

**MEDIA RELEASE**

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### **More public spending preferred over tax cuts**

There's more support for spending the government's \$2.6 billion cash surplus on public works and services than on tax cuts, the latest Research New Zealand polling shows.

Almost half (48%) of New Zealanders would prefer the government to spend the surplus on public works or services, while 35% want the surplus spent on tax cuts, Research New Zealand Director Emanuel Kalafatelis says.

The poll was conducted following the government's October 10 announcement of a cash surplus of \$2.6 billion for the 2007 financial year.

Those taking part were asked if the surplus should be spent on tax cuts, investment in public works and services, a combination of these, or neither.

Mr Kalafatelis said the poll showed that there was little difference in the level of support for public spending or tax cuts across most population groups.

However, people with higher educational qualifications were more likely to favour the cash surplus being used to fund more public services than tax cuts, compared with those with no educational qualifications.

"Twice as many (51%) people with tertiary qualifications supported the cash surplus being used for more public services and works compared to the proportion wanting the surplus to be used to fund tax cuts (26%)," Mr Kalafatelis said.

"This contrasts with the views of those with no educational qualifications, 47% of whom supported tax cuts compared with 33% who supported more public spending".

The poll also found that people living in major urban areas were more likely to support increasing spending on public works than those living in medium sized towns.

"The poll showed 50% of those living in larger towns or cities wanted the surplus spent on public works and services compared with 35% of people living in medium sized towns," Mr Kalafatelis said.

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The Research New Zealand poll of 503 people aged 15 and over was conducted by telephone between the 18 – 22 October 2007. The maximum margin of error is +/- 4.8% (at the 95% confidence level). The data has been weighted to ensure it is an accurate representation of New Zealand's general population. The poll was not taken on behalf of any organisation but as part of Research New Zealand's monthly survey of attitudes and opinions.

Respondents were asked: *The Government posted a \$2.6 billion cash surplus for the 2007 financial year. Do you think that money should be used to fund tax cuts or invest in more public services and works?*

#### Results by level of education level:

	Total	NCEA, School Certificate, or other secondary school qualification	Polytechnic qualification or Trade Certificate,	Bachelors or degree or higher	No qualification	Other
Base =	504	166	110	138	70	19**
	%	%	%	%	%	%
Fund tax cuts or, Invest in more public services and works	35	38	38	26	47	24
Both	48	49	49	51	33	56
Neither	12	9	12	19	7	20
Don't know	3	2	1	3	10	0
Total	2	2	0	1	2	0
Total	100	100	100	100	100	100

Total may not sum to 100% due to rounding

\*\*Low base number of respondents-results are indicative only.

#### Results by location:

	Total	Rural area (under 1,000 people)	Small town (1,000-9,999 people)	Medium-sized town (10,000-29,999 people)	Large town or city (30,000 or more people)	Don't know
Base =	504	81	89	57	275	2**
	%	%	%	%	%	%
Fund tax cuts or, Invest in more public services and works	35	29	35	44	35	50
Both	48	48	49	35	50	0
Neither	12	16	10	18	11	0
Don't know	3	4	4	1	2	50
Total	2	3	2	1	1	0
Total	100	100	100	100	100	100

Total may not sum to 100% due to rounding

\*\*Low base number of respondents-results are indicative only.

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