

First Session, Forty-ninth Parliament, 2008-10

Parliamentary Debates

(HANSARD)

Volume 662

20 April to 6 May 2010

THE GOVERNOR-GENERAL

His Excellency the Hon Sir Anand Satyanand GNZM, QSO

THE MINISTRY

(as at 1 April 2010)

HON JOHN KEY—
Prime Minister; Minister of Tourism; Minister responsible for Ministerial Services; Minister in charge of the NZ Security Intelligence Service; Minister responsible for the GCSB

HON BILL ENGLISH—
Deputy Prime Minister; Minister of Finance; Minister for Infrastructure

HON GERRY BROWNLEE—
Minister for Economic Development; Minister of Energy and Resources; Leader of the House; *Associate Minister for the Rugby World Cup*

HON SIMON POWER—
Minister of Justice; Minister for State Owned Enterprises; Minister of Commerce; Minister responsible for the Law Commission; Deputy Leader of the House; *Associate Minister of Finance*

HON TONY RYALL—
Minister of Health; Minister of State Services

HON DR NICK SMITH—
Minister for the Environment; Minister for Climate Change Issues; Minister for ACC

HON JUDITH COLLINS—
Minister of Police; Minister of Corrections; Minister of Veterans' Affairs

HON ANNE TOLLEY—
Minister of Education; Minister responsible for the Education Review Office

HON CHRISTOPHER FINLAYSON—
Attorney-General; Minister for Treaty of Waitangi Negotiations; Minister for Arts, Culture and Heritage

HON DAVID CARTER—
Minister of Agriculture; Minister for Biosecurity; Minister of Forestry

HON MURRAY MCCULLY—
Minister of Foreign Affairs; Minister for Sport and Recreation; Minister for the Rugby World Cup

HON TIM GROSER—
Minister of Trade; Minister responsible for Climate Change Issues (International Negotiations) *Associate Minister of Foreign Affairs*

HON DR WAYNE MAPP—
Minister of Defence; Minister of Research, Science and Technology; *Associate Minister for Economic Development; Associate Minister for Tertiary Education*

HON STEVEN JOYCE—
Minister of Transport; Minister for Communications and Information Technology; Minister for Tertiary Education; *Associate Minister of Finance; Associate Minister for Infrastructure*

HON GEORGINA TE HEUHEU—
Minister for Courts; Minister of Pacific Island Affairs; Minister for Disarmament and Arms Control; *Associate Minister of Māori Affairs*

HON PAULA BENNETT—
Minister for Social Development and Employment; Minister of Youth Affairs

HON PHIL HEATLEY—
Minister of Fisheries and Aquaculture; Minister of Housing

HON PANSY WONG—
Minister for Ethnic Affairs; Minister of Women's Affairs; *Associate Minister for ACC; Associate Minister for Disability Issues, Associate Minister of Energy and Resources*

HON DR JONATHAN COLEMAN—
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HON KATE WILKINSON—
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HON JOHN CARTER—
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HON NATHAN GUY—
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Minister of Local Government; Minister for Regulatory Reform; *Associate Minister of Commerce*

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Minister of Consumer Affairs; *Associate Minister of Defence; Associate Minister of Education*

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Minister of Māori Affairs; *Associate Minister of Corrections; Associate Minister of Education*

HON TARIANA TURIA—
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HON PETER DUNNE—
Minister of Revenue; *Associate Minister of Health*

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FIRST SESSION, FORTY-NINTH PARLIAMENT, 2008-10

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Leader of the Opposition—HON PHIL GOFF

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(as at 1 April 2010)

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ELECTORAL (FINANCE REFORM AND ADVANCE VOTING) AMENDMENT BILL—
First Reading 10856

EDUCATION AMENDMENT BILL—
Third Reading 10856

VOTING—
Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill—ACT Party Votes 10865

EDUCATION AMENDMENT BILL—
Third Reading 10866

TUESDAY, 20 APRIL 2010

Mr Speaker took the Chair at 2 p.m.
Prayers.

OBITUARIES

James Gladstone (Jim) Edwards

Mr SPEAKER: I regret to inform the House of the death on 5 April 2010 of James Gladstone (Jim) Edwards QSM, who represented the electorate of Napier from 1954 to 1966. I desire, on behalf of this House, to express our sense of the loss we have sustained and our sympathy with the relatives of the late former member. I now ask members to stand with me and observe a period of silence as a mark of respect for his memory.

Honourable members stood as a mark of respect.

MOTIONS

Poland—Death of President Lech Kaczynski and Other Dignitaries

Hon JOHN KEY (Prime Minister): I seek leave to move a motion without notice on the recent plane crash that claimed the lives of the Polish President and other dignitaries.

Mr SPEAKER: Is there any objection to that course being followed? There is none.

Hon JOHN KEY: I move, *That the House express its sympathy and concern to the people of Poland following the recent plane crash that claimed the lives of the Polish President and other dignitaries*. On 10 April 2010 Polish President Lech Kaczynski, his wife, and many respected senior Government officials lost their lives in a place crash in western Russia. The presidential party was on its way to commemorations for the 70th anniversary of the massacre of some 22,000 Polish officers during World War II. The sudden passing of 96 people is a tragedy for Poland. It has been deeply felt by the Polish people and by the Polish community in New Zealand. President Kaczynski was admired for his strong leadership and commitment to his country, and he will be greatly missed.

The New Zealand Government extends its condolences and thoughts to the Polish people as they grieve. We cherish our warm relationship and the values we share with Poland. Many of the senior Government figures and officials who died had met New Zealand Ministers and had assisted in furthering ties between our two countries. Some had links to the New Zealand Polish community.

New Zealand's acceptance of more than 700 Polish orphans in 1944, who were known as the Pahīatua children, holds a special resonance in both countries. Some of the officials who lost their lives had worked with our Government on celebrations and book publications for the Pahīatua children. Last September the Minister of Veterans' Affairs, Judith Collins, visited Poland to mark the 70th anniversary of the start of World War II. Her visit shows the strong links between our two countries. When the Germans invaded Poland's Baltic coast in 1939 at the beginning of World War II, New Zealand did not hesitate to respond. About 140,000 New Zealanders served overseas during that war.

There has been an outpouring of grief throughout Poland since this tragic plane crash. Our thoughts and heartfelt sympathy are with the people of Poland as they mourn the loss of so many lives.

Hon PHIL GOFF (Leader of the Opposition): The Labour Party extends its deepest sympathy to the people and the Government of Poland as they mourn the loss of

not only President Kaczynski and his wife Maria, but also 94 other Polish leaders killed tragically in that plane crash. The tragedy took place as those leaders were flying to Russia to commemorate the 70th anniversary of the massacre by the Soviet secret police in 1940 of the Polish officer corps. Some 22,000 Polish officers were massacred at that time, which has left a lasting and deeply traumatic impact on the people of Poland. For this tragedy to occur on the same day 70 years later adds to that trauma. The loss not only of their President and his wife but also of 15 parliamentarians, heads of the armed services, independence and Solidarity leaders, and, in fact, the last leader-in-exile from the Second World War has had a deep impact on the Polish people. It truly has been a time of national mourning, a time when Polish people from all sectors of the community have come together to grieve and to comfort one another.

I also extend my sympathy to members of the Polish community in New Zealand. I have a very special connection with that community: my sister-in-law is the daughter of two Polish refugees from the 1940s. I know that the president of the Polish Association in New Zealand, Eric Lepionka, and the association's members are feeling this tragedy very deeply. We extend our sympathies to them, and to the Polish Ambassador and her family.

I acknowledge that this comes against a background of suffering by people in Poland, who for centuries have been the victims of oppression by large countries to their west and to their east. I acknowledge also the courage of the Polish people in their fight for democracy and freedom. The one positive thing that may come from this tragedy is the warming of the relationship between the people of Russia and Poland as they together mourn the loss of the people who were killed. Our sympathy and our thoughts are with the Polish people today.

Dr RUSSEL NORMAN (Co-Leader—Green): The Green Party extends its deepest condolences to the people of Poland for the loss of their President, Lech Kaczynski, in this terrible accident. Mr Kaczynski was an important leader for his people and his country and will be sadly missed.

This tragedy seems particularly cruel in that the people of Poland have lost not only their President but also their First Lady and many outstanding individuals who served in the Polish Government. Such sudden and tragic loss of life is hard to comprehend, and we support the people and the Government of Poland as they come to terms with what has happened.

We send our thoughts to Polish New Zealanders and others here with close connections to Poland and acknowledge the impact that this event will have had on them, and to the families and loved ones of all 96 people who lost their lives we send our sincerest aroha and love. Kia kaha. Kia ora.

Hon RODNEY HIDE (Leader—ACT): On behalf of the ACT Party, I rise with the other parties in this Parliament to extend our condolences to the people of Poland, to Polish people everywhere, and to the families who lost loved ones. Lech Kaczynski made it his life's work to fight for the thing we value most in this place: democracy.

Does my voice sound like it is in a bottle?

Hon Ruth Dyson: Yes, it does.

Hon RODNEY HIDE: I will hand over to the Māori Party, and will wait to see whether the sound system can be fixed. I do not want to drive everyone nuts.

Hon TARIANA TURIA (Co-Leader—Māori Party): The Māori Party stands to share in the collective sorrow of the House as we pay our respects to the people of Poland in their homeland and to the many who have come to call Aotearoa home. This was a national tragedy beyond all proportion. The death of top Polish political and military officials, including the President, Lech Kacyznski, his wife, Maria, and 94 others, has been described as Poland's worst tragedy since World War II.

There is poignant irony in the fact that the fatal journey taken by those senior leaders was en route to the 70th anniversary of another severe tragedy in that nation's memory. As the news filtered through of the tragic plane crash, associations were quickly made to the events of 70 years ago, when an estimated 22,000 prisoners held in Soviet internment camps were murdered under the instruction of Stalin. The senior members of the Polish bureaucracy and the President were travelling to a memorial service in the Katyn Forest to remember and mourn for the lives of those lost 70 years prior.

There has been no question of the depth of the nation's grief, as we observe the streets of Warsaw lined with thousands of mourners, the candles flickering, and the simple placards with photographs of the 94 victims who lost their lives. Each simple wreath of flowers reminds us of the personal dimensions to this tragedy. We feel a close association in our own world through the simple placement of a condolence book in Parliament. We have seen the people come to cry, to pay their respects, and to remember.

And so our statement is simply one of peoples reaching across the world to others. We pay our respects to the families, the children taken before their time, families who were robbed of parents and grandparents. May they all rest in peace.

Hon PETER DUNNE (Leader—United Future): United Future joins with the other parties that have spoken in this debate to express sympathy and sorrow on the death of President Lech Kacyznski and his party on route to the Katyn massacre commemorations in western Russia recently.

It is very hard for us to comprehend the magnitude of a tragedy that takes out in one fell swoop, as it were, virtually the entire infrastructure of a nation. The looks of grief that my colleague referred to and the shock and horror on the faces of the people of Warsaw and other cities as they have come to grips with that bring home, I think, the enormity of what has happened, the high regard in which the president was held by his people, and, in many senses, the historic suffering of the people of Poland. In this country we have our own history, with the Pahīatua children the Prime Minister referred to.

Poland in many senses has always been at the forefront of international suffering; the irony of the massacre being that it took place on the day on which this tragedy occurred. The president played an important part in Poland's liberation from communism in the early 1980s. All these things add up to an image of a country that was starting to flourish as a centre of culture and democracy, and a real haven for its people in a way that perhaps had not been the case for a long period of time. So the tragedy is a doubly serious one for the people. I simply want to put on record my condolences and my sympathy with the people of Poland, the Polish community in New Zealand, and all those who have been affected by this tragedy.

Mr SPEAKER: Before I put the question, I must apologise to members that their ability to speak in the House has been compromised by the sound system playing up. I apologise to members. I take it very seriously when a member's ability to speak is affected.

Motion agreed to.

MINISTERIAL STATEMENTS

UN Declaration on the Rights of Indigenous Peoples—Government Support

Hon SIMON POWER (Minister of Justice): I wish to make a ministerial statement under Standing Order 347 relating to New Zealand's endorsement of the Declaration on the Rights of Indigenous Peoples. I seek leave for members to be allowed a slight and

reasonable extension on their contributions beyond the 5 minutes envisaged in the Standing Orders if so required.

Mr SPEAKER: Is there any objection to that course being followed? There is no objection.

Hon SIMON POWER: This morning, at 4.45 New Zealand time, 12.45 p.m. New York time, the Minister of Māori Affairs, the Hon Dr Pita Sharples, appeared before the United Nations Permanent Forum on Indigenous Issues and announced New Zealand's support for the Declaration on the Rights of Indigenous Peoples as follows.

"Hei te tini, hei te mano, e rau rangatira mā, tēnā koutou, tēnā koutou, tēnā koutou katoa."

[*To the very many, the indefinitely large number, and to the leaders of a hundredfold, greetings, greetings, and greetings to you all*.]

"In September 2007, at the United Nations, 143 countries voted in favour of the Declaration on the Rights of Indigenous Peoples. New Zealand was one of four countries that voted against the Declaration.

Today, New Zealand changes its position: we are pleased to express our support for the Declaration.

In keeping with our strong commitment to human rights, and indigenous rights in particular, New Zealand now adds its support to the Declaration both as an affirmation of fundamental rights and in its expression of new and widely supported aspirations.

Māori hold a distinct and special status as the indigenous people, or tangata whenua, of New Zealand. Indigenous rights and indigenous culture are of profound importance to New Zealand and fundamental to our identity as a nation. A unique feature of our constitutional arrangements is the Treaty of Waitangi, signed by representatives of the Crown and Māori in 1840. It is a founding document of New Zealand and marks the beginning of our rich cultural heritage. The Treaty establishes a foundation of partnership, mutual respect, co-operation, and good faith between Māori and the Crown. It holds great importance in our laws, constitutional arrangements and the work of successive governments.

The Declaration contains principles that are consistent with the duties and principles inherent in the Treaty, such as operating in the spirit of partnership and mutual respect. We affirm this objective, and affirm the Government's commitment to build and maintain constructive relationships with Māori to achieve better results for Māori, which will benefit New Zealand as a whole.

The Declaration is an historic achievement: the result of many years of discussions—22 years in fact—and of hard work and perseverance by many people. I acknowledge the long involvement of Māori in the elaboration of the Declaration and the extent of their investment in its development.

The Declaration acknowledges the distinctive and important status of indigenous peoples, their common historical experiences and the universal spirit that underpins its text. The Declaration is an affirmation of accepted international human rights and also expresses new, and non-binding, aspirations.

In moving to support the Declaration, New Zealand both affirms those rights and reaffirms the legal and constitutional frameworks that underpin New Zealand's legal system. Those existing frameworks, while they will continue to evolve in accordance with New Zealand's domestic circumstances, define the bounds of New Zealand's engagement with the aspirational elements of the Declaration.

In particular, where the Declaration sets out aspirations for rights to and restitution of traditionally held land and resources, New Zealand has, through its well-established processes for resolving Treaty claims, developed its own distinct approach.

That approach respects the important relationship that Māori, as tangata whenua, have with their lands and resources both currently and historically, and the complementary principles of rangatiratanga and kaitiakitanga that underpin that relationship. It also maintains, and will continue to maintain, the existing legal regimes for the ownership and management of land and natural resources.

New Zealand acknowledges and understands the historic injustices suffered by Māori in relation to their land and resources and is committed to addressing these through the established Treaty settlement process. Many Māori groups have already benefited from the transfer of considerable land, forest and fishery assets through negotiated Treaty settlements; many more are in the process of negotiations with the Government towards settling their claims. These settlements contribute to the re-establishment of an economic base as a platform for future development. Redress offered in Treaty settlements is, however, constrained by the need to be fair to everyone and by what the country as a whole can afford to pay.

Further, where the Declaration sets out principles for indigenous involvement in decision-making, New Zealand has developed, and will continue to rely upon its own distinct processes and institutions that afford opportunities to Māori for such involvement. These range from broad guarantees of participation and consultation to particular instances in which a requirement of consent is appropriate.

In those processes and institutions, we acknowledge that our ongoing national dialogue is grounded in the Treaty of Waitangi. We further recognise that Māori have an interest in all policy and legislative matters and acknowledge the determination of Māori that custom, worldviews and cultural heritage should be reflected in the laws and policies of New Zealand. Māori have been, and continue to be, active in developing innovative responses to issues with a strong indigenous perspective and engaging with successive governments on possible paths forward.

