Building the Future:

National's Economic Plan

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Our Economic Plan, designed for you

Introduction

New Zealand is the best country on Planet Earth. We have the resources, the institutions and, above all, the people, to realise that promise.

But success is not guaranteed. The future must be built. Kiwis are among the hardest workers in the world, but we don't get as much bang for every hour worked or dollar invested as our international counterparts.

Over the last 40 years New Zealand has developed a productivity problem. National is fixing it.

We have refocused the education system on the core skills our kids need, banged on doors to open up new markets for our exporters, slashed red tape, sped up consenting, and incentivised businesses to grow and innovate.

National's Economic Plan means more jobs and higher wages. It means more money coming into communities. It means more doctors, nurses and teachers, and better schools and hospitals.

We are making good progress. Inflation is down from a 32-year high. Interest rates have fallen. Business confidence is up. Investment is increasing. Construction projects are getting started faster. And public spending is back under control.

National's Economic Plan is about **your future.**

1. **No new taxes**, by getting the books back in order.
2. **Rewarding hard work**, with more jobs and higher wages.
3. Building your **financial security**.

All this means growth is expected to average 2.7%, with 220,000 new jobs being created by 2030 and wages growing faster than inflation.

There is a lot more to do.

I have no doubt we can build a future for New Zealand where hard work is rewarded, where families can get ahead, kids get the education they deserve, and high quality health and other public services are available when needed.

Our best years are ahead of us. Let's grasp the opportunity.

Rt Hon Christopher Luxon
National Party Leader

Overview

National's Economic Plan, at a glance

1

Responsibly managing the books

Delivering a surplus in 2028/29. Getting debt below 40% of GDP over time. Financial security to manage the next crisis. **Simplifying tax rules** to support investment.

2

Reducing red tape and supporting innovation

Replacing the RMA. Ending the war on farmers. Simplifying employment rules. Extending support for research and innovation.

3

Delivering world-class education

An hour a day of reading, writing and maths. **Replacing NCEA.** More trades-training.

4

Driving trade and investment

New trade deals. Securing the next billion customers for our farmers, growers and exporters. Boosting tourism. **Investment Boost providing support to invest.**

5

Building infrastructure for the future

More investment in intergenerational infrastructure - roads, hospitals, classrooms and energy generation. Major projects fast-tracked. 30-year infrastructure plan.

What this means for you

Rewarding hard work

220,000 new jobs forecast by 2030. Wages growing faster than household bills. Keeping a lid on inflation and interest rates. Lower Student Loan repayments. **No new taxes.**

Building your financial security

A bigger KiwiSaver nest egg. A $1,500 KiwiSaver Baby Boost for all newborns. **Helping first home buyers** get on the property ladder.

Don't put it all at risk

Nine new taxes to pay for Labour's $18 billion hidden bill

Labour has made **'free' election promises totalling $18 billion**. As well as a Capital Gains Tax, there are eight other new taxes being proposed by Labour and their mates that Kiwis would end up paying for.

1. Responsibly managing the books

Getting the books in order helps keep interest rates down, supporting investment and financial stability - and means we can deliver our promise of no new taxes.

Simpler tax rules that reduce compliance costs and reward investment	**Surplus in 2028/29** so Government spending doesn't push inflation up	**Debt under 40%** of GDP over time, so we don't saddle our kids with more costs

Financial resilience is critical to growth, particularly in a more volatile world. Businesses invest when they can see what's coming: stable prices, sensible interest rates and a government that won't come back for more of their money. When governments borrow and spend big, inflation rises and interest rates stay higher for longer. National has taken the opposite approach. With a global fuel shock pushing prices up again, the last thing businesses need is a government adding to the pressure.

As a small trading nation, New Zealand is more exposed than most when disaster strikes or the world economy turns. Bending down debt rebuilds our buffers for the next crisis, and it helps keep borrowing costs down to help drive investment.

