

## **"What Is In It For You?"**

As you know New Zealand First has always tried to look after the interests of senior citizens.

We recognise the contribution you have made to our country.

We know that New Zealand led the world economically and socially when your generation was leading us.

And we believe that in return your country has a duty to acknowledge this through adequate superannuation, healthcare and social services.

We see something seriously wrong in the western world in the way seniors are viewed with indulgence or contemptuous sympathy.

In this country some commentators refer to the "problem" of the elderly.

In most other parts of the world and in other cultures age is respected for its wisdom and enlightenment.

New Zealand First supports this philosophy.

Well it is budget time and every year all New Zealanders ask the question "what is in this for us?"

This is a legitimate question, but one retirees are often reluctant to ask as there was seldom anything in past budgets for them.

You see we know that seniors accept that budgets require the interests of all New Zealanders to be balanced.

But it is also a time when we must address the real financial issues faced by different households – including seniors.

This means confronting international finance problems, skyrocketing oil prices, a world food shortage and there is no doubt things are getting tighter here at home.

We know many senior citizens are having trouble making ends meet with the dramatically rising cost of food, power and transport.

So you might ask – what is being done to address this?

Well New Zealand First has established a strong track record on this front over the past 15 years.

We are not fair weather friends for seniors.

You see thanks to New Zealand First superannuation is now paid at the rate of 66 percent of the net average wage for a married couple.

On last election night it was just over 63 percent.

But we believe that is still not enough and will push for 68 percent after the next election because the way that superannuation is calculated, you are always playing catch up.

Grey Power members need to ask every political party which ones are committed to raising superannuation – not just maintaining it at the bottom of the band.

You see we now have a band of 66% to 72.5%, and every other political party seems determined to keep you at the bottom end – we don't.

Some of you may be aware that the government has promised tax cuts in this year's budget and we have had concerns raised with us at the impact of these cuts on your rate of superannuation.

We have an assurance from the Finance Minister that those who receive New Zealand superannuation will not be disadvantaged by any changes.

Now let us turn to the progress of the SuperGold Card.

Since it was launched about eight months ago the number of business partners has risen dramatically.

From 188 businesses at launch, to nearly 800 business partners through over 4000 business outlets now – that is significant growth in anyone's language.

To put this in some context, SuperGold Card New Zealand is now larger than the cards operating in several Australian states in just over six months, and they started well over a decade ago.

We know from the businesses on board that there are tens of thousands using it and it is making a real difference.

And we would make this point, because it matters. The SuperGold Card was never designed to replace local Grey Power discount booklets – but to complement them. We have tried to get the large nationwide businesses on board to give you greater buying power.

The time has now come for government services to be enhanced.

Budget 2008 will contain \$18 million funding which will ensure that SuperGold Card holders will travel free on public transport during off peak times during the day.

We have also secured a significant funding boost of \$4.5 million to ensure greater access to hearing aids in this year's budget.

Now let me return to tomorrow's budget.

You see we believe both Labour and National have missed the boat when it comes to tax cuts.

If New Zealand First was presenting the budget tomorrow we would introduce some quite radical changes.

These are difficult times and they require measures that are both simple and effective.

For a start, we would introduce a tax free threshold for the first \$5,200 of income earned.

That means people who get up to one hundred dollars a week through a part time

job or whatever would get it tax free.

But most importantly it represents a tax cut everyone would benefit from – including those on New Zealand Superannuation.

You see with this tax free threshold in place, married couples on New Zealand Superannuation would receive an extra \$21 a week, while those on other rates would receive between \$12 and \$14.

This is a tax cut which would really make a difference.

But we would not stop there.

We would also begin an incremental reduction in the level of the Goods and Services Tax on all products.

GST started at ten percent, written in stone so said Douglas and Prebble at the time and we want to gradually move it back to that figure over three years.

In the first year we would drop it half a percent, in conjunction with the tax cut mentioned previously, and then one percent a year for the next two years.

The total cost over three years is about \$4.5 billion but that is less than the cost of the tax cuts being promised now.

We actually believe it would be less than \$4.5 billion because that money returned to people on low and fixed incomes would be recycled creating more tax revenue.

The combination of a tax free threshold and lowering GST to 10% would have the effect of increasing the purchasing power and lowering living costs.

Sometimes it pays to look at the obvious.

And don't say that it can't be done. Most successful economies have a tax free threshold, while GST has been reduced in Canada as a fiscal measure and the policy has worked.

But if you want to see these policies implemented – then you have to give us the support to deliver them.

You see in politics it always comes down to the numbers – the more numbers the more we can deliver.

There are some other points we also need to be clear about today and something we would like you to think about.

Look at what politicians DO – not just what they SAY. Look at their political record.

We know that you are concerned about law and order – we are well on the way to gaining a thousand more police on the streets because we negotiated it.

We know that extra funding was needed for the eldercare sector – so we secured \$530 million over the past two budgets.

And the list goes on.

Where there is a need to help the vulnerable, the young and the old we don't just talk.

We act.