We will continue that conversation within the relationship that the Treaty and New Zealand's constitution as a whole afford. Further, we will continue to work in international fora to promote the human rights of indigenous peoples. New Zealand acknowledges the ongoing process of dialogue and debate over the meanings that may be given to the aspirations put forward by the Declaration.

New Zealand's support for the Declaration represents an opportunity to acknowledge and restate the special cultural and historical position of Māori as the original inhabitants—the tangata whenua—of New Zealand. It reflects our continuing endeavours to work together to find solutions and underlines the importance of the relationship between Māori and the Crown under the Treaty of Waitangi. Its affirmation of longstanding rights supports and safeguards that ongoing relationship and its proclamation of new aspirations give us all encouragement and inspiration for the future. Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa."

Mr SPEAKER: Before I call the next member I will give members guidance as to how I intend to interpret the leave granted by the House. The Government Minister took 2 minutes more than the norm in making his address to the House; I propose that the parties that would normally have 5 minutes to speak have up to 7 minutes should they choose to use it, and that the parties that would normally have 2 minutes to speak have up to 3 minutes, should they choose to use it.

Hon NANAIA MAHUTA (Labour—Hauraki-Waikato): E ngā mana, e ngā reo, e ngā kārangatanga maha, tēnā koutou. Ngā mema o tēnei Whare, tēnei te mihi atu ki a koutou. On behalf of the Labour Party I rise to speak to the decision of the National-led Government to ratify the Declaration on the Rights of Indigenous Peoples and to recognise the symbolism of this gesture amongst indigenous peoples—in particular, the tangata whenua here in Aotearoa New Zealand. History has shown that Māori as tangata

whenua have continued to assert and uphold their identity, rights, and interests against a varied historical background. Much of that determination has been against a backdrop of conflict, sheer grit, misunderstanding, and tenacity. With the passage of time and with political effort—and engagement with hapū, iwi, and Māori—New Zealand has evolved as a nation and has a record that is second to none in the forum of indigenous rights. Yes, indeed, the Treaty of Waitangi is the founding document of our nation.

The fourth Labour Government established the Waitangi Tribunal with the specific intention of ensuring that a domestic process for resolving historical grievances could commence. The Treaty settlement process emanated from that first step, and we continue to support the process of direct negotiation as a means of rectifying past wrongs and moving forward together. It was with regret that in 2007 the Labour Government was unable to sign the declaration. We believed that it deserved to receive more than a lip-service approach. In particular, there were inconsistencies between the text and New Zealand's constitutional and legal framework that would be difficult to overturn while retaining the fabric of what our society is working towards. We believed then, as we do now, that upon signing such a declaration, there has to be a genuine attempt to implement the articles that build the spirit, rights, and interests of indigenous peoples. Many of the 143 countries that originally signed the declaration had no intention of implementing it. In Labour we are proud to say what we mean and to do what we say.

This document is not a time for window dressing, empty promises, or hollow gains. If the National Government is serious about this declaration and about realising its aspirations, then why has it been signed under a veil of secrecy? More important—[*Interruption*]

Mr SPEAKER: The member must be heard.

Hon NANAIA MAHUTA: More important, why have New Zealanders been prevented from participating in a debate on an issue that has a profound impact on the future that we see for this country? Why is the Prime Minister not making this announcement in the House? The Government has taken care to recognise that this document is aspirational and non-binding, an approach that should weigh heavily on the efforts of those people who wanted the declaration to be a strong platform for the continued assertion of indigenous rights.

Labour continues to hold reservations about articles in the declaration that appear to be inconsistent with domestic solutions that recognise New Zealand's unique history and legal and constitutional—

Mr SPEAKER: I apologise for interrupting the honourable member. When members interject in response to something that a member is saying, I have no problem with that. But when interjections are being carried out across the back of the House that have nothing to do with what the member is saying, that is totally unacceptable. I ask members on both sides of the House to desist from that.

Hon NANAIA MAHUTA: We continue to hold reservations about articles that appear to be inconsistent with domestic solutions that recognise New Zealand's unique history and legal and constitutional structures. Those are articles 19 and 32, which imply a power of veto over the State. In addition to this, the Government has given no indication as to whether it has reconsidered the nature of property rights, as implied by articles 26 and 28.

We put these matters on the table simply to draw the attention of the House to the aspects that have, in broad forms, robust debate in our communities, and for which the Government should be accountable. At least one Government MP is promoting tupuna title; it may be a closer reality now that the declaration has been signed. The Government should be upfront and respond on that matter, so that everyone can see the

kind of aspirational, non-binding symbolism that has been recognised today. In recognising this and other matters concerning the declaration, Labour will continue to advocate in a real and meaningful way for the rights and interests of tangata whenua, today and tomorrow. Māori know too well that our most durable solutions can be achieved at a domestic level, here in Aotearoa New Zealand. Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa.

METIRIA TUREI (Co-Leader—Green): The Green Party is committed to a society that is prosperous, sustainable, and equitable, that treats all people in our community fairly, and that is premised on the recognition of Te Tiriti o Waitangi and the rights of Māori as tangata whenua in Aotearoa. And so we welcome the announcement that Aotearoa New Zealand is finally recognising the United Nations Declaration on the Rights of Indigenous Peoples. It has been Green Party policy for many years, and we are very pleased that it is at last happening. We consider the declaration to be the minimum international standard for the protection of indigenous communities around the globe, and their right, their entitlement, to self-determination. The concept of self-determination is protected in the UN charter for people; indigenous communities are people, too.

This battle has been going on for 20-odd years, and I acknowledge and pay respect to the Māori Party—to Tariana Turia, to Pita Sharples, and their team—which has managed to pressure a National Government into recognising the agreement. Kia ora! The declaration recognises—

Hon Tau Henare: No pressure!

METIRIA TUREI: No pressure!

Hon Tau Henare: We just did the right thing.

METIRIA TUREI: Yup! The declaration recognises and helps to protect the rights of Māori, and it is great to see that progress is being made. The struggle to have the declaration recognised has been going on for a very long time, and I pay tribute to all of those others in the Māori community who have fought long and hard and have been very active on this issue—to name a few, Moana Jackson, Aroha Mead, and Ngāneko Minhinnick. Others, too, whom Tariana Turia has referred to today, fought hard for this declaration to be recognised, but they have died in the intervening years. We pay our respects to all of them and to their whānau for their commitment to the declaration.

It is an achievement particularly worthy of celebration because, of course, John Key's Government has been very hostile to the development of iwi and hapū rights since—[*Interruption*] They do not like it, do they. We need only consider John Key's opposition to Māori having seats on the Auckland super-city council, for example. It is all right to recognise a UN declaration, but it is not OK to give Māori decision-making capacity on the council of our biggest city in this country! I think the National Government has agreed to recognise the declaration only because it continues to assert that, here at home, iwi and hapū interests must remain subservient to those of the Government. We heard that from Murray McCully on the radio this morning. The whole idea of placing restrictions or caveats on the declaration is certainly the wrong message to be sending on what should be a day of celebration. The declaration was already watered down to meet the needs of States, and it does not need to be watered down any further by a National Government hostile to Māori interests.

One of the main objections to recognising the declaration, particularly from the previous Labour Government in the last few years, has been the desire to amend it to make it consistent with New Zealand's domestic law, and we have heard that again today. Of course, one of the problems with this is that iwi and hapū rights under Te Tiriti o Waitangi do not have constitutional protection in New Zealand law, which is unlike the position of some other indigenous communities, who do have that protection

in their own States. We can see the result of the lack of that protection in our domestic law in Labour's foreshore and seabed legislation, which took away Māori rights, and, secondly, in National's foreshore proposal, which simply mimics what Labour did—it makes no changes.

But none the less we acknowledge that the struggle for recognition of Māori rights continues, despite which party might be in Government. Today is a good day for Māori and for all New Zealanders. Our status as one of only three countries in the world not to sign the declaration was an ongoing source of shame for us in the international community and, of course, here at home. We have an obligation to act as responsible global citizens. New Zealand's failure to support the declaration left many millions of indigenous people around the world without a framework for the protection of their basic human rights—their human rights as indigenous peoples, their human rights as indigenous collectives. New Zealand has made a small step—a small step—but none the less a step, towards supporting and protecting those vulnerable communities around the globe. This declaration gives our country another tool to work through the issues of colonisation and to help create a fair society based on Te Tiriti o Waitangi. I congratulate the Māori Party on its success. Kia ora.

Hon RODNEY HIDE (Leader—ACT): Mr Speaker—[*Interruption*] I wonder whether I can move to another seat. I am in your hands, Mr Speaker, as to where I can speak from.

Mr SPEAKER: I ask members to be reasonable. There is a difficulty with the microphones in that quarter of the House. The member can speak from any seat at all, and I ask members to be reasonable about that. If the member relocates to a seat that is reasonably convenient, let us see whether we can get the sound system working properly.

Hon RODNEY HIDE: The ACT Party is both shocked and appalled to find itself supporting a Government that has covertly given recognition to the United Nations Declaration on the Rights of Indigenous Peoples. The declaration asserts that Māori have rights and privileges not enjoyed by other New Zealanders. The declaration is the very antithesis of ACT's policy of one law for all New Zealanders. It is the antithesis of the policy that we should have one law regardless of people's religion, their race, the colour of their skin, their ethnicity, their culture, or indeed their degree of indigeneity. The declaration is divisive and is a further step for New Zealand down the path towards being a divided nation. The declaration clearly splits New Zealand into two rather than bringing New Zealand together as one.

The UN declaration sets us up to enable foreigners from the UN to come to New Zealand to pontificate and to criticise New Zealand's race relations, policies, laws, and processes. For these and for other reasons the former Prime Minister, Helen Clark, refused to ratify the declaration. At the time the Hon Parekura Horomia said that the declaration was incompatible with New Zealand's laws and democratic processes and that it ignored reality and would be difficult to implement. Helen Clark and Parekura Horomia were both right.

I am very disappointed that the Prime Minister, John Key, has covertly foisted the declaration on New Zealand, and I consider the statement that the recognition of this declaration has no practical effect to be naive in the extreme. I am very disappointed that the Prime Minister has failed to honour our no-surprises policy, set out in the ACT-National confidence and supply agreement.

Mr SPEAKER: The honourable member has had the additional time that I—[*Interruption*] It may have escaped honourable members' attention but I am on my feet. I gave members a fair indication of how I intended to interpret the leave granted by the

House. The member has had just over the extra minute of time to make his statement in response to the ministerial statement.

Hon DARREN HUGHES (Senior Whip—Labour): I raise a point of order, Mr Speaker. There are two points I would like to raise with you. Firstly, I would like an assurance that Mr Hide's time was not truncated by his musical chairs arrangement.

Mr SPEAKER: I can assure the honourable member that I allowed extra time for that.

Hon DARREN HUGHES: There was a lot of interjection on the member, as he was not speaking from his normal seat in the House. I seek leave for an additional 2 minutes to be given to Mr Hide to make his contribution.

Mr SPEAKER: Leave is sought for an additional 2 minutes to be granted to the member. Is there any objection to that course of action? There is objection.

RAHUI KATENE (Māori Party—Te Tai Tonga): This morning in our early dawn, over in New York more than 2,000 indigenous people rose to their feet to give a rousing ovation for the historic decision of New Zealand to support the United Nations Declaration on the Rights of Indigenous Peoples. Immediately the wires were hot, proclaiming that New Zealand backs indigenous rights. It is time now to celebrate, to consolidate, and to be proud to stand alongside some 143 other nations throughout the world that are prepared to back indigenous peoples.

Today is a historic day, on which we finally right the wrong that was done on 14 September 2007: the previous Labour Government's bizarre decision to oppose a declaration that, at its very essence, sets a minimum standard of human rights for indigenous peoples. Today is a day on which we mihi to those champions—the indigenous advocates, the Māori leaders, activists, and academics who have devoted so much of their time and resources to achieving the outlawing of discrimination against indigenous peoples. We think of all those who have passed on before experiencing this incredible moment: Erihāpeti Rehu-Murchie, Alec Kaihau, and Dame Mira Szaszy. We think of those of our people who have lived with the declaration for nigh on 22 years: Ngāneko Minhinnick, who was there at the very beginning; Aroha Mead; and Moana Jackson, who was the chair of the United Nations Permanent Forum on Indigenous Issues for 5 important years. We also recognise our own Hone Harawira, who has been such a passionate advocate within the larger movement. Many more people in our thoughts today can claim the success as theirs and can be proud that they have stood tall to support the rights of indigenous peoples to maintain and strengthen their institutions, cultures, and traditions. We join with people who have been sending emails all day, who are celebrating this day, and who are so happy about this day. We congratulate the Government on taking this important step.

This is a very important day for our Parliament. We are somewhat surprised, however, that an issue has been raised about how the declaration sits within domestic laws. This was a statement built into the text of the declaration when it was adopted in 2007 by way of article 46, so it is a non-issue. I also say that the previous Labour Government had its chance to water down the declaration, and it took every chance that it could to water it down. The only thing Labour regrets is that it was not able to water it down any further.

This is a day for celebration, a day when Aotearoa is proud to move forward on the path of justice, dignity, and fundamental freedoms for all.

Hon JIM ANDERTON (Leader—Progressive): We are told that there was a standing ovation for Pita Sharples' speech from members of the United Nations Permanent Forum on Indigenous Issues. I wonder whether the following countries stood up, and whether Pita Sharples noticed: Zimbabwe, Ethiopia, Fiji, Iran, Israel, Burma, Rwanda, and Somalia. We do not need in this country any lessons from countries like

those on how to treat indigenous peoples. We need no lessons whatever. It is egregious for the Prime Minister and others to crawl to the likes of that forum with that membership and to tell us that things will change. Nothing will change. These are just idle words that mean nothing whatsoever. New Zealand has done more for the indigenous peoples of this country than all of those countries have done put together twice over. We did not need any lessons from the United Nations Permanent Forum on Indigenous Issues to do that. New Zealand is honoured around the world for the way in which it introduced Waitangi Tribunal resolutions, and the way in which we have settled grievances with the indigenous people of this country. For us to seek the solace of countries like those on that list, and many more, makes me ashamed of the Parliament of this country. It makes me ashamed that we would debate with some kind of glee the fact that we received a standing ovation at the UN from countries like those.

Let me say that New Zealand is already widely acknowledged as a world leader in recognising such rights and it has a longstanding process through the Waitangi Tribunal for putting that recognition into practical effect to the very real advantage of righting past injustices of the Māori indigenous people of this country. The UN Declaration on the Rights of Indigenous Peoples, on the other hand, is simply an expression of pious hopes without any necessary practical effect whatever. It has no practical effect; it is not binding. In fact, Mr Power, the Minister of Justice, told Parliament that the Government is considering the different meanings of the aspirational text. Well, which meaning did the Government sign up to? Did it not know? Has the Government read it? Does it know what it means? The answer to all those questions is no. It has nothing to do with it. It is to do with the deal between National and the Māori Party to get the Māori Party to run alongside the Government.

It is idle for the Māori Party to claim some kind of great triumph for getting the countries I mentioned earlier to stand up. The Māori Party should be ashamed of itself for thinking that this declaration is some kind of triumph. It is part of the agony that we have to watch and see this take place.

Hon PETER DUNNE (Leader—United Future): There is an extraordinary irony in this debate on the rights of indigenous people. Over the years in this House, on many occasions we have had discussions about United Nation conventions, and the very people who today are standing up to decry this decision have in the past lauded agreements like the international convention that outlaws political discrimination, and the conventions on the rights of women, the rights of children, and the ending of racial discrimination. Those members said it was our responsibility as good international citizens to be part of those causes and part of the institution that New Zealand was proud to be in the vanguard of establishing: the United Nations. Now, today, when the rights of indigenous people are up for discussion, and when a number of basic democratic rights that all of us take for granted will be conferred on them, we start to see games being played.

This decision does not impact upon New Zealand's domestic law in any way. It is an aspirational decision, in the same way that all of the other conventions to which I made reference also are. The point is that New Zealand puts its mark alongside those of other countries in saying we believe that the rights of indigenous people in this instance have some validity and ought to be recognised. It is interesting to note that as a result of today's decision, only the United States and one other country—Canada, I think, although I am not sure about that—have yet to sign the convention. If we are so out of step with other nations, as Mr Anderton said we are, why is it that today only the United States and Canada are yet to join the international community in recognising the rights of their indigenous people?

This country has a proud record of upholding, and of being part of, United Nation's decisions. This is one more step in that line of progress and should simply be viewed as such. I find it richly ironic that those who have for so long held up the UN as a vanguard and as a mantle now turn round when it comes to honouring the rights of our indigenous people to say this decision is irresponsible, dangerous, and unacceptable.