A stable, predictable tax system matters just as much. That's why we introduced Investment Boost, have ruled out new taxes, and are stripping out compliance costs that tie businesses up in paperwork.

What we've delivered

- **$50 billion reprioritised across three Budgets**, and new spending coming in below operating allowances every single year.
- Refocused the Reserve Bank on a single job: keeping prices stable.
- **Inflation down from a 32-year high** of 7.3 per cent.
- Budget 2026 reduced the Government's planned borrowing programme by $6 billion, the first reduction in five years.
- **Investment Boost**, helping businesses invest and hire with tax relief on new assets.
- **Stopped the Ute Tax**, **Labour's brightline test** extension, and the Auckland Fuel Tax, and scrapped Labour's Rentals Tax.
- Let startups defer tax on employee shares, making it easier to attract and keep talent.
- Loosened the thin capitalisation rules, helping investors to fund New Zealand's growth.

What we're doing next

- **Returning the books to surplus in 2028/29** and staying there, so government spending doesn't put pressure on inflation and interest rates.
- Getting net core Crown **debt below 40 per cent of GDP** over time.
- **Right-sizing government**, with Public Sector reform to get core Crown expenditure below 30 per cent of GDP.
- **No new taxes**, including no capital gains tax, and keeping Investment Boost, so businesses can plan and invest with confidence.
- **Reducing tax compliance**, such as employers no longer needing detailed FBT log books for work vehicles, and innovative firms getting R&D tax credits during the year, not after it.
- Doubling the threshold before overseas shares are caught by the **foreign investment fund rules**, helping attract skilled people and investment.
- ***More to come before November 7...***

2. Reducing red tape and supporting innovation

Reducing red tape, backing competition and supporting research and innovation, so New Zealand businesses can invest, grow, create jobs and lift wages.

Red tape cut
by replacing the RMA and introducing Fast-track

Science and innovation
reforms focused on impact and commercialisation

War on farmers ended
with common sense changes to reduce compliance and red tape

Governments don't create wealth. That's done by our farmers getting up early to milk the cows and our growers producing the best food in the world. It's our dairy owners and our tradies, our rocket companies and our film makers. Every job, every pay rise and every dollar of tax starts with a Kiwi with an idea and a willingness to have a go.

National backs Kiwi businesses to grow, and we'll do everything we can to make it easier to build, invest, hire and export. That means cutting through tangled regulations and slow consents that have held us back for too long. It means backing competition. And it means supporting the research and innovation that creates well-paid jobs.

What we've delivered

- **Fast-track**, a one-stop **consenting process** for major projects.
- **Backing innovation** with the biggest reforms of the science system in more than 30 years, focusing on impact and commercialisation.
- Aligned **tertiary research funding** with **economic growth** priorities.
- **Strengthening competition** settings to make it easier to enter markets, compete and expand.
- Ended the war on farmers, by restoring common sense to winter grazing, limiting farm to forest conversions, **ending the Ute Tax**, enabling flexible land use, and keeping agriculture out of the ETS so we don't shut down farms or send production overseas.
- **Restoring 90-day trials**, and **replacing the Holidays Act** to simplify compliance.
- Changed immigration settings to ensure New Zealand is **attracting the skills we need**.
- Invested in pest and weed management, like **additional funding to tackle Wilding Pines**, as this has long term benefits for tourism and productive farming.
- Elevate NZ Venture Fund **supporting startups** to scale and grow.

What we're doing next

- **Implementing the replacement of the RMA**, which will roughly halve the number of consents needed and provide much more certainty when a consent is required.
- Increasing **competition for Government procurement**, by opening up currently closed supplier panels to give new businesses a fairer shot at more than $50 billion of annual government purchasing.
- Ensuring regulation across the Reserve Bank, MBIE and the Financial Markets Authority is coordinated to reduce bureaucracy and remove barriers to the **introduction of new fin-tech**.
- Plain English **re-write of Health and Safety Codes** to make compliance more straightforward.
- ***More to come before November 7...***

3. Delivering world-class education

A world class education system that creates opportunities for Kiwi kids and is the foundation for a high-wage, high-productivity economy.

