THE RECORD DEBT THAT NATIONAL HAS BUILT UP

Labour's policies for economic growth and improving the lives of New Zealanders will be built on solid fiscal foundations. This is in keeping with our record of running consistent surpluses and paying down debt.

The current National Government has never run a surplus. While deficits were an appropriate response to the economic crisis and the Christchurch earthquakes, much of the borrowing they have undertaken has been unnecessary.

Tax cuts for high-income people, bailouts for corporations, and the blow-out in the cost of the asset sales are examples of poor decisions by

National that led to billions of dollars of borrowing.

Labour is committed to running surpluses in government. This is necessary so that we can pay off the record debt built up by the National Government.

We will run surpluses on average across the economic cycle. That means we'll stay in surplus unless there's another international downturn or domestic disaster that necessitates a counter-cyclical policy.

Labour's series of economic upgrade policies will help the economy grow faster. That will create jobs resulting in lower benefit costs and higher tax revenue for the Crown.

Our plans for faster growth will help us pay off National's debt faster.