PERSONAL EXPLANATIONS

Canterbury Water Management—Minister of Agriculture's Involvement

Hon DAVID CARTER (Minister of Agriculture): I seek leave of the House under Standing Order 349 to make a personal explanation with regard to a number of claims made in this House about my involvement in Canterbury water issues.

Mr SPEAKER: Leave is sought for that purpose. Is there any objection? There is no objection.

Hon DAVID CARTER: On 31 March and 1 April certain incorrect claims were made in this House in relation to Canterbury water issues. This is the earliest opportunity I have had to address these allegations.

Firstly, it was claimed that I stood to benefit financially if the proposed Hurunui irrigation project went ahead. This claim is untrue. There is an existing historical consent to irrigate approximately 40 hectares of my 1,700-hectare Cat Hill property from the Hurunui River. This consent was transferred to me when I bought the property approximately 4 years ago. It has not changed since, and I have no intention of applying for more water in the future. If the Hurunui irrigation project proceeds it will have no impact on the existing historical consent. The Cat Hill property cannot be further irrigated. Therefore, I do not stand to benefit financially, as Russel Norman stated.

The issue of minimum flow restrictions is irrelevant. In the entire time the consent has been in my name, the minimum flow rate restrictions, which have triggered at 10 cubic metres per second, have never been in place. To claim, therefore, that I stand to gain some financial benefit due to a greater certainty around these minimum flow rates is simply untenable.

Russel Norman then claimed that I had inappropriately intervened in the Hurunui water conservation order process. This is also incorrect. Last year, in conjunction with the Hurunui mayor, Garry Jackson, and Bede O'Malley, chair of the Canterbury Water Management Strategy steering group, I discussed with all parties involved in the Hurunui water conservation order process the possibility of trying to reach a consensus solution, but only after reserving their right to appeal to the Environment Court.

This collaborative approach was undertaken with all parties in an attempt to avoid the combative and expensive court process, and it reflects the approach recommended by the Canterbury Water Management Strategy. All parties were initially positive about this approach, but subsequently some withdrew support and decided to proceed with Environment Court action.

Finally, I would like to address my answer to written question No. 14809. The question was received in conjunction with 19 other very similar written questions from Russel Norman. In the context of these other questions, I interpreted—

Hon Trevor Mallard: I raise a point of order, Mr Speaker. It is with some regret that I interrupt a personal explanation, but this has now gone to the point where the Minister is explaining a ministerial response—an answer to a question to a Minister—and that cannot be a personal explanation.

Hon DAVID CARTER: If I am allowed to carry on for another minute, I think it would explain the situation completely to the satisfaction of Mr Mallard.

Mr SPEAKER: The point of order the member has raised relates to making a personal explanation about an answer given to a question. Were the question being

technically corrected by a Minister, the member would have a fair point. I do not know exactly what the Minister will say, but if it is about how it relates to him personally then I think it is in order. I will allow the member to continue.

Hon DAVID CARTER: Written question No. 14809 was received in conjunction with 19 very similar written questions from Russel Norman. In the context of these other questions, I interpreted written question No. 14809 as asking whether I had discussed with any parties the suggestion of not appealing to the Environment Court. This was certainly not the case as I had urged all parties to lodge an appeal to protect their position in the interim until a consensus solution could be reached. Therefore, I answered "No." to the question.

In hindsight, I can appreciate that that answer was not as clear as it possibly could have been, and I apologise for any confusion that it may have caused. However, as I have explained, I entirely refute all allegations made by Russel Norman in this House on 31 March and 1 April. Thank you.

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

UN Declaration on the Rights of Indigenous Peoples—Government Support

1. Hon PHIL GOFF (Leader of the Opposition) to the **Prime Minister**: Does he stand by his statement "New Zealand takes its international obligations seriously and does not support texts unless we are able to implement them"?

Hon JOHN KEY (Prime Minister): Yes.

Hon Phil Goff: Are there are any articles in the text that his Government signed up to this morning that he is not able, or is unwilling, to implement?

Hon JOHN KEY: I think it is important to understand that the Declaration on the Rights of Indigenous Peoples is just that—it is a declaration. It is not a treaty, it is not a covenant, and one does not actually sign up to it. It is an expression of aspiration; it will have no impact on New Zealand law and no impact on the constitutional framework. What is more, the advice we had from Crown Law was that whether or not New Zealand affirmed it, in areas where we do not have law or constitutional arrangements already, the declaration could be imported already, and that people have already tried to do so, so affirming it would have no effect whatsoever.

Hon Phil Goff: As the Prime Minister has told this House that he does not sign up to texts unless he intends to implement them, within the text that he signed up to this morning does he intend to implement wholly or partially articles 19, 26, or 32?

Hon JOHN KEY: We did not sign up to anything; we affirmed a declaration that is non-binding and aspirational.

Hon Phil Goff: In saying he did not sign up to anything this morning, does that confirm that what he signed up to is totally meaningless?

Hon JOHN KEY: No. The reality is that New Zealand has a very proud record when it comes to indigenous rights, and for New Zealand not to have affirmed the declaration, when Crown Law's advice was quite clear that this was a non-binding, aspirational goal that would have no impact on New Zealand's law or New Zealand's constitution, looked to me to be a bit churlish.

Hon Phil Goff: Which of his Ministers was correct this morning: his Minister of Māori Affairs, Pita Sharples, who said this signature came without caveats; or his Minister of Foreign Affairs, who said it came with caveats?

Hon JOHN KEY: Both of them are correct. I would not describe the statement made in reading the affirmation to the declaration as being a caveat, but it clearly spells out

that it is a non-binding, aspirational goal that does not supersede New Zealand's law or New Zealand's constitutional arrangements.

Hon Phil Goff: Why did he breach his no-surprises agreement with his coalition partner Rodney Hide by covertly agreeing to sign up to this text without telling him, or the rest of New Zealand, first?

Hon JOHN KEY: For a start, it is a bit hard to do things covertly when we put out a press release to say we were doing it. That is the first thing. The second thing is that for quite some time I have been saying the Government was working towards this, including as late as last week, when I said: "From New Zealand's perspective it is true we have been working and looking at ways we might adopt the declaration. Progress is being made and I am happy with that progress."

Hon Rodney Hide: Does his Government support article 26 of the declaration, which states: "… Indigenous peoples have the right to the lands, territories and resources which they have traditionally owned, occupied, or otherwise used or acquired."; if so, can he tell the House which parts of New Zealand or which natural resource were not traditionally owned, occupied, or otherwise used or acquired by Māori before European settlement?

Hon JOHN KEY: We support that only where it is consistent with the Treaty of Waitangi. I might add that last year Australia affirmed the United Nations Declaration on the Rights of Indigenous Peoples, as has the vast majority of the world. The last time that I looked, the indigenous people of Australia were not taking control of the entire country, nor were other indigenous peoples around the world. It is a non-binding, aspirational goal. Where it is consistent with the Treaty of Waitangi, Māori will have their lands.

Hon Rodney Hide: I raise a point of order, Mr Speaker. The Prime Minister did not address my question. It was not about Australia, and it was not about whether endorsing the declaration was aspirational or non-binding. My question was about whether his Government supports article 26. Then I asked, if the Government did support that, which parts were not already owned, occupied, or used by Māori before European settlement. None of that was addressed. It had nothing to do with Australia.

Mr SPEAKER: The member has raised a finely balanced point of order. My interpretation of the Prime Minister's answer was that he was pointing out that the article has no binding effect; therefore it cannot alter who owns what in New Zealand at all. The member still has a further supplementary question. If he wishes to dig deeper into that issue, I think he can do so with that further supplementary question.

Hon Rodney Hide: I raise a point of order, Mr Speaker. Actually, we do not have a further supplementary question, because Mr Boscawen has a question for oral answer. But the point is that whether or not the declaration is binding, this was a serious question about whether the Government supports the article. It was not about whether the declaration is binding or whether Australia did this or that; it was about whether the Government supports article 26.

Mr SPEAKER: The member makes a fair point. I invite him to state his question again and give the Prime Minister a chance to answer it.

Hon Rodney Hide: Does his Government support article 26 of the declaration, which says: "… Indigenous peoples have the right to the lands, territories, and resources which they have traditionally owned, occupied, or otherwise used or acquired."; if so, can he tell the House which parts of New Zealand or which natural resource were not traditionally owned, occupied, or otherwise used or acquired by Māori before European settlement?

Hon JOHN KEY: Only where it is consistent with the Treaty of Waitangi. That is exactly the process when people go through a Treaty claim.

Hon Phil Goff: Was Dr Sharples correct when he said the decision to sign the text was made weeks ago by Cabinet; if so, why was no announcement made, why were the media not informed of Dr Sharples' impending trip—other than Māori Television—and why was the event taken out of the ministerial diary of events?

Hon JOHN KEY: If he said "signed", then he cannot be right, because one does not sign the declaration; one affirms it.

Rahui Katene: Is there any sense of how New Zealand's decision to support the Declaration on the Rights of Indigenous Peoples has been received on the international stage?

Hon JOHN KEY: Yes. The statement of Mr Carlos Mamani, chair of the United Nations Permanent Forum on Indigenous Issues, is extremely positive. Mr Mamani said that in declaring its support for the declaration, " … the Government of New Zealand has reaffirmed the principles of respect, non-discrimination and good faith enshrined in the Declaration. The Permanent Forum looks forward to continuing its engagement with the Government of New Zealand in a spirit of cooperation in order to advance the rights of indigenous peoples in New Zealand and around the world."

Hon Parekura Horomia: How will the signing of this text contribute in any practical way to resolving problems that face Māori in New Zealand today?

Hon JOHN KEY: In a practical sense, there is much more likely to be advanced results in that regard when it comes to Whānau Ora. I look forward to the Opposition supporting that.

Rahui Katene: What does he think will be the consequences for the international reputation of New Zealand of headlines such as the one from *Metro News* in Canada: "New Zealand reverses opposition to UN Declaration on indigenous rights, US reviewing stance" or the one from AFP at the United Nations stating simply: "New Zealand backs indigenous rights"?

Hon JOHN KEY: I think the reaction will be very positive. That really is the point about New Zealand affirming the United Nations Declaration on the Rights of Indigenous Peoples. New Zealand has a very proud record. It has nothing to be ashamed of in this area. We have a strong legal basis and constitutional framework. I cannot see why New Zealand would not want to be there affirming on the world stage that we care about the rights of indigenous people.

Superannuation—Effect of Government Policy on Movement of Rates

2. CRAIG FOSS (National—Tukituki) to the **Minister of Finance**: What impact has Government policy had on recent movements in New Zealand superannuation rates?

Hon BILL ENGLISH (Minister of Finance): Since 1 October 2008 a combination of tax cuts and other adjustments has seen superannuation payments increase significantly. In that time, the single rate for a person living alone went from $571 a fortnight to $636 a fortnight, which is up by nearly $65 in the hand per fortnight. The rate for a married couple went from $879 a fortnight for each person in October 2008 to $974 a fortnight, which is up about $100 in the hand or more than 11 percent. The adjustments are a combination of the effect of tax cuts and inflation adjustments.

Craig Foss: How would superannuitants benefit from tax changes being considered by the Government?

Hon BILL ENGLISH: They will benefit in the same way that the previous Labour Government argued superannuitants benefited from the tax cut it introduced on 1 October 2008, which Mr Goff appears to have forgotten about. As a result of the tax cut given by the Labour Government in 1 October 2008, superannuitants paid less tax on their national superannuation, and the increase in the after-tax average wage lifted the 66 percent floor. In addition, if the Government were to increase GST, superannuation

payments would be increased up front by just over 2 percent, to reflect a one-off general rise in prices.

Craig Foss: Is it possible that retired people whose income is from New Zealand superannuation could be directly worse off, compared with today, as a result of measures being considered in the Budget?

Hon BILL ENGLISH: Superannuitants will know that because of their experience of the benefit of tax cuts on national superannuation, it is not possible for them to be worse off as a result of the kinds of measures the Government is proposing.

Craig Foss: What reports has he seen about how superannuitants might be reimbursed for any GST increase?

Hon BILL ENGLISH: I have been confused by some reports I have seen from the Leader of the Opposition, who says he is opposed to any increase in GST but, if an increase is put in place, he will not roll it back.

Recession—Effect on Individuals and Families

3. Hon DAVID CUNLIFFE (Labour—New Lynn) to the **Minister of Finance**: Does he stand by his statement that "it will probably be some time before individuals and families feel better off again"?

Hon BILL ENGLISH (Minister of Finance): Yes, I stand by that statement. Under the mismanagement of the previous Government the New Zealand economy went into recession early in 2008. Families were then hit by the global recession. It will take us some time to undo the damage done by a Government that forgot that a country must earn before it spends.

Hon David Cunliffe: Will New Zealand families be better off paying 7 percent more for petrol and 2 percent more for food, as confirmed today by Statistics New Zealand?

Hon BILL ENGLISH: That was one of the lower annual CPI increases, quite a bit lower than when the member was in Government. I did not see him crying crocodile tears about it then. If we had left Labour's emissions trading scheme in place, families would be facing very big rises in petrol prices.

Carol Beaumont: Does he agree with Ministry of Consumer Affairs advice that to lower their grocery bill consumers should shop around, and how will New Zealand consumers be able to shop around an increase in GST, which will further raise food prices?

Hon BILL ENGLISH: I think it is pretty much common sense that New Zealanders shop around to find the lowest price, whatever is happening in terms of prices going up. I wonder what the member does. Does she go to the same supermarket every week, regardless? That would be a bit odd, I would have thought.

Amy Adams: How much better off would New Zealanders be if our underperforming economy had grown at similar rates to other countries between 2005 and 2008?

Hon BILL ENGLISH: In the 3 years from September 2005 to 2008 this economy grew by less than 1 percent. However, that figure was outstripped by annual population growth of 1.1 percent, meaning that over the last 3 years of the previous Labour Government, per capita income growth was negative, when the rest of the world was booming. Had the economy grown at roughly the average rate of recent years, the average household would now be $5,000 better off after tax.

Hon David Cunliffe: Which of the following does he think will have the biggest impact on Kiwi families: breaking his promise that he would not raise GST, or standing by while they face higher food and petrol prices?

Hon BILL ENGLISH: What will have the biggest impact on Kiwi families is a Government that is focused on turning this economy round, so that it becomes one

where earning matters as much as spending. That is what all our policy is focused on. The previous Government thought it could spend money when it had not earned it, and now we are paying the price.

Hon David Cunliffe: Why does the Minister not just admit that his Government has no credible plan for growth and that he cannot get over his personal resentment that the previous Minister managed to cut debt in half and have the world's lowest unemployment rate and the longest post-war expansion, and why does he not take responsibility for his own policies, instead of Labour's?

Hon BILL ENGLISH: I know the previous Minister of Finance was not a patch on what the member would have been if he had the job, but I wish Dr Cullen had been as good as Mr Cunliffe thinks he was. We are dealing with the legacy of a Labour Government that squandered the good times. We do not want New Zealand families to have to pay the price for that for any longer than is absolutely necessary.

Carol Beaumont: I seek leave to table the March newsletter of the Auckland City Mission, which tells the story of families unable to afford food.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Greenhouse Gas Emissions, Agricultural Sector—Global Research Alliance

4. SHANE ARDERN (National—Taranaki - King Country) to the **Minister of Agriculture**: What significant steps has the Government recently taken to progress the Global Research Alliance?

Hon DAVID CARTER (Minister of Agriculture): Two weeks ago the Hon Tim Groser and I co-chaired the first full meeting of the Global Research Alliance on Agricultural Greenhouse Gases here in Wellington. The meeting was a resounding success, and demonstrated just how far the alliance has come since New Zealand launched it in Copenhagen 9 months ago. With 29 member countries and a practical work programme agreed upon, this initiative is well and truly up and running.

Shane Ardern: What were the key outcomes of the meeting of the Global Research Alliance on Agricultural Greenhouse Gases?

Hon DAVID CARTER: In essence, the meeting shaped the alliance's future work programme for the next 12 months. From New Zealand's perspective, it reaffirmed our major involvement in the Global Research Alliance on Agricultural Greenhouse Gases, with New Zealand continuing to host the secretariat, and co-leading the livestock research group. That significant role is an acknowledgment of New Zealand's leadership in the area to date and the success with which we have brought the alliance into existence.

Shane Ardern: What other reports has he seen on the Global Research Alliance on Agricultural Greenhouse Gases?