Teach the Basics
Brilliantly, with an hour a day of reading, writing and maths

Replace NCEA
with clear grades, and exams in every subject

Trades Academy
places doubled, reaching 20,000 by 2030

New Zealand's prosperity depends on the knowledge, skills and ambition of our young people. For too long, achievement in reading, writing and maths went backwards, while employers struggled to find the skills they needed. We are turning that all around.

National is rebuilding our education system around what works: Teaching the Basics Brilliantly with structured literacy and maths, a knowledge-rich curriculum, regular assessment and reporting to parents, and better pathways into future training and work.

Early results show the plan is working. Maths and writing achievement has improved at Year 6, the first time results have significantly improved in years.

What we've delivered

- An hour a day of **reading**, **writing** and **maths**.
- New **knowledge-rich curriculum** with clear year-by-year expectations.
- **Banned cellphone** use in schools.
- **Structured literacy**, phonics checks and a structured approach to maths.
- Maths textbooks and workbooks, science kits and **more classroom resources**.
- Regular assessment and more **detailed reporting** to parents.
- Stopped open-plan classrooms.
- Halved the cost of **building new classrooms**.
- Restored **regional polytechnics** so training happens close to home.
- **Established eight Industry Skills Boards**, ensuring learners and apprentices are job-ready.

What we're doing next

- **Replacing NCEA**. In its place will be clear A+ to E grades and an exam in every subject.
- **Embedding the new curriculum** across every year level and every subject.
- Doubling the number of Trades Academy places to **20,000 by 2030**.
- Rolling out nine new industry-developed **vocational subjects and courses**.
- **Banning social media** for under-16s.
- ***More to come before November 7...***

4. Driving trade and investment

Trade means more money coming into Kiwi communities, more jobs and higher wages.

Free trade deals
to help unlock the next billion customers for Kiwi businesses

Doubling exports
on track for 2034, with export income up $20 billion already

Investment Boost
tax relief helping businesses invest and hire

New Zealand will never get rich selling only to itself. National is hustling on the world stage to open doors for our farmers, growers, and exporters - because New Zealand's products are the best in the world and more exports means more money flowing directly into Kiwi communities.

National is delivering new free trade deals. Our plan will help Kiwi farmers, growers and exporters secure New Zealand's next billion customers overseas. We are backing tourism to get more money flowing into local communities. And we are making it easier to invest so that our businesses can grow and create more well-paid jobs for Kiwis.

What we've delivered

- Completed a **Free Trade Agreement with India**, brought the NZ-EU deal into force ahead of schedule, New Zealand's first Free Trade Agreement in the Middle East with the UAE, and negotiations with the six nation Gulf Cooperation Council.
- Exports up from **$94 billion** to **$114 billion**, bringing more money and jobs into Kiwi communities.
- Completed **23 trade missions** to 18 countries.
- Eliminated **$733 million** of non-tariff barriers.
- Tourism numbers **up 24%** since 2023.
- Active Investor Plus has driven around **$4.8 billion** of new investment.
- Established Invest New Zealand to **support new investment** that drives growth and jobs.
- Major Events and Tourism package to **drive economic activity**.

What we're doing next

- Securing New Zealand's **next billion customers** by pursuing trade, with trade negotiations with seven priority markets including Brazil, Switzerland, Argentina and the European Free Trade Association - all designed to **double the value of exports by 2034**.
- Reducing red tape at the border for exporters, targeting **removal of $1 billion of non-tariff barriers** with a focus on expanding paperless trade and digitalised systems.
- Resetting the International Visitor Levy, so regions receive a direct return from the visitors they host **without needing new taxes**.
- Ensuring foreign investment fund settings and **IRD rules** are not preventing Active Investor Plus visa holders from staying in New Zealand and contributing to the economy.
- **Growing the pool of investment capital available** to grow the New Zealand economy by increasing Kiwisaver balances.
- ***More to come before November 7...***

5. Building infrastructure for the future

Fixing the system to deliver roads, power, water, schools and hospitals.