Hon DAVID CARTER: The Global Research Alliance on Agricultural Greenhouse Gases and New Zealand's role in it have been universally applauded. From China to Argentina, Ghana, and the Netherlands, New Zealand's leadership role in addressing agricultural emissions and bringing both developed and developing countries on board is now well recognised. The United States has described the alliance as "powerful and laden with potential", while domestic organisations as diverse as the Green Party and the Wellington chamber of commerce have also praised it.

Charles Chauvel: Which of his colleagues is correct about access to intellectual property generated by the Global Research Alliance on Agricultural Greenhouse Gases—the Prime Minister, who said 2 weeks ago that it will be made available free to

other nations, or Tim Groser, who on Saturday said that "anyone who thinks that the whole thing can be done on the open source method is probably not really aware of the power of private markets,"?

Hon DAVID CARTER: The details around intellectual property will still be determined by the alliance. In some cases, that information will be available freely, and given freely to developing countries; in other cases there will be private interests to protect. As I said, the only person in the world I have seen criticising this initiative is Charles Chauvel.

Charles Chauvel: I seek the leave of the House to table a transcript of an interview with Tim Groser on Saturday, 18 April. [*Interruption*] I do not think it is readily available to members, and they might like to read the contradictory comments that I mentioned.

Mr SPEAKER: Just so that there will not be further interjection, I take it that it is a radio interview transcript the member—

Charles Chauvel: It is a television transcript, Mr Speaker.

Mr SPEAKER: What sort of transcript?

Charles Chauvel: It is a transcript of a television interview at 10.43 a.m. on 18 April.

Mr SPEAKER: I do not think we will be seeking leave to table recent media transcripts.

Health Services—Minister's Statements

5. Hon RUTH DYSON (Labour—Port Hills) to the **Minister of Health**: Does he stand by all his statements on health services?

Hon TONY RYALL (Minister of Health): Yes, including the statement that the Labour Government doubled the health budget and got a lot less for it.

Hon Ruth Dyson: Why would 80-year-old Mr Desmond Peat—an ex - Royal Navy serviceman who contracted polio after his war service, has had his left leg amputated, has a fused left wrist, is on the waiting list for a heart bypass operation, and has just had his 1½ hours of home support cut—give any credence to the Minister's statements on health?

Hon TONY RYALL: If the member was to bring that case to me, I would be prepared to look into it, as I have done for her colleagues.

Hon Ruth Dyson: What has embarrassed him more: his colleague the Minister for Senior Citizens, John Carter, threatening Grey Power over its involvement in the Labour-Green aged-care inquiry; or his colleague Jo Goodhew refusing to comment on the distress of Ruby Martin, an 86-year-old woman who cannot kneel, hang out her washing, or lift anything heavy, and who has just had her home support cut?

Hon TONY RYALL: I have never ever been embarrassed by those two colleagues, which is not something that members opposite say about the person who asked the question.

Nicky Wagner: What statements has the Minister seen about methods for assessing home support for the elderly?

Hon TONY RYALL: I have read Grey Power's recent lobby report, which reports that its representatives met with Ruth Dyson. They reported in relation to Mrs Dyson and home care: "She is totally against assessing by telephone and has stated that the only way to assess a person is to visit them in their homes to see firsthand how they are coping." That is very interesting, because it was Ms Dyson's Government that formalised telephone assessments in a pilot scheme in 2006, and, further, voted substantial public money to roll it out nationally in the 2008 Budget.

Hon Ruth Dyson: How does he reconcile his statements on putting clinicians at the centre of the health system with the list recently published by senior doctors of examples where there has been no clinical input at all into significant health decisions?

Hon TONY RYALL: I am very well aware that clinicians throughout New Zealand are responding to the opportunities that this Government is encouraging in order to give them a much greater say in the running of the public health service. That response is reflected up and down the country, where many nurses, in particular, are taking responsibility for the way that they organise their wards. They find they are spending much more time caring for patients than they ever did under the mismanagement of the previous Government.

Hon Ruth Dyson: How does he reconcile his statement that integrated family health centres were already available in Auckland with his heralding of these centres as new and innovative? Why is he demanding the establishment of centres to open, when, in his own words, these centres already exist?

Hon TONY RYALL: I think that, when we look at the word "embarrassment" and the question just asked, members will find it quite difficult to understand the question. I interpret her as saying that the need to consolidate general practice and to provide services for New Zealanders is something the Government supports, and I say that we will be seeing a lot more of that over the next couple of years.

Hon Ruth Dyson: Despite your earlier request, Mr Speaker, that members not seek leave to table information from a newspaper article, when I referred to the plight of Mr Desmond Peat the Minister implied he had no knowledge of it, and therefore, on that basis only, I seek leave to table the letter from Mr Peat published 2 weeks ago in the *Otago Daily Times* that outlines the situation he is in.

Mr SPEAKER: I do not think Otago is a backblock of New Zealand. We will not be seeking leave for that.

Hon Ruth Dyson: I seek leave to table the speech given by Mr Ian Powell to the Australian Medical Association called "Challenging times, uncertain directions", which outlined his concern, and that of senior doctors, at the lack of clinical input into significant health decisions.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is objection.

Emissions Trading Scheme—Cost Applied to Average Dairy Herd

6. JOHN BOSCAWEN (ACT) to the **Minister for Climate Change Issues**: What will be the cost applied to the average dairy herd by the emissions trading scheme from 1 July this year?

Hon Dr NICK SMITH (Minister for Climate Change Issues): Dairy herd methane emissions have grown from 5,000 million tonnes in 1990 to 9,000 million tonnes today. Although this is a cost to New Zealand under the Kyoto Protocol, it is not being borne by farmers. This Government has deferred the entry of agriculture for 2 years because of competitiveness issues. Dairy farmers, like all New Zealanders, will face a price impact for fuel of 3.5c per litre, and for power of 1.2c per kilowatt hour, from 1 July. This cost was halved by National's moderation of the emissions trading scheme. The cost of that scheme for dairy companies is estimated to be 1.8c per kilogram of milkfat, which amounts to $2,100 for the Ministry of Agriculture and Forestry's model farm on an average milk income of $820,000, or 0.2 percent of turnover.

John Boscawen: How does the Minister reconcile his answer with Meat and Wool New Zealand's analysis that the emissions trading scheme will cost the average dairy farmer $3,900 per annum from 1 July this year, another $3,900 per annum from 1

January 2013, and finally a further $2,400—a total of $10,200 per annum—from 1 January 2015?

Hon Dr NICK SMITH: I will make three points. The first is that I have not seen the analysis that the member has referred to, but I note that the largest emissions from farms are those for methane and nitrous oxide, which are not to be applied from 1 July. In fact, this Government has deferred their cost by 2 years. In respect of the cost for fuel and power, the cost for a dairy farmer will be exactly the same as for all New Zealanders. In respect of the analysis I have seen, the cost to dairy companies will be 1.8c per kilogram of milkfat—the price of which at the moment, I think, is 680c per kilogram—or 0.2 percent of a dairy farmer's turnover.

Chris Auchinvole: What advice has the Minister received on the overall cost of the emissions trading scheme to consumers and businesses in its first year; and how does this compare with the value of the allocation this year to the forestry sector?

Hon Dr NICK SMITH: The overall cost to consumers and businesses of the emissions trading scheme in the first year will be $400 million. It is estimated, though, that in the same first year $1.1 billion will be allocated in carbon credits to the forestry sector. By honouring commitments to give credits to the forestry sector, and by softening the costs to consumers and businesses, the Government will be making a significant loss on the emissions trading scheme. Those advocating deferring the emissions trading scheme need to acknowledge that they would be interfering in the property rights of foresters who, in good faith, have planted trees since 1990, thus offsetting New Zealand's 23 percent increase in gross emissions.

Foreshore and Seabed Act Review—Customary Title

7. Hon DAVID PARKER (Labour) to the **Attorney-General**: What will be the practical effect of the change to the approach for establishing customary title, in the Government's preferred option, in terms of its geographic extent compared with territorial customary rights under the Foreshore and Seabed Act?

Hon CHRISTOPHER FINLAYSON (Attorney-General): It is not possible to predict the exact extent in advance of a negotiation or court process, but as a starting point I have tried to take a principled approach to developing the proposed test for customary title based on how the law could have developed after the decision of the Court of Appeal in relation to Ngāti Apa, and by taking into account the various submissions that were made to the review panel. Final decisions have yet to be made on that test.

Hon David Parker: Does the Minister stand by his statement on *The Nation* that he is happy to negotiate with iwi over common law rights to foreshore and seabed at the same time that he is negotiating over breaches of the Treaty of Waitangi; if so, what does he say to those concerned that this mixing up of different claims could see customary title being awarded via negotiation in circumstances where the common law would not allow it?

Hon CHRISTOPHER FINLAYSON: Yes, I do, although I do take into account statements that have been made at various meetings. For example, in Napier last week, former Labour MP Bill Sutton emphasised the need for transparency, and I certainly take that on board because I thought it was a very helpful intervention on his part. Care does need to be taken when one is negotiating both—as, for example, is happening with Ngāti Pāhauwera at the moment—to make sure that political decisions are not made that might derogate from a strict application of principle.

Hon Tau Henare: Why does the Government's preferred approach propose to restore the right for people to go to court to investigate customary title?

Hon CHRISTOPHER FINLAYSON: Because the 2004 legislation extinguished uninvestigated customary title and removed the ability of iwi and hapū to go to court. That is a fundamental human right, and the Government is keen to restore it.

Hon David Parker: What advice has the Minister received about the effect of affirming the declaration of indigenous rights on foreshore and seabed claims?

Hon CHRISTOPHER FINLAYSON: I have received general advice, but I also take into account the approach that would be taken to determine any issue where the United Nations Declaration on the Rights of Indigenous Peoples could arise. One would first, of course, have to go to the particular words of a section in any replacement legislation. One would, of course, have to look at the general scheme of the Act, and one would bear in mind that the declaration is, as the Prime Minister said this afternoon, an aspirational document, which has already been referred to in a number of cases to date. I also refer the member to the 1996 report of the Waitangi Tribunal on the Taranaki claims. The draft declaration was referred to there.

Hon David Parker: Does the Minister agree with the Prime Minister that if the Government's preferred option proceeds people will not notice any difference compared with the status quo?

Hon CHRISTOPHER FINLAYSON: It is a statement of the obvious, but the Prime Minister is omniscient and I am one of his humble servants. I would have thought that, taking into account all the submissions that have been made and the calibration, there will be an effect, but there will not be an enormous effect. I am focusing there on tests for customary title. I am also taking into account, for example, the very helpful submission provided by the Labour Party to the review panel, by Dr Cullen, where, for example, he spoke about calibrating the test to take into account post-1840 customary transfers—a proposition with which I agree. So they are the sorts of things that need to be addressed, and I think we can achieve a just result without going overboard.

Canterbury—Hurunui River Water Conservation Order Application

8. Dr RUSSEL NORMAN (Co-Leader—Green) to the **Prime Minister**: Did he read the letter from the Royal Forest and Bird Protection Society dated 3 December 2009 alerting him to the fact that the Minister of Agriculture had asked applicants for a water conservation order on the Hurunui River to freeze their application; if so, when?

Hon JOHN KEY (Prime Minister): Yes; I read the letter after the member raised the issue in the House on 30 March.

Dr Russel Norman: Does the Prime Minister consider that when a major non-governmental organisation points out that it has serious concerns about the conduct of a Minister in his Government, and, moreover, when the answer a Minister has given to a written question is incorrect, taking action in 4 months is fast enough?

Hon JOHN KEY: I believe that the Minister addressed that issue by making his personal statement in the House today.

Dr Russel Norman: I raise a point of order, Mr Speaker. My question was about the Prime Minister's behaviour. It was about whether he was acting with sufficient alacrity—whether 4 months was fast enough.

Mr SPEAKER: The member has further supplementary questions. I think it would be a bit pedantic for me to ask for a more precise answer to that question.

Dr Russel Norman: Does he agree that the contents of the letter and the Minister's personal statement today contradict the Minister's answer to written question No. 14809 that he had not discussed the water conservation order process on the Hurunui River with any party; if so, will he ask the Minister to formally correct the answer?

Hon JOHN KEY: No, only I would note that the Minister gave some clarification and some basic principle around what he was talking about when he gave that answer to that question, and I think gave some context to it.

Dr Russel Norman: I raise a point of order, Mr Speaker. The question asked whether he would ask the Minister to correct the answer.

Mr SPEAKER: I am almost moved to caution the member for implying in his question something that the Minister has already given a personal explanation to clarify, and that cannot now be disputed any further. Given the events that have taken place, I think the Prime Minister's answer was reasonable.

Dr Russel Norman: Has the Prime Minister looked at the written question to the Minister of Agriculture that is the subject of this debate, which states: "Has he discussed an appeal on the … report on a Water Conservation Order application … with any party …?", to which the Minister's answer was, clearly, "No."? Has he actually looked at that question?

Hon JOHN KEY: No, but I am happy with the explanation the Minister gave in the House this afternoon.

Dr Russel Norman: When the Prime Minister met with Gerry Brownlee and David Carter on 23 November last year to discuss—and I quote from the file note—"how to advance economic development through irrigation development", did David Carter declare at that meeting his interest in the Hurunui region?

Hon David Carter: I raise a point of order, Mr Speaker. Earlier I made a personal explanation. I do not have a personal interest in any further development of the Hurunui water project.

Dr Russel Norman: Speaking to the point of order, Mr Speaker—

Mr SPEAKER: There is no need to have a debate on that matter. What the Minister has said is absolutely correct. He made a personal explanation to the House in which he told the House he has no personal interest in that matter, and that cannot be disputed now in the House.

Dr Russel Norman: I raise a point of order, Mr Speaker. What the Minister actually just said in his point of order and in his personal explanation was that he has no personal interest in further development in that region. When you repeated it, you said he has no personal interest in the region. He clearly has an interest in the region. He said in his personal explanation that he has no interest in further development of irrigation in the region. My question is about his current interest in the region.

Mr SPEAKER: I hear the honourable member, and, indeed, if the question relates to the existing consent, then that is fine. I invite the member to repeat his question.

Dr Russel Norman: When the Prime Minister met with Gerry Brownlee and David Carter on 23 November 2009 to discuss—and I quote from the file note—"how to advance economic development through irrigation development", did David Carter declare his interest in the Hurunui region?

Hon JOHN KEY: No, and he would not need to because he did not have a conflict of interest.

Dr Russel Norman: When he met with Gerry Brownlee and David Carter on 23 November 2009 to discuss "how to advance economic development through irrigation development", did David Carter indicate that he had spoken to the applicants for the water conservation order to suggest that they freeze it?

Hon JOHN KEY: No, but I have no issues with the Minister actually trying to involve parties in discussions in order to avoid lengthy litigation.

Dr Russel Norman: Is it not the case that he is having a lower standard for potential conflicts of interest in this case because he and his Government have an explicit agenda to promote irrigation in Canterbury?

Hon JOHN KEY: No. It is the case that the member is making things up about the Minister because he cannot win the argument about the environment.

Dr Russel Norman: I raise a point of order, Mr Speaker. The Prime Minister, by alleging that I am making things up, is alleging that I am lying. I am not making things up. I am not lying.

Mr SPEAKER: I did not discern from the Prime Minister's answer that he was in any way impugning the member's integrity. It was perhaps an unnecessary addition to the answer. I ask the Prime Minister to withdraw that last part of the answer.

Hon JOHN KEY: I withdraw.

Education, National Standards—Minister's Understanding of Consequences

9. Hon TREVOR MALLARD (Labour—Hutt South) to the **Minister of Education**: Is she aware of and does she understand the intended and unintended consequences of national standards?

Hon ANNE TOLLEY (Minister of Education): Yes, I am aware of, and understand, the intended consequences of national standards. I am also aware that some have suggested unintended consequences, but I have found that once the full facts are on the table, the unintended consequences seldom stack up. I am sure the member will enlighten me on his view of the unintended consequences.

Hon Trevor Mallard: Is one of the intended consequences of national standards to allow parents to take their students out of schools that do not appear to be performing as well against the standards, and send them to another school with better results?

Hon ANNE TOLLEY: Parents can do that now. In fact, parents throughout New Zealand do that now. We believe that parents should have some choice over where their children are attending school.

Colin King: What reports has she received of unintended consequences as a result of the introduction of national standards?

Hon ANNE TOLLEY: I have received a report that suggests that one unintended but quite useful consequence of national standards has been that the Labour Party has put itself offside with 73 percent of parents, who support the scheme.

Mr SPEAKER: I think that answer was entirely gratuitous and not necessary, at all.

Hon Trevor Mallard: Is one of the intended consequences of national standards also to partly abolish school zoning so that it is easier for students to shift schools, as the *Otago Daily Times* last week reported the Associate Minister of Education Heather Roy as saying?

Hon ANNE TOLLEY: No, that has nothing to do with the introduction of national standards. If the member examines the speech of the Associate Minister of Education Heather Roy, he will see that she was speaking as an ACT member and she was speaking about a report from a working-group that is not Government policy.

Hon Trevor Mallard: Is she therefore ruling out Heather Roy's suggestion, as reported by the *Otago Daily Times*, that there will be a partial abolition of school zoning?

Hon ANNE TOLLEY: I have stated that I have received the report, and I am considering it and taking advice on it.

Electricity, National Grid—Improvements

10. PESETA SAM LOTU-IIGA (National—Maungakiekie) to the **Minister of Energy and Resources**: My question is to the Minister of Energy—[*Interruption*]

Mr SPEAKER: I say principally to the Government front bench that I have called the members' colleague, and a little courtesy to him would be helpful. [*Interruption*] Could I ask both front benches please to show courtesy to the member at the back.

PESETA SAM LOTU-IIGA: What recent improvements have been made to the national electricity grid?

Hon GERRY BROWNLEE (Minister of Energy and Resources): I am pleased to advise the House that two important projects have recently been completed by Transpower to improve the security of electrical supply through the national grid. The first is the replacement transformer at the Wilton substation, here in Wellington, and the second is a new substation in the Penrose district of Auckland. Both of these important projects will improve transmission security of supply in Wellington and Auckland respectively, particularly during peak times during the winter.

Peseta Sam Lotu-Iiga: What improvements will be made to the national grid over the coming years?

Hon GERRY BROWNLEE: Transpower has a multibillion-dollar programme of investment planned for the next few years. The biggest part of that programme is the new Pole 3 high-voltage direct current link between the North Island and the South Island, and I was pleased to launch its construction programme yesterday. Pole 3 will replace Pole 1, which has almost come to the end of its 45-year life. It is one of the most important pieces of national infrastructure that will be built over the next few years, and it will cost close to $700 million. It is money very well spent, and it secures security of supply throughout New Zealand.

Charles Chauvel: Is the Minister concerned that Treasury describes his proposed transfer of oversight of new transmission investments to the Commerce Commission as "one of the weaker elements" of his electricity reforms, because the commission "does not have significant expertise in electricity matters"; and how can the House be satisfied that the planned $3.5 billion investment of public funds into the grid upgrade will receive proper oversight in light of those concerns?

Hon GERRY BROWNLEE: No.

Charles Chauvel: Why does the Government not put in place for a period of time the same dividend policy for the State-owned generators that it has for Transpower, which would allow the generators to remedy the dearth of new electricity generation that has occurred on his watch without big price rises for consumers?

Hon GERRY BROWNLEE: I do not accept the assertion the member makes.

Charles Chauvel: I seek leave to table the Treasury paper outlining Treasury's concerns about the Commerce Commission taking over oversight of investment generation from the Electricity Commission.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Ministers—Compliance with *Cabinet Manual*

11. Hon DARREN HUGHES (Labour) to the **Prime Minister**: Does he expect all Ministers in his Government to comply with paragraph 4.53 of the *Cabinet Manual*; if so, what sanctions would he consider where a Minister failed to comply with this rule?

Hon JOHN KEY (Prime Minister): Yes; and I am not aware of any case where a current Minister has been represented at the expense of the Crown in line with the provisions set out in chapter 4 of the manual.

Hon Darren Hughes: Is it his view that this rule applies regardless of which agency of the State funds any legal representation?

Hon JOHN KEY: No, because in the case of a Minister, those expenses would be paid for by the Crown, and in the case of an MP, they would be paid for by the leader's office and, therefore, not by the Crown.

Hon Darren Hughes: Has Cabinet, since he became the Prime Minister, ever considered a request for direction in respect of costs being retained by a Minister where they covered damages that were awarded to that Minister if the Minister's expenses were paid for by the Crown?

Hon JOHN KEY: Not to the best of my knowledge, no.

Hon Darren Hughes: In what circumstances would he agree to an individual retaining financial costs that were awarded to that individual when all or a substantial portion of the legal fees were paid for by the taxpayer?

Hon JOHN KEY: That is a hypothetical question, and I do not answer hypothetical questions.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. We had some changes in the Standing Orders of the House at some stage in the past, while you and I were both here, that allowed hypothetical questions. To say that a question is hypothetical when he does not like it—

Mr SPEAKER: To save the House's time, I say that I heard the question very clearly. The Prime Minister is not responsible as Prime Minister for taxpayers' money that might be used that is sanctioned by the Speaker for that purpose, for example. [*Interruption*] I am on my feet. Where a Minister's costs are paid, that is a matter for the Prime Minister, because they are paid by the Crown. Where costs for a member of Parliament are funded, that matter is finally sanctioned by the Speaker. The member in his question did not distinguish between the two, because the member said "the taxpayer". The taxpayer can also cover those payments sanctioned by the Speaker.

Hon Gerry Brownlee: In any event, the Prime Minister said that he considered it a hypothetical question. He can, of course, answer that question, but he went on to say that he does not answer hypothetical questions, and that is a perfectly reasonable response to the member.

Mr SPEAKER: I believe it is a reasonable response in this circumstance, because the Hon Trevor Mallard is right that the Standing Orders that used to rule out hypothetical questions were changed, so there is no reason why a hypothetical question cannot be asked. But, in my view, that question started to move away from the area of the Prime Minister's ministerial responsibility.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I think that you are entirely right in your interpretation of the question in that it could have covered either one of the areas that the Prime Minister is clearly responsible for. When the Prime Minister came into Government, he said he would have better accountability—

Mr SPEAKER: The member will resume his seat right now. The Prime Minister answered questions very clearly where he had responsibility. He answered questions very clearly about that, and said that he was totally unaware of any case where that had not applied. He also made it clear to the House that he had no intention of changing any rules in that area. My concern about the member's final question was that it started to move away from the Prime Minister's area of direct responsibility, and, in those circumstances, I do not think that I could ask the Prime Minister to respond more precisely than he did.

School Trustee Elections 2010—Closing Date for Nominations

12. JO GOODHEW (National—Rangitata) to the **Minister of Education**: When do nominations close for the 2010 school trustee elections?

Hon ANNE TOLLEY (Minister of Education): Nominations close this Friday—on 23 April. I encourage all those who want to stand to ensure that their nomination is in by this Friday to make sure that they can be involved in the upcoming elections. These elections are about finding trustees who are able to provide high-quality leadership for

schools, and it is important that people put themselves forward for the challenge of providing this service to their local community.

Jo Goodhew: When will the school trustee elections be held?

Hon ANNE TOLLEY: Parents around the country will vote on 7 May to fill more than 15,000 trustee places. Over the last 21 years, more than 100,000 New Zealanders from all walks of life have given their skills and time as school trustees. I look forward to working with the newly formed boards this year.

SPEAKER'S STATEMENTS

Chamber, Lobbies, and Galleries—Audio System, Faulty Microphones

Mr SPEAKER: Before I go on to the next item of business—and I have received a couple of letters from members about this matter—I want to apologise again to members in the back quarter of the House on the Government side. The speakers were tested prior to the House sitting today, and they were operating properly prior to the House sitting. It seems that maybe something was disconnected when members came into the House. The technicians cannot come into the House at the moment to remedy that, so I apologise to members. We will just have to do the best we can. Members should feel free to move elsewhere if their own microphones are not working.

URGENT DEBATES DECLINED

Prison, Wiri—Commissioning

UN Declaration on the Rights of Indigenous Peoples—Government Support

Mr SPEAKER: I have received a letter from the Hon Clayton Cosgrove seeking to debate under Standing Order 380 the Government's intention to commission a new prison at Wiri, which will be designed, built, and operated under a public-private partnership. This is a particular case of recent occurrence involving ministerial responsibility. The test for whether a particular case requires the attention of the House is a high one. The decision to commission the new prison follows the passage of the Corrections (Contract Management of Prisons) Amendment Bill, which was given its third reading on 24 November last year. The House has only recently considered the issue in principle. Every subsequent decision made under the legislation will not necessarily be of sufficient importance to justify setting aside the business of the House. I am not persuaded that the matter deserves the immediate attention of the House by way of an urgent debate today. There will be other occasions on which it can be debated. The application is therefore declined.

I have also received a letter from the Hon Rodney Hide seeking to debate under Standing Order 380 the decision of the New Zealand Government to reverse our previous opposition to the UN Declaration on the Rights of Indigenous Peoples. This is a particular case of recent occurrence involving ministerial responsibility of the Government. However, a Minister cannot raise a matter for debate under Standing Order 380—I refer to Speakers' ruling 171/3. A debate on a matter of urgent public importance is an opportunity for a member to hold the Government to account. The application is therefore declined.

WAIKATO-TAINUI RAUPATU CLAIMS (WAIKATO RIVER) SETTLEMENT BILL

Second Reading

Hon TARIANA TURIA (Minister for the Community and Voluntary Sector) on behalf of the **Minister for Treaty of Waitangi Negotiations**: I move, *That the*

Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill be now read a second time.

Kei te rere iho a roimata ki te awa o W'anganui, kei te rere iho a wai kamo ki te awa o Waikato. E iri te rau kawakawa, e riri ki w'are aituā. Moe mai rā e kui e, moe mai rā.

[*Tears flow down upon the Whanganui River, as they do from the eyes upon the river of Waikato. Hang up the leaves of the kawakawa, hang them upon the house of calamity. Slumber there, ancient one, rest there*.]

It is appropriate to acknowledge the passing of Lady Raihā Māhuta, a woman who was such a significant force in the passage of the Waikato River claims. Lady Raihā, the co-negotiator of the claims with Tukoroirangi Morgan, can rest in peace, knowing the significance of the model that they have created will be an enduring legacy. The imprint of this legacy is woven throughout the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, promoting and emphasising the fundamental goal of restoring the health of the Waikato River. As someone from one river tribe to those of another, I want to acknowledge the unique and distinctive role that our awa play in every aspect of our lives. As river people we share a special bond with our awa tupuna, recognising that it is our collective responsibility to protect the mana of the river. The legislation that we debate today reminds us that the health and well-being of the Waikato River is vital for the economic, environmental, tourist, and recreational goals of the Waikato region and, indeed, of Aotearoa.

But other profound associations for Waikato-Tainui with their awa are protected within this bill. The reflections of the kuia Iti Rangihinemutu Rāwiri explain some of these precious connections between the people and their river: "The Waikato River is our tupuna and looks over us throughout our lives. The river feeds us, nurtures us, and takes care of us, healing our hurts and protecting us from harm. The river is our lifeline from which we take our name, our identity and our mana." In this sense, the Waikato River was always more than simply a water highway, a place to swim, fish, or play in, a site for waka ama, a food basket, a source of kai. The people go to the awa to pray, to be healed, and to be cleansed. The relationship between the people of Waikato-Tainui and the river is one in which the mana, the prestige, and the mauri, the life force, of the two are indivisible. Waikato-Tainui described this relationship in the two key principles of their claim: te mana o te awa, and mana whakahaere.

I set out this broader world view of the Waikato River as a direct challenge to other views that may place our waterways in a singular context of economic utility. Such a focus has seen the health of the river progressively decline, to the distress of the people of Waikato-Tainui. Tangata whenua take up a collective responsibility for the preservation and protection of the taonga and the resources within their tribal boundaries. This is a responsibility they hold seriously: to be tangata tiaki, fully involved in the care and protection of the awa, the river environment, and the people. This bill emphasises the importance of the role of tangata tiaki. The people of Waikato-Tainui promote the concept of a korowai, a protective cloak, laid over te awa tupuna to respect and care for its ongoing health and well-being.

In itself, the legislation formalises the recognition of te mana o te awa, introducing a new regime for the co-governance and co-management of the Waikato and Waipā Rivers that fully involves the iwi. This, in turn, enacts the tribal commitment to mana whakahaere, the exercise of control, access to, and management of, the river and the resources needed to maintain the life force of the river. For Waikato-Tainui, mana whakahaere has long been exercised under the mana of the Kīngitanga, so today we acknowledge Kīngi Tuheitia and Te Whare Kāhui Ariki.

I particularly commend Waikato-Tainui for their forbearance and initiative in being willing to reopen negotiations. Uppermost in the mind of the co-negotiators was how

best to restore the health and well-being of the river. For that reason, when the new Government initiated an independent review of the co-management arrangements in the original deed of settlement signed in August 2008, they did so willingly, as part of their commitment to improving the outcomes. The 2008 legislation was deemed to be too cumbersome to become operational, so again I commend all the parties for taking the initiative to go back to the drawing board to find a solution that will work.

Based on that review, Waikato-Tainui renegotiated the co-governance aspects of the settlement, which led to the signing of a new deed of settlement in December 2009. The features of the new arrangements that have been incorporated into the bill are as follows. Governance functions relating to the river are to be consolidated in a single co-governance entity to be known as the Waikato River Authority. This is a considerable improvement on the previous arrangements, which would have led to the establishment of five new entities. The vision and strategy will be the primary direction-setting document for the Waikato River and will be administered by the Waikato River Authority. The vision and strategy will be described as "Te Ture Whaimana" and will be incorporated directly into the *Waikato Regional Policy Statement*.

The bill establishes the Waikato River Clean-Up Trust. This is a major investment and a significant environmental initiative. The trust's contestable fund will be administered by the Waikato River Authority rather than having a separate trustee.

Iwi-appointed commissioners will participate on hearing committees and boards of inquiry in respect of applications for resource consent to take, use, dam, or divert water into the Waikato River, for point-source discharge to the Waikato River, and for activities listed in section 13 of the Resource Management Act if they relate to the Waikato River. Instead of establishing a separate statutory board, the bill now provides for joint management agreements to be established between Waikato-Tainui and the Waikato Regional Council, and between relevant territorial authorities for functions under the Resource Management Act that relate to the Waikato River.

Certain customary activities of Waikato-Tainui are also recognised. These include the use of waka taua, waka kōpapa, and waka tete at tribal events such as the annual Ngāruawāhia Regatta. This is an important new feature and removes an anomaly that meant that members of Waikato-Tainui needed to seek permission to practice fundamental features of their culture and long-held traditions.

Finally, provision is made to vest certain river-related sites of significance in Waikato-Tainui, for Waikato-Tainui to gift lands to the Waikato Regional Council for flood protection purposes, and for Waikato-Tainui to participate in the co-management of Crown-owned river-related lands.

The concepts behind the arrangements that are given effect to in this bill are not new. But for the first time in a Treaty settlement, this bill focuses on giving tangible effect to these concepts. I thank the Māori Affairs Committee for its work on the bill to ensure that it gives effect to the new deed of settlement, and for providing submitters with an opportunity to comment on the new provisions. There is no doubt that what has been achieved with this legislation will establish a precedent for other iwi. The co-management arrangements in this bill signify an important development in resource management and decision making. The tribal agreements with a range of ministries and the shared representation at the governance levels usher in a new era in Treaty relationships. Iwi and local authorities will now sit side by side at the top table, working together to care for and protect te mana o te awa. It is with much pleasure that I commend this bill to the House.

Hon PAREKURA HOROMIA (Labour—Ikaroa-Rāwhiti): He tika hoki i runga i te tū nei, e mihi kau ana ki te Kingi Tūheitia, me tōna ahurea. Ki a rātou e rere atu, e rere atu. Ki a koutou e Tuku, me tō hoa pukumahi a Te Rai, e mihi kau ana. Tēnā

koutou. E tika atu te tū nei ki te mihi ake ki te wahine toa a Raihā, e rere atu. Ko tōna kaha rawa ki te tautokotia atu te āhua nei o tōna awa. E mōhio atu tātou mai i te tīmata ko tōna tāne a Kotahi i konei e wero atu ki te Kāwana mō te tino take nei o te awa, mai i te roaroa atu kia tae ki te wiki nei. Nō reira, tēnā anō te mihi ki ngā tokorua nei a Tuku rāua ko Raihā mō tō rātou kaha, me wētahi o rātou ngā kaimahi ā muri a ngā tari e tautokotia atu.