Energy supply
cutting consenting red tape to supercharge new generation

Roads of National Significance, and other major transport projects

Health and Education
new schools and hospital upgrades to meet your needs

National is the party of infrastructure. Roads, rapid transit, hospitals, schools, defence, fibre, and energy. The infrastructure services New Zealanders rely on every day get built when National is in government.

New Zealand has a significant infrastructure deficit, and when we do invest it can be expensive compared to other countries. National is fixing both of these problems, while also getting on with building tens of billions of dollars of infrastructure to grow the economy, lift productivity and wages, support jobs, and ensure Kiwis can live better lives.

What we've delivered

- Independent 30-year **National Infrastructure Plan**.
- Four Roads of National Significance under construction – Ōtaki to north of Levin, the Hawke's Bay Expressway, Takitimu North Link, and SH29 Tauriko West.
- Started construction on over **$20 billion** of Government **infrastructure projects**.
- Funded over **1,600 new classrooms** and delivered **8,500** net **new social homes**.
- **Hospital builds** or upgrades underway in Dunedin, Auckland, Whangārei, Nelson, Palmerston North, Wellington, Hawke's Bay, and Tauranga.
- Started and finished the **Auckland City Rail Link**.
- **South Island transport funding** up by 42 per cent.
- Replacing the failed **Resource Management Act**, making it easier to get things built.
- Over 30 projects approved under **Fast-Track**, representing **tens of thousands of jobs** and **billions in investment**, with more in the pipeline.
- Sped up new **renewable generation** with our Electrify NZ changes, which has seen New Zealand's largest windfarm approved in five months, not five years.

What we're doing next

- Completing the next tranche of the **Roads of National Significance**, with the Northern Expressway and Cambridge to Piarere beginning construction by early 2027.
- Continuing to **deliver hospitals**, **schools**, **public transport** and other infrastructure Kiwis need.
- Requiring **new data centres to bring new generation** with them.
- Legislating requirements for **asset management plans**, and long-term capital plans.
- Finishing off the job we started **fixing our planning system**.
- Requiring the Infrastructure Commission to internationally **cost-benchmark government-led infrastructure builds** including transport, schools, and hospitals to ensure taxpayer money is spent wisely.
- ***More to come before November 7...***

What it means for you

Rewarding hard work

National's Economic Plan means more jobs and higher wages. It means inflation under control. It means if you work hard, you can get ahead.

220,000 new jobs
expected by 2030, creating more opportunities here in NZ

No new taxes
so you can get ahead

Low inflation
so a hard-earned pay rise isn't swallowed by bills

A job is how a young person gets a start, and how a family gets ahead. When more Kiwis are in work and wages rise faster than prices, everything else gets easier: paying the mortgage, saving for the future, giving your kids a shot.

Making work pay means ensuring three things. First, that the economy is designed to create more jobs and lift wages. Second, that the tax and welfare systems reward effort rather than penalise it. And third, that the cost of everyday life is under control, so a hard-earned pay rise isn't swallowed by bills.

Simply put, our plan is to encourage work, not tax it.

What we've delivered

- Tax relief for hardworking Kiwis, **helping 1.9 million families** by **$60 a week** on average.
- **Inflation down** from a 32-year high, allowing mortgage rates to fall.
- Supporting parents to work, with the **FamilyBoost** childcare tax credit helping around **100,000 families** with up to **$120 a week**.
- Provided **$50 a week** in temporary, **targeted support** to those most affected by the Middle East fuel crisis.
- **Rents increasing at their lowest level** in 25 years.
- Restored work expectations in the welfare system with sanctions for those who don't meet their obligations, and a **$1,000 bonus for young people** who move into work.