He whakaaro i roto i āku mō te take nei mai rā anō. I tīmata te pakopako o te pū o ngā hōia o te Kāwana i tae atu i Ngāruawāhia, e tuku atu ki a rātou o Tainui tō rātou mahi kino. Mai i tērā wā, e tae atu ki tēnei wā, e kore atu tātou e whakatikatika. Nā te pai o te rangi nei kei te tae tata atu tātou ki te otinga. Nō reira, he tino take tēnei mō ngā kerēme. Ahakoa te nui o ngā kerēme mō ngā wehewehe mahi atu a te Kāwana ki te iwi, tēnei anō wētahi o ngā tino kerēme e mahi atu rātou o Tainui. He tangi mokemoke e kore i konei te wahine rā a Raihā me wētahi o ō tātou wāhine kaiwhakahaere o te motu. Wētahi o ngā wāhine rangatira, kei te mōhiotia e wētahi ō tātou pēnei i a wau, e manaaki atu, e mau atu te āhua o tō hoa. Nō reira, tēnā tātou.

[*It is appropriate that I stand to greet King Tūheitia and his movement, and those who have passed on. I wish to acknowledge Tuku and his hard-working colleague Lady Raihā. It is only right that I acknowledge Lady Raihā, who has passed away, for her efforts in supporting aspects relating to her river. We know that right from the start her husband, Sir Robert Te Kotahi Māhuta, would come here to challenge the Government over the Waikato River. That continued over a very long period of time, to this week. Therefore, I acknowledge Tuku and Lady Raihā for their efforts, as well as departmental officials and staff for their support behind the scenes.*

I have a historical perception on this matter. When the land wars broke out, soldiers of the Crown at the outset went to Ngāruawāhia and committed wrongdoings against Tainui. We have refused settlement from that time to the present. The good thing about today is that we are close to it. This settlement is a critical one in the claims process. Even though a large number of claims are about the divisive actions by the Government towards tribes, this claim that Tainui has worked through is one that really stands out. I grieve with sadness that Lady Raihā is not here today, as well as some of our other leading women administrators and leaders of the nation that we and I knew personally. Raihā, we will continue to embrace and uphold all that your late husband strove for. So, greetings to us all.]

I rise today with a lot of pride and humility to support the move towards the passage of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. I commend the Minister for Treaty of Waitangi Negotiations of the day, the Hon Christopher Finlayson, and the officials, especially those who have been there for a long, long time. It is certainly right that King Tuheitia and his people have something to celebrate that is real. Just in case I forget, I do want to mention the two recent co-negotiators, Tuku Morgan and Lady Raihā Māhuta, and also the former Ministers for Treaty of Waitangi Negotiations, Michael Cullen, Mita Ririnui, Shane Jones, and especially myself!

I say, seriously, that it is something to celebrate. It is something that Raihā was dogmatic about—and she was that. The call from her people resounded, as both she and Tuku put it forward, that the river was patu. They had two simple points to make. One was to clean it up so the tamariki and rangatahi of Tainui could swim in it like the old people used to. The other was to ensure that the fish survived, and they could feast on them, like their ancestors used to. The buggery that happened and was enacted on Tainui by the forces of the Government is well-known. That it took place in Ngāruawāhia and stripped them and put them into the ground is something that this bill will certainly put right. The issue in relation to te mana o te awa has always been in both the mind and the heart of the Tainui people, as well as the awa in the sense of the

korowai, which they wished to have purveyed. All of those issues relevant to the river need to be recognised and are important.

Manawhakahaere embodies the authority that Waikato-Tainui and other rural tribes have established in respect of the access to, and management of, the Waikato River and its resources in accordance with tikanga, values, and ethics. As my colleagues chortle over here, I want to ensure that it is understood that most of the movement in relation to this settlement was done by the Tainui people.

David Garrett: Which settlement?

Hon PAREKURA HOROMIA: It is a great settlement.

David Garrett: No; which settlement?

Hon PAREKURA HOROMIA: It is a great settlement that is about to happen. It is the one that will ensure that the great city of Auckland has a clean water supply. It is the one that that member, David Garrett, will not recognise in relation to representation. Only today we heard the famous ACT leader mentioning divisiveness, as we watched a Government front bench that was scrambling. The invasion and war, and, of course, the confiscation, has been an integral part of history that people have used as an excuse to ensure that finality was not brought to the settlement.

I, along with my colleagues, Nanaia Mahuta, Shane Jones and the rest of the Labour members, am very thankful that we have this bill today. The purpose of the bill is to give effect to the settlement of raupatu claims under the 2009 deed, recognise the significance of the Waikato River to Waikato-Tainui, and recognise the vision and strategy for the Waikato River, which David Garrett is short on. He, gullibly, does not appreciate tradition or cultural heritage. He bandies words about loosely because he is one of the troops and endowed with red-neckery—if there is such a term. There have always been rednecks, from the beginning, even if they were soldiers, and now their protégés still huff and puff about why this is not right. That member over there should certainly come to a wānanga so I can teach him better. Some people's behaviour puts an honourable settlement asunder. That member's performance in chortling just then is just that. The teams on both sides, both the Crown and Tainui, have certainly worked hard and against all odds to get here. I want Mr Hide to remember that Māori are charitable and that they do give, after being plundered, bombed, and shot to pieces. That is what this settlement is quite clearly about.

Nā te mea i roto i āku, i tae atu a Te Raihā ki te komiti.

[*Because I know personally that Lady Raihā turned up at the select committee*.]

Lady Raihā Māhuta turned up right at the end of the select committee, and she was māuiui—very, very māuiui. That blockhead does not understand what that means. She stepped up to the counter and she said: "This is like Shakespeare's play being played out all over again."

Hon Rodney Hide: That's true.

Hon PAREKURA HOROMIA: I say to Mr Hide that a pound of flesh is being sought, but nobody can take any more because we want to settle it. That member can bloody well sit there and snidely say that this should not be good—

David Garrett: How much was $6,000 worth in 1944, Parekura? Do you know?

Hon PAREKURA HOROMIA: I know more than that member about this. He can sit there snidely with that ungracious behaviour at a very, very important time when there is something very, very important to celebrate. I know about what has been taken from the Tainui people, and I know the great effort the negotiators and a decent Minister—for this settlement, anyway—have undertaken. For the environment and the culture of the river, this is a very, very important settlement. It shows that we care about the tāngata whenua. This is real stuff. This is not aspirational. This is not a bill or a signing-up that is being misrepresented by the Government. I want to commend Tuku

Morgan, and, especially, Lady Raihā. She is not here, but certainly her spirit embodies these few final days of legislation. Kia ora tātou.

Hon CHRISTOPHER FINLAYSON (Minister for Treaty of Waitangi Negotiations): I too want to begin my contribution on the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill by paying my respects to Lady Raihā Māhuta. She was a dedicated and dignified negotiator for Waikato-Tainui. She earned the respect of all those who negotiated with her. Throughout, as Mr Horomia said, she was ably assisted by Tuku Morgan, and I acknowledge his great work. My last meeting with Lady Māhuta occurred a few days before her death. She was desperately ill but made every endeavour to get to that meeting. The Prime Minister was also there. She wanted to attend that meeting because she wanted to discuss the time frame for progressing this bill through its final stages, because of its importance to her and to her iwi.

The river and its catchment play a significant strategic role for New Zealand as a source of energy. It is the location of a very significant primary industry and, of course, of recreational activities. There are very important values and relationships between the river, the people, and its communities, including public and private interests, and these need to be recognised.

It has always been important that the proposed arrangements be effective in achieving positive outcomes and in meeting the purpose of the deed. For that reason, the incoming Government initiated an independent review of the deed of the arrangements in the deed of settlement signed in August 2008 and, based on that review, renegotiated certain aspects of the settlement. This led to the signing of a new deed of settlement in December 2009. In saying that, I too acknowledge the work of the previous administration in negotiating the original deed. I particularly acknowledge the work of my predecessor, Dr Cullen, and the work of Messrs Horomia and Ririnui.

I acknowledge also the willingness of Waikato-Tainui to reopen negotiations. It was a significant step to take, in terms of reopening a deed of settlement, but I believe it has resulted in improvements that will bring about more streamlined arrangements and better outcomes for everyone. It is appropriate to acknowledge the work of the independent review panel, chaired by Mr Evan Williams of Auckland, and the willingness of the iwi along the Waikato River and the Waipā River to support the process. The Waikato Regional Council and other regional authorities have made a significant contribution to ensure we can achieve a sound, economically efficient model for the river. In that regard, the support and close interest shown by the Minister for the Environment has been very helpful indeed. This occasion cannot pass without also acknowledging the work of the Crown's chief negotiator, Brian Roche, and his team.

Mrs Turia has outlined the features of the new arrangements, which have been incorporated in the bill. There are important policy objectives associated with the framework, and I do not need to dwell on them because she has already spoken to those.

This bill provides effective legal mechanisms for Waikato-Tainui to participate in the governance of the river, reflecting the significance of the river to Waikato-Tainui. The bill streamlines, improves, and coordinates governance and management arrangements for the river to support its strategic importance to New Zealand, and also for the restoration and protection of the health and well-being of the river. Most important, the bill provides clear direction and certainty about co-governance of the river.

Cornerstones for the new arrangements are that governance functions relating to the river will now be consolidated in a single entity to be known as the Waikato River Authority, and the vision and strategy will be the primary direction-setting document for the river. The contestable clean-up trust is a major investment by the Government and a significant environmental initiative. The far-sightedness of Waikato-Tainui in negotiating such a fund, which has long-term benefits for the river, is to be applauded.

This bill will settle a longstanding Treaty grievance and, at the same time, ensure that the ongoing Treaty relationship with Waikato-Tainui is based on sound arrangements with real outcomes. The vision of Sir Robert Māhuta, the determination of Lady Māhuta, and the patience and dedication of so many of the people of Waikato-Tainui have borne fruit, and the outcome is one from which the entire community will benefit.

Hon NANAIA MAHUTA (Labour—Hauraki-Waikato): Tēnei e tika ana me whakahoki ngā mihi kua whārikihia nei e koutou kei waenganui i a tātou i tēnei Whare e pā ana ki taku whaea, ā, ki a rātou katoa e huri ki tua o te ārai. Nō reira, tēnā koutou katoa. Tēnei anō e mihi atu ki ngā tini mate i whakapau kaha ki ngā mahi hei whakahoki i ō mātou nei whenua i raupatutia, anā, ki te kite i tēnei wāhanga kei waenganui i a tātou i tēnei rangi, te whakahoki o tō tātou nei awa tūpuna a Waikato.

[*It is apt that I respond to the tributes that you expressed amongst us in this House, specifically to my mother, and indeed to all those who have passed beyond the veil. A personal greeting to you all. I too acknowledge the many who have died and were involved in this settlement to have our confiscated lands and our ancestral Waikato River returned to us. They worked hard, exhausted themselves, and regretfully did not see the part of the settlement before us today*.]

I stand and acknowledge the many tributes that have been put forward in this House, specifically to my mother, and, indeed, to the many people who have passed and have been involved with both the Waikato River settlement and the Waikato raupatu settlement. Many people have exhausted their effort, determination, talent, expertise, and wisdom to see the return of Waikato lands and our awa to our people so that we can look forward and so that there is a future for the next generation.

I acknowledge that this is the second reading of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, and I want to add a contribution that may be helpful in terms of the debate that is about to take place in the Committee stage that will lead on to the passing of this legislation. I want to acknowledge the key tenets of this settlement. They are mainly to see the health and well-being of the Waikato River restored. Unlike the lands settlement, the major benefactor of this one will be the Waikato River itself. It is a very different kind of mind-set or space to put oneself into when we are talking about the health and well-being of the river, and the challenge over a generation to see it restored to what many of our old people remembered, a clear and pristine state.

Many people in the House may say "Look, this is an unachievable task.", but back in 1987 when a statement of claim was put forward to the Waitangi Tribunal to say that the Waikato River and those lands that were confiscated from us belong to us and we belong to them, and they will be returned, a lot of people did not believe that. The passage of time has now seen the realisation of that very, very ambitious aspiration and we should really acknowledge that that in itself is a huge, huge milestone.

I acknowledge that the two key elements underpinning this settlement are quite simple: the mana of the awa, and manawhakahaere for the awa. If I can, I will add some clarification for the House, because many interpretations have been put forward. It is my belief that if one were to condense a sense of what mana of the awa is to our people, there would be no straight interpretation, but history will show that Waikato at no point ceded authority over our river to anybody. We still maintain and affirm the strong sense that the mana of the awa is intact and we are merely its caretakers, custodians, or caregivers if one likes, and that that mana has basically transcended everything else over a long period of time.

That is why manawhakahaere becomes so important, because the future will show that our relationship to the river and our ongoing connection to the best interests of, and outcomes for, the river will sustain our people and lead to the well-being not only of the

Waikato but also of all those who live in our region. It is about the ongoing care, protection, and management of the river. That is my interpretation of it.

The challenge to negotiate a precedent-setting agreement such as this has not been without sacrifice and struggle. I did say in 1987 when the statement of claim was lodged that nobody believed that it would happen, but it has happened and we recognise that. I acknowledge both the National and Labour Governments, which have played their respective roles in the challenge to see history rectified, to see past wrongs rectified, and to see that justice is served. It is pertinent to note that the signing of the Waikato River settlement on 22 August was a ground-breaking opportunity for the nation. Never before had co-governance or co-management been a concept so willingly accepted by the Crown. In that respect, I pay tribute to Michael Cullen for his leadership, because it took leadership to make something like that happen.

Under the current Minister, the Hon Chris Finlayson, Waikato-Tainui were asked to participate in an independent review to look at some of the co-management provisions and to see whether they could be streamlined. If there are gains to be made from this example for other river iwi, such as those who have spoken, Waikato would be the first to offer its model as a potential way forward. However, let it not be said that Waikato is imposing this model on any other river iwi. If any gains can be taken from it, so be it, but that is for river iwi themselves when they enter into their negotiations not only to be able to draw the gains, potentially, from this model but also to build on their own aspirations for how they want to see the future well-being and management of their own awa. We are not in a position of telling other iwi what to do, because it is important that each iwi must find a solution that works for them.

Some of the panel's recommendations led to the establishment of a number of changes that a select committee considered, which is where I want to focus my contribution: on the creation of the Waikato River Authority. There was a lot of debate at a political level about the five statutory boards and whether this was an onerous provision that would lead to a disconnection in relation to an integrated approach to decision making along the river. Time will tell whether the right decision was made, but let us give it a shot. That is the message I want to give in the House today, because it clearly was the message coming back from the tribe and from the many consultations it had. If this is going to be seen as an opportunity to move forward and make better decisions on the river, let us give it a shot, but when it comes time for the review let us look at it in a very serious manner.

I say again that Waikato did not want to be in the position whereby we were saying to every other iwi along the river, when they were making their decisions about the best interests of their parts of the river, what they should be doing. I want that recorded in the House because when the review comes up we may need to relook at this decision at some point in the future.

The other point to be made is the composition of the Waikato River Authority—five Crown members and five members from all the iwi along the river. Again there was a strong go-forward feel from the tribe on this issue, but it should be recorded in the House that the concern was that Waikato did not want to see its interests diluted against the backdrop of the many other iwi, certainly in the upper catchment. I raise that as a potential area that might be considered in a future review.

The other change that resulted from the independent review panel was putting the vision and strategy directly into the regional policy statement rather than setting it at the national policy level. It has been proposed that there are a number of advantages for this being the case and that it is a more direct way of having an influence on the decisions as to what happens in regard to the setting of policy for the Waikato River. However, I raise this point again because if at any time there is a concern from the territorial

authorities about the implementation of the regional policy statement or any change in their commitment to reflect at a practical level what is happening within the development of policy, or at an implementation level, then the course of redress for Waikato must be directly with the Crown, not with the territorial authorities. That is a very genuine concern that I raise and I want to ensure that it receives a full and robust debate during the Committee stage.

Mention has been made of the clean-up fund, which is a great opportunity for many people who are committed to participating in the cleaning up of the river, and of the provision of the endowment fund to the Waikato-Tainui Endowed College. We want to see the intellectual wealth of our people focused and harnessed in this area of environmental management, of stewardship, and of having some practical cases being looked at as the best practice in the area of resource management.

Then there are the joint-management agreements. I was absolutely delighted that, albeit on a sad occasion, the first joint-management agreement was signed on 23 March, the day on which my mother passed. She would have liked nothing more than to be there. One thing she did say was "After me, the work continues." For the Waikato District Council to be able to sign the first joint-management agreement as a clear reflection of its intention to work with us in going forward on the Waikato River I think has been something that we back home have well recognised.

I want to acknowledge the Māori Affairs Committee because of the efforts of the select committee. It goes without saying that the committee has to sit through a number of submissions, some of which are very positive and some of which are very negative. Sadly, some of those submissions have come to the fore now and I will spend time in the Committee stage debating that. The select committee should be commended for the work that it did in this area, because it heard a number of submissions and went through all of the issues and presented its findings in what I think is a very good report for the House to consider.

Last of all, I acknowledge the negotiating team—both the Crown negotiators and Tainui negotiators. I think that every tribe that has participated in a negotiation process has realised that nothing worth having comes easy. It is as simple as that. Can I say with the leave of the House that the efforts of the co-negotiators for Tainui, Tuku Morgan and my late mother, have come with huge personal sacrifice, struggle, and a lot of personal criticism directed at them for having the courage to show leadership and say that this can be a better way forward for the future of our kids, our grandkids, and the generations after them. Nō reira, ki a rātou katoa, tātou katoa, tēnei te mihi atu ki a koutou.

KEVIN HAGUE (Green): It is an honour to speak in the second reading debate on the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill after Nanaia Mahuta. I acknowledge her contribution.

I begin my contribution to this debate in the way that others have done by acknowledging the special role played by Lady Raihā Māhuta in bringing this matter to this point in the House. It is a proud moment. I also honour the contributions of others who have been involved in that process over many years: Sir Robert Māhuta; Tukoroirangi Morgan, who is a former member of this House; and, indeed, the negotiators on the Government side, from both Labour and National Governments.

I am pleased to take the opportunity to make some comments on the bill and to signal that the Green Party will support its passage into law. We do this not only because supporting settlements is our default position but also because there are some particularly positive and sensible elements in the form of settlement proposed in the bill. The key word in the title of the bill, and the word that provides a context for its provisions, is "Raupatu"—confiscation. The Waikato settlement of 1995 and the Crown

apology that formed part of it made clear beyond dispute that the military and legislative actions of the Crown in 1863 that cost Waikato their lives, their land, and their cultural and economic base were illegal and in gross breach of article 2 of the Treaty of Waitangi. A royal commission of inquiry as long ago as 1926 found that the raupatu, the confiscation of Waikato land by the Crown, had been wholly excessive, and that a grave injustice had been done to tangata whenua. Iwi and Māori have been extraordinarily patient for generations in their wait for a fair deal, and equally modest in their demands and expectations in regard to compensation. It is to be hoped that those who accuse Māori of venality, as some farmers have done in the news media today, of having a victim mentality or of demanding special privileges, as we have heard in the House today, will one day read and understand the real history of this and other settlements, and realise how generous Māori have been and continue to be in these processes.

With a few notable exceptions, the co-management model that is found in this bill has not been readily accepted or adopted in many places around New Zealand. It is difficult to escape the conclusion that this is a symptom of the Crown and Crown agencies being unwilling to relinquish control over land, water, and other resources. This bill represents a genuine attempt to share power over the river and its present and future management. That is commendable, and we hope it will be followed by a more open and accepting approach to co-management more generally.

Concern has been expressed, notably by Ngāti Korokī Kahukura that their exclusion from the settlement and from representation on the Waikato River Authority will compromise their interest in the river. The reason given for this exclusion from the authority—that a number larger than 10 would be unworkable—is far from persuasive, although I welcomed Nanaia Mahuta's comments about this matter. The reassurances from the Māori Affairs Committee in respect of this iwi and in respect of similar concerns voiced by others, including Ngāti Te Ata o Waiohua, Ngāti Tūwharetoa, Ngāti Raukawa, and Te Arawa, must be honoured, as any failure to recognise the interests and mana of these tribes would threaten the integrity and success of the whole settlement. Throughout the commentary from the Māori Affairs Committee, there are reassurances that nothing in this bill can or will in any way disadvantage other river iwi who assert rights to some part of the river or of the resources within or around it. It would be appropriate for the Minister for Treaty of Waitangi Negotiations to restate these assurances in the House.

It was with some alarm that we noted that the select committee preferred that the direction-setting document for the authority and its work, which is designated "Te Ture Whaimana", should not have the status of a national policy statement. But that concern was alleviated when we saw that, rather than being downgraded, the intention was for the document to take precedence over any national policy statement or other Resource Management Act planning document.

We support the establishment of a single governing body with equal representation from iwi and Crown agencies as being in the spirit of the Treaty relationship, and in the sense that a single entity ought to be better able to take an integrated and comprehensive strategic view of management needs and practices.

The proposed clean-up trust, with assured funding to support projects, is a long-overdue initiative. The condition of the Waikato River, as with so many of our rivers and waterways, is nothing short of a national disgrace. The sacrifice of the river water to the combined demands of farming, urban development, excessive extraction, and discharge of waste is a trend that must be stopped and, indeed, reversed, if we are to protect our own future wellbeing, socially, culturally, and economically, and to assure future generations of a useful and usable freshwater resource. Our only concern would

be that the funding put aside may not be sufficient for the task. We would also expect that the trustees take a broad view of what constitutes a project to restore the health and the mauri of the water, including, for example, the provision of funds to take legal action against polluters, and to disperse sums to research, develop, and implement and enable changes to land-use practices that over time have contributed to, and will otherwise continue to contribute to, the water's degradation.

The Green Party welcomes the bill back from the select committee and gives its undertaking to support it.

Hon RODNEY HIDE (Leader—ACT): I rise to oppose the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. I oppose it as the Minister of Local Government, I oppose it as the leader of the ACT Party, and I oppose it as a New Zealander. This bill represents a radical departure in terms of the management of natural resources and in terms of local government in New Zealand. I do not think that members appreciate how big the departure is. Indeed, the Government is on record as saying that this is a one-off and that it is unique, but today we heard Minister Turia say, when she began the second reading debate, that it will be the model, the benchmark. We heard the Labour Party say that that was the case, too.

The way we manage natural resources in New Zealand is through private property owners and the Department of Conservation managing the resources that they hold in freehold or as part of the Crown estate. Overlaying that we have regional councils—in this case, the Waikato Regional Council—which are required under the Resource Management Act to take care and to provide the framework within which water, air, land, and other resources are managed to protect the common interests that we have in these resources.

The regional councils have enormous power. In the case of a farmer, for example, a regional council can allow or deny the ability to use a water right. It can set rules for how one can farm one's land, how much fertilizer one can have on one's land, and how many stock units one can have. So the power of the regional council over people's way of life is enormous. That is why we have a process of electing locally, in our regions, representatives to represent us—because if they make decisions we disagree with, we can vote them out.

Someone might be a farmer who is being regulated in a way that that person considers to be unjust, and his or her response to that is the democratic one of agitating politically to get that representative or that council dumped and to have one's say. That means that regional councils have to have regard for the interests of the people in their community and in their catchment. That is why the Government had to think long and hard when it was confronted with the issue of Environment Canterbury—it had to think long and hard about its responsibilities to the people of Canterbury and about denying them the opportunity to have an election this time around while we sought to sort out the problems caused by the dysfunction of Environment Canterbury.

I remember hearing at length form Labour members opposite about the loss of democracy. Well, here is a question: what about the loss of democracy inherent in this bill? The loss of that democracy is huge. Let me explain. This bill introduces co-governance to New Zealand at the local government level, across an entire catchment, across everyone in it, for the first time ever. We have not had that model before.

Hon Tau Henare: Isn't it a great day?

Hon RODNEY HIDE: Mr Tau Henare calls out that it is a great day. Well, I have to say that it is a very, very sad day for the people of Waikato and the people of New Zealand. Let me explain why. What we will now have is the Waikato River Authority, and it will be made up of people who are not elected from that community. The authority will represent the tribes of the region, and there will be Crown appointments. I

know that Tau Henare likes this, because his brother-in-law Tukoroirangi Morgan negotiated it. The Tainui people will be in the box seat for the use of the river and the catchment, so why would they not be appreciative of this bill? But the bill is wrong.

The Waikato River Authority—unelected, appointed by the tribes, and matched by the Crown—will set the vision and strategy for the river and the catchment, and the Waikato Regional Council will have nothing to do but follow it. Picture this—it will go like this: in the future, a dairy farmer will apply for a water-right consent or to roll over an existing consent, and the Waikato Regional Council will deny the farmer that consent, at the cost of his or her livelihood and way of life. The council will do that not because of the Waikato Regional Council's decision but because of the decision of the Waikato River Authority, which will decide on the basis that the activity does not fit with the authority's vision and strategy. That is what makes this a sad day. It might be all right for Tau Henare and his mates, who are in the driver's seat, but it is a bad, bad day for the people of Waikato.

David Bennett: Let us decide.

Hon RODNEY HIDE: Well, that is a very interesting comment. I would be happy with that, but the Waikato Regional Council did not get a choice. This is Parliament, I say to Mr Bennett, and the Waikato Regional Council could have done this if it had chosen to, but Parliament and the Government came along, negotiated without their involvement, and now, through Parliament, is forcing it upon them.

Paul Quinn: Why did you sack Environment Canterbury? You're the Minister. You talk about democracy, and you sacked Environment Canterbury.

Hon RODNEY HIDE: Now we have a backbench National MP not agreeing with the sacking of Environment Canterbury, which I find very interesting. My point about Environment Canterbury, I say to Mr Quinn—[*Interruption*] The member is chirping away because my microphone is not working and I cannot sit in my seat. If he listened for a change, rather than trying to be a smart dick in this Parliament, we might get some sense.

Paul Quinn: Anger management.

Hon RODNEY HIDE: No, I have no problems with anger. All I am saying is that if Mr Quinn would let me make my speech, he might understand what the issue is. I will go on with my speech. I respect Māori values and spiritual views—

Hon Tau Henare: Oh, rubbish!

Hon RODNEY HIDE: —people can believe what they like—but it is very difficult when we put that into law.

Keith Locke: I raise a point of order, Mr Speaker. I think that the noise is a bit too loud. As I understand it, a member cannot move from his seat—and Mr Quinn's seat is at the back—in order to interject on a speaker in the way that Mr Quinn is.

The ASSISTANT SPEAKER (Eric Roy): Speakers' rulings are quite clear that a member cannot move to take advantage of interjection. But in the House there is a general kind of acceptance that people move for other reasons. The member is correct that the noise level has got a bit higher. I caution members.

Hon RODNEY HIDE: One of the difficulties is that people do shout down those with a dissenting view in this House. Let me read this passage from clause 8. This is what the Crown is legislating for: "The Waikato River is our tupuna (ancestor) which has mana (spiritual authority and power) and in turn represents the mana and mauri (life force) of Waikato-Tainui. The Waikato River is a single, indivisible being"—which is to say that the river is a living thing; it is an ancestor, according to this legislation—"that flows from Te Taheke Hukahuka to Te Puuaha o Waikato (the mouth) and includes its waters, banks and beds (and all minerals under them) and its streams, waterways, tributaries, lakes, aquatic fisheries, vegetation, flood plains, wetlands,

islands, springs, water column, airspace, and substratum as well as its metaphysical being."

So the whole lot, the whole catchment, is an indivisible living thing that is the ancestor of a people. The only people who can interpret whether that ancestor is upset or hurt, or being annoyed, disrupted, or affected are the people who believe that. Now, I do not happen to believe it. I think it is hocus-pocus. But what we are doing is legislating this hocus-pocus, and the Waikato River Authority, the Waikato Regional Council, and the people of the Waikato will have to live by that. I say shame on the National Party, which once used to stand against this, and used to believe in one law for New Zealand.

Hon TAU HENARE (National): I will not go into the platitudes of doing any mihis to anybody, because they have been said by better people than me, so far.

Hon Shane Jones: That's your political whanaunga. That's your cuzzy, politically speaking.

Hon TAU HENARE: Mr Jones should do himself a favour and be quiet—in fact, he should do the nation a favour and be quiet.

On a day when New Zealand endorsed the UN Declaration on the Rights of Indigenous Peoples, we are here at the second reading of something that is great, something that should unify this nation, and something that has never been tried before, as Rodney Hide so aptly put it. It is something that has never been put to the nation before: co-governance. I ask why not. I could pick holes through everything that Rodney Hide said. He talked about hocus-pocus, even though this Parliament, at 2 o'clock every afternoon, assembles in this House and does its prayer. We do not call that hocus-pocus. We stand in respect, and we stand with a bit of reverence. But I know that it is different for Rodney, because when Māori do it, it is hocus-pocus. When Scottish people revere the loch and the Loch Ness monster, that is called greatness. It is called tourism, but when Māori do it, it is called hocus-pocus.

Well, I have news for the magician, Mr Rodney Hide. If he is so ashamed of this Government for doing something like this bill, for being able to see the future of this nation, then he knows what he can do, and that is to give up some of his goodies if he does not like it. But I know that will not happen. We heard a speech from the pulpit about democracy, about elected officials and non-elected officials, but this was the Minister who got rid of Environment Canterbury. I am not saying we did not agree with that, because it had to happen, but for him to get up in this House and pontificate about democracy while being the Minister who sacked some democratically elected people is a bit over the top.

While I have the time, because my whips have told me I have only a short time, I will talk about the restoration and protection of the river. At the end of the day, that is what this bill is all about. If we do not protect and preserve the river, then we are doing ourselves and Tainui an injustice, which is to not look after them. We do not protect and preserve Tainui. I have heard it said on many occasions that to Tainui the river is more than just a waterway. I think it is time for this country to believe in such things as the intrinsic link between a people and its waterway. Like I said earlier, we acknowledge it overseas; it is about time we acknowledged it here.

This bill does four things: it sets out a vision and strategy, it establishes the Waikato River Authority, it instigates for the first time in this country a co-management regime, and, lastly, it establishes a contestable clean-up fund, which I am over the moon about. It does not give to one group the responsibility of doing all the cleaning up. If people out in the community put an application in or put a project forward, they can do that, and there is a contestable fund to help them do it.

I would be remiss not to say to Rodney Hide that I stand and support this bill not because of my relationship with my brother-in-law but because it is actually a good

thing to do. Regardless of whether my brother-in-law was one of the co-negotiators, I would still be standing here supporting the legislation. I think it is a bit far from the mark for the Hon Rodney Hide to say that the only reason I am standing here is because my brother-in-law told me to do so.

I think that what we are doing today is a watershed moment in New Zealand's history, just as I think it was when the House passed Te Aho Matua in, I think, 1998 or 1999. That was a watershed in terms of a people's belief system being passed into law, and I consider this bill to be on the same par. I do not see this as a Treaty settlement per se; I see it as a far-reaching look into what this country could mean if we only work at it. There are opponents to this bill—and they are entitled to be opposed to it, for whatever reasons they have—but my message to everybody is that if we really, truly want to be a united and unified nation, then it is time we started taking bits and pieces of each other rather than doing what Mr Hide would want us to do.

I look forward to the debate in the Committee stage, and I certainly look forward to the brothers, sisters, aunties, and uncles arriving here for the third reading. Without wanting to disrespect other Treaty settlements, including the initial Treaty settlement in Tainui, I actually think this is more of a watershed than most people think.

Hon MARYAN STREET (Labour): Ki a koe, Lady Raihā, kia pai te haere. I add to those of speakers before me my tribute to Lady Raihā Māhuta and the inestimable contribution she has made to our arriving at the point we have reached today. With that recognition go my condolences, not only to my loved colleague Nanaia Mahuta but to all her whānau, to those related to Lady Raihā and those who love her. Tēnei te mihi ki a koe, Nanaia.

The Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill is very significant legislation, and I am pleased that we have got to its second reading. I will talk briefly about some of its history, but I will also talk, in response to some of the things that the previous two speakers have said, to the consequences of this legislation and its implications for the future. The initial settlement with Waikato-Tainui was signed by Michael Cullen on behalf of the Crown in August 2008. The clean-up of the Waikato River instigated by the deed of settlement is one of the most important environmental undertakings in New Zealand history. The Waikato River is of immense importance to Waikato-Tainui, and as our longest river, running through a region of enormous economic significance, the health and well-being of the Waikato River are an issue of national priority.

I recognise the wairua, the sense of connection, that Tainui have with the river. I recognise the ontology and the world view that give rise to the connection that Waikato-Tainui have with the river. Saying that I recognise that ontology and that world view does not mean that I share that ontology or that world view. I am a Pākehā. I do not—as of right, as of birth, as of upbringing—share that ontology; I have my own. But I will not be offensive as Rodney Hide was and call those spiritual connections hocus-pocus. The fact that I do not share that religious tradition does not mean that I despise it, that I will make fun of it, that I will belittle it, or that I will try to ignore it in legislation. If we are to live together in this country in a peaceful and productive way into the future, then my responsibility as a citizen, let alone as a member of Parliament, is to recognise the values of others, to recognise other world views, to recognise other ontologies, and to respect them. I cannot expect the same to be given to me if I do not give it out.