What we're doing next

- **No new taxes.**
- We've set the conditions for job creation, with **220,000 new jobs** expected by 2030.
- **Wages expected to rise** faster than inflation.
- Implementing a **Rates Cap**, to stop wild increase in council costs.
- **Extending Paid Parental Leave** from 26 to 30 weeks, and letting parents take leave together or in overlapping blocks.
- Helping Kiwis keep more of what they earn by **reducing** weekly mandatory **student loan repayments**, while cracking down on overseas borrowers who don't repay.
- ***More to come before November 7...***

What it means for you
Building your financial security

Helping you become financially secure, at every stage of life.

KiwiSaver compulsory
with contributions rising to 12%

First home buyers
buyers helped with a low-deposit loan

$1,500 Baby Boost
KiwiSaver Baby Boost for all newborns, to get them started

New Zealanders save less than Australians. That means we can be less prepared for retirement, but also that we can be less financially secure whatever our stage of life.

National is supporting Kiwis to build their financial security, whether that means buying a first home, paying back your student loan, taking time with a new baby, or retiring with dignity.

What we've delivered

- **Lifted KiwiSaver contributions** from 3 to 3.5 per cent. A young worker on a moderate wage can now expect to retire with **nearly $900,000**.
- **Increased NZ Super** for a couple by more than **$180 a fortnight**.
- **Helping home buyers** by freeing up land for housing and reducing building costs, while helping **reduce mortgage rates** by getting on top of inflation.

What we're doing next

- **Making KiwiSaver compulsory**, and lifting contributions to **6 per cent** each for employers and employees by 2032, matching Australia.
- Enrolling every newborn in KiwiSaver with a **$1,500 Baby Boost**.
- Making Government **KiwiSaver contribution** while on **Paid Parental Leave**, and requiring employers to keep contributing for workers over 65.
- Extending **5% deposits** to more **first-home buyers** by increasing current income caps.
- ***More to come before November 7...***

The choice

Don’t put it all at risk

Labour have $18 billion of ‘free’ election promises, the only catch is nine new taxes.

$18 billion Hidden Bill
to pay for all of Labour’s ‘free’ election promises

Nine new taxes
proposed by Labour and its coalition partners

Capital Gains Tax
would punish Kiwis who do the right thing and save and invest

Despite ruling it out as Prime Minister, Chris Hipkins is now campaigning on hitting Kiwis with a 28% Capital Gains Tax that will hit rentals, baches and businesses that own their own premises. And it will hit KiwiSaver funds that invest in New Zealand businesses that owns commercial or residential property.

Labour is also proposing a $5 billion tax increase on businesses by scrapping Investment Boost.

The problem is, Labour cannot govern on its own. Between them, Labour, the Greens, Te Pāti Māori and The Opportunities Party have proposed nine new taxes.

The nine new taxes

The tax	Who is proposing it	What it means
Capital Gains Tax	Labour	A **28 per cent tax** on **capital gains**, hitting the bach, the rental and the business that owns its own premises.
Asset Tax	Greens, Te Pāti Māori	A **2.5 per cent annual tax** on assets over **$10 million**, including the businesses that employ New Zealanders.
Inheritance Tax	Greens	A **33 per cent tax** on large **inheritances**.
Gift Tax	Greens	A **33 per cent tax** on large **gifts**.
45 per cent	Greens	A new top **income tax** rate of **45 per cent** on income above $160,000.
Rentals Tax	Greens	**Removing interest deductibility** on **rentals**, after restoring it coincided with rent increases falling to their lowest in two decades.
Land Tax	TOP	An **annual tax of 1.75 per cent** on the **value of your land**, including the family home, or 0.75 per cent on the value of a farm.
Digital Tax	Greens, Te Pāti Māori, Labour	A **tax on digital services** Kiwis use every day.
Business Tax	Labour	Scrapping Investment Boost, a **$5 billion tax increase** on the businesses that invest in new equipment.