Therefore I label that comment from Rodney Hide despicable. It is not the kind of comment that will advance progressive and peaceful aspirations of the people of Aotearoa New Zealand, whatever ethnicity we derive from. It was an unworthy comment to be heard in this House, and not fitting of somebody who not only sets himself up as a leader of a political party but also holds a ministerial warrant. I lay on

the table and place on the record that the view that Rodney Hide articulated is not shared by other Pākehā in this House. It is not worthy of somebody holding his position to be so derogatory about others' religious traditions and world views.

Moving on from there, I will make a comment that relates not only to what Rodney Hide said but also to what Tau Henare said, and that is that I welcome this new co-management model. The deed of settlement allows for an unprecedented model, for something that has never been tried before. Whether, as Tau Henare said, it becomes a benchmark or model for the future remains to be seen. Quite frankly, it does not matter whether it becomes a model way of doing things for the future; it is unique and it is new. If it paves the way for repetition, then that is fine; I am happy with that. But even if it does not, it has allowed for innovative ways of settling Treaty claims.

At this point I depart from what Tau Henare said. He said he did not see this matter as a Treaty settlement per se. Well, I do. I see this as a settlement of an issue of extreme importance for the country—that is, the cleaning up of the Waikato River—and I see this as an issue that comes out of Treaty partnerships and comes out of resolution of historical grievances that are contained in, and can be resolved through, Treaty matters. This is part of the Treaty partnership, so it must be seen as being part of Treaty settlements per se. The fact that the settlement is innovative and has not been done before must be welcomed by this House, because our approach to Treaty settlements and negotiations must constantly evolve. It must be an evolutionary process and a progressive process. We cannot pretend that the way we did things yesterday will be the way we do things tomorrow. We cannot pretend that the decision we made 140 or 160 years ago cannot be revisited, cannot be expressed in a different way, in the future.

So I want to say that this piece of legislation is how we do things in New Zealand. This legislation, I say to the Government, is not aspirational or non-binding. It is not aspirational or non-binding; it is the way we do things. We do not sign up to declarations because we think they do not mean anything, as this Government has just done on this very day. It has signed up to a declaration only because it is non-binding and aspirational. That is how this Government will try to wriggle off the hook when people from the Māori Party, who are expecting more from that declaration, come to the Government's door and say that this Government signed up to that declaration.

Hon Dr Wayne Mapp: More than you were prepared to do.

Hon MARYAN STREET: We signed it—

Paul Quinn: I raise a point of order, Mr Speaker. I have sat here now for about 40 seconds listening to the speaker going completely away from this bill, and I think that is absolutely inappropriate.

Mr DEPUTY SPEAKER: No, the member is responding to some comments; I ask her to continue.

Hon MARYAN STREET: When people who support the Māori Party come to this Government looking for some practical application of the Declaration on the Rights of Indigenous Peoples, they will get nothing. There will be tears, because that Government has signed up to that declaration only because it is non-binding. The previous Labour Government did not sign it, because it was non-binding. We would sign something only if it were binding, and real, and apposite for New Zealand's law, legal institutions, and constitutional practice. This legislation is the way we do it; we do it with legislation, and that is the difference. This is what happens: there have to be words on the page, and the agreement has to be binding. That is why we support this legislation.

PAUL QUINN (National): I firstly join with other speakers who have extended their good wishes and recognitions to those who have been responsible for the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill from the Waikato—particularly Lady Māhuta and Tuku Morgan, but also the others who have been responsible for

getting this major milestone before us. It is in fact a new and exciting way forward, both for Waikato iwi and, in my view, for New Zealand. I will also add my support for most of the speeches that have been delivered today, including that of the previous speaker, up until the last 2 minutes of her speech, when she seemed to be joining Rodney Hide's level of debate—unfortunately.

I will comment on a couple of minor aspects about this bill, and the first is about the vision and the strategy. A number of comments and concerns have been expressed by some parties in relation to the vision and strategy, and the implications of those for the planning process, particularly in the Waikato; I believe that those fears are misplaced. In schedule 2 the bill sets out the vision and strategy, to the extent that the vision statement sets out a goal for the restoration and protection of the health and well-being of the Waikato River. I think that that is laudable, and I do not think that anyone should oppose it, at all. To have a long-term goal of that sort of magnitude, and to have the other sorts of things set out in the vision, creates a sense of combined purpose for all involved to strive for.

The strategy is the process by which one might go about implementing a vision. Again, it does not actually lock in things for ever and a day, which I think is very important to understand and comprehend, because there seems to be a view that the strategy will be locked in, once and for all, and will drive absolutely everything. But that is not the case. It just sets out some guidelines for achieving the vision. Then, over and above that, in schedule 3 there is a process for review and revision. The process has to be agreed on before the strategy and vision can be moved forward, should there be some concern about that review. So that is the first point about the strategy and the vision.

The second aspect is about the change in this particular deed and the bill, as opposed to the 2008 deed and bill, in respect of representation. Under the previous arrangement, or the previous deed, five different statutory bodies were proposed to be set up. So if ever there was going to be a bureaucratic nightmare, in my view it was that. Instead, as part of the process of review that has occurred in terms of the new deed, one of the big changes is that we will go from five different statutory bodies to the one statutory authority that will be responsible, and the Waikato River Authority will be the body servicing the administration and delivering on the strategy. That is a significant and major step forward.

The only other comment I will make is in respect of Mr Hide's speech. I make no personal comment about my views in respect of democracy. I do not claim to be an expert, but for someone to give me a lecture about local authority democracy and then behave in completely the opposite direction I think is galling—to be kind about it. With those few words, I commend this bill to the House.

Hon SHANE JONES (Labour): Kia ora anō tātou. Ko te kupu tuatahi, me tuku ki te whāea o tēnei hoa o tātou katoa e noho nei i roto i tō tātou Whare, arā a Kahurangi Raihā Māhuta, ko tana kōhine tēnei a Nanaia. He tika tonu me mihi tātou ki ngā wāhine pērā rawa te ikeike i roto i te ao Māori tā te mea, ka paupau haere tēnā rēanga ki te matemate, kātahi tātou ka whakaaro mō ngā tāngata kua riro, nā rātou ngā kaupapa pēnei i poipoi i tō rātou wā, nā rātou i whakapau i tō rātou kaha kia whakapūmautia tētahi kaupapa e pai ai te āta noho o te Pākehā me te Māori i roto i te taiao, i runga i te papa o te whenua. Nā reira kia tau ngā manaakitanga ki roto i tana whānau. Nā reira, e te tuahine tēnā koe. Tātou katoa i roto i tēnei rangi, i te wā i haere atu tō tātou Minita mō ngā Take Māori ki tāwāhi, tāmoko ai, whakatairanga ai i tērā o ngā kirimana e 'hakapāohongia ana e ia, mā te wā e titiro ā tōna wā, ngā kēhua o tēnā kaupapa ka puta. Nā reira, ka nui tēnei kōrero mō tēnei wā ki tō tātou reo Māori. Tēnā tātou katoa.

[*Greetings once again, to all of us. Firstly, I acknowledge the mother of this colleague of all of us seated about our House: namely, Lady Raihā Māhuta. This is her girl, Nanaia. It is appropriate that we acknowledge women of that stature in Māoridom, because it is not until that generation begin to die and diminish that we ponder the ones we have lost; the ones who nurtured matters like this one, who expended their efforts and time on an enduring policy that will ensure that Pākehā and Māori co-exist harmoniously in the environment and on the land. Blessings upon her family, and to you, sister colleague. So to us all, on the day when our Minister of Māori Affairs departed overseas to sign, promote, and proclaim the Declaration on the Rights of Indigenous Peoples on the media, time alone will tell what ghosts will emerge from that document. Enough, for now, in our Māori language, and greetings to us all*.]

It is a pleasure to stand and speak on this bill. I have attended, in our Māori language, to some ceremonial words that carry the weight of affection that so many of us in this House have, not only for Lady Raihā but for Sir Bob Māhuta who, along with the Hon Matiu Rata, Sir Graham Latimer, and Sir Tīpene O'Regan, in the late 1980s, took up the challenge and in very many important ways changed the course of our socio-political history. When someone of their ilk passes, it brings lustre to us as parliamentarians to note their passing. It is not until decades have passed that we begin to study critically the contribution that different personalities make. Indeed, on that side of the House was Mr Bolger, and on this side of the House were Mr Lange and Mr Palmer, so I think it is a fitting part of a parliamentary speech that we should acknowledge the contribution of those who are no longer with us.

I cannot say the same about the leader of the ACT Party. The ACT Party today has disgraced itself in the very venal and ugly way that its leader, in a fit of desperation, sought to explain the reasons why his party do not like this bill. In a democratic House such as ours we are entitled to bring our differences forward, but for him to demean the plume of Māoridom, the Tainui people, and describe their heritage, their aspirations, as hocus-pocus will come back to haunt that man when he stands for election in 2011.

The fact that he has swept away the elected regional councillors in Canterbury is now a matter of history, but he stands and continually lambastes this bill because it undermines accountability, it undermines transparency, whilst at the same time he has handed over 80 percent of $30 billion of assets to the shadowy stewardship of a group of people who will not be accountable to the public. They will be accountable to these largely unknown, predominantly vague but vigorously profit-driven entities called council-controlled organisations. The gulf of credibility between what he says about this bill and what he is actually doing lays bare his approach to the most sensitive issues confronting us as society.

This bill has legitimacy, and the institution it is creating will be a creature of statute. The statute will enjoy legitimacy because it will command a majority of the support of this House, the highest court in the land and the largest form of public domain institutional expression. To then go on and attack the structure as lacking legitimacy is not only shallow but a very destructive approach to take to these issues. But, as I said, Mr Hide has sown those seeds, venal though they may be, and they will come back to haunt him, without a doubt.

The farming community has raised an area of concern, but the farming community is on shaky ground in relation to water quality. It has asked us, as a society, to buy into its approach that without regulation it is willing to mitigate or diminish the negative effects of farming on the water-based environment, and by and large we have gone along with that. But the most recent report, which caused embarrassment to Fonterra, our largest single commercial entity in the country, shows that any farmer attacking this model because of its focus and accent on cleaning up the Waikato River needs to go back and

stick to the udder. The farmers have an enormously long way to go before they can regain credibility, in my view, as stewards of the water-based environment.

It might be said that this bill could be an impost on the farming community. The farming community derived economic benefit from the use of the water—either the ability of the river and the water to absorb the waste that comes off farmland, or the application of water on to their farmland. It is not really a free good, because expenses and costs are associated with the interaction of the commercial activity called farming, and the use of that water resource. I encourage those who have influence over the farming community to advise them that they should get in and support something like this, because it is not designed to strip anyone's rights. It is actually designed to future-proof the ability of the local community, local firms, and the broader Auckland and Waikato public to enjoy the benefits reflected in the Waikato River.

The law, as a consequence of this bill being passed, will give status to concepts that we are familiar with on the marae, and concepts that may very well test the analytical powers of the Environment Court or other consent agencies. But they are no different from concepts such as intrinsic value. They are no different from expressions such as inherent value. Environmentalism, as reflected in the statute law of New Zealand today, already gives standing to notions of aesthetic value, intrinsic value, and existence value. These are matters that already enjoy standing in the country's jurisprudence.

The fact that that jurisprudence might one day be augmented as a consequence of introducing notions of kaitiakitanga, mauri, mana awa, and manu whenua ought to scare no one. All it shows is that the cultural mix that the law has to account for is alive and well. That cultural mix is not going to cause, from our perspective of the House, any detrimental impact on the daily lives of the people, other than remind them that as we use resources, future generations are calling on us not to destroy the carrying capacity of the resource to also meet their needs, their interests, and to enable them to live full and meaningful lives by having a rich interaction with the environment.

That is what this bill does, and it does it in such a way that it uplifts a group of New Zealanders, the tangata whenua of Waikato-Tainui, who have been marginalised for so long, as a consequence of colonialism in the 1800s and 1900s, and it gives them a place of status and standing. For it to be described as hocus-pocus or unbearable, or as a burdensome attack on the economy, is short-sighted, and we look forward to supporting this bill. Kia ora tātou.

DAVID BENNETT (National—Hamilton East): I rise in this House to congratulate most of the speakers who have spoken earlier on the words they have said about this legislation, its impact, and what they see as the future of the Waikato region. I pay tribute to Lady Māhuta, and especially to Nanaia, for the very strong advocacy that Lady Māhuta made towards getting a solution; to Tuku Morgan, who was here earlier; to members of the negotiating team, whom we have seen in the building today; and to Brian Roche, who did a great job in negotiating this settlement.

First of all, I acknowledge the previous Labour Government for presenting the first stage of this settlement. We were fortunate to be on the Waikato River at the time when Dr Cullen did that settlement. Basically, that settlement was the impetus for what we see in this legislation now. The goodwill of Tainui shone through in the way that they and other iwi were willing to renegotiate the settlement in order to find a more practical and enduring solution that would actually achieve the goals the settlement sought to achieve. The goodwill that Tainui showed through the last year or so in that negotiation is something that New Zealanders, and Waikato people, should take a lot of inspiration from, because it shows the intent of the parties to work together for the best interests of the river and the region.

We also need to take into account the fact that it is not just Tainui involved in this settlement. Other iwi—Maniapoto, Tūwharetoa, Te Arawa, and Raukawa—will also have a very big interest in the solution proposed in this Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, as will the Waikato Regional Council—Environment Waikato—and all the other councils in the area that were also part of this process.

This has the credibility of the Waikato people. It is a democratic process. Those councils have supported these negotiations and they support this result. I like to see this not as a settlement but as an agreement for how we go forward. This shows a new way in which we can deliver a solution for the issues that our region faces. I say that as a Waikato dairy farmer who understands that we need a new approach and that we can work in one body to achieve one result for one river. That is the future of our region.

Going by the comments of some members in this House, those members may not understand the development of the cultural aspect of the Waikato region, the importance that Tainui plays as an economic power base for our region, and the importance of people in that region being able to work together for common solutions. There has been a maturity in that region, which this legislation sets some benchmarks for, and the region, through that maturity, will be able to deliver the results. I think we need to give credit to the people of Tainui and the people of the Waikato region for coming together and being part of this enduring settlement.

We look forward to the results this legislation will have for river quality. It will have some effects. Some step-up in attitudes and approaches will be needed to achieve those effects, but that is life. That will happen anyway, and this is the way to do it. I have full faith in this legislation and in the people involved.

I would also like to congratulate the flexibility of the negotiators in coming to this arrangement. We have some challenges going forward in making that vision a reality, and I think that setting up the first governance board so that we have the right people on it will be a crucial aspect of that. We then have to make sure that there is public awareness and acceptance of this settlement and agreement. It is up to all parties to be part of that process and to encourage people to take on board the opportunity that this legislation gives us to provide that enduring solution.

In the end, I believe that we have here a result where it is possible for all the people of the Waikato to achieve the very serious and strategic goal for our region of increasing the water quality and also the environmental aspects of our region. I thank all those political parties that have supported this legislation—especially Labour, which started the negotiations—Minister Chris Finlayson and the Māori Affairs Committee, who have taken it to the next level in order to provide that solution; and I would like to thank Tainui and all the other iwi for the way in which they have approached the negotiations, in an inspirational way that, I believe, shows that we have a strong future and that we can work together as a region to achieve our goals. Thank you.

A party vote was called for on the question, *That the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill be now read a second time.*

Ayes 117

New Zealand National 58; New Zealand Labour 43; Green Party 9; Māori Party 5; Progressive 1; United Future 1.

Noes 5

ACT New Zealand 5.

Bill read a second time.

TARIFF (MALAYSIA FREE TRADE AGREEMENT) AMENDMENT BILL

First Reading

Hon Dr WAYNE MAPP (Minister of Defence) on behalf of the **Minister of Trade**: I move, *That the Tariff (Malaysia Free Trade Agreement) Amendment Bill be now read a first time.* At the appropriate time I intend to move that the Tariff (Malaysia Free Trade Agreement) Amendment Bill be considered by the Foreign Affairs, Defence and Trade Committee, that the committee report to the House on or before 15 June 2010, and that the committee have the authority to meet at any time while the House is sitting, except during questions for oral answer, during an evening on a day on which there has been a sitting of the House, and on a Friday in a week in which there has been a sitting of the House, despite Standing Orders 187 and 190(1)(b) and (c).

A report presented by the committee on or before that date, 15 June, will enable New Zealand to remain on course to complete its domestic procedures for the purpose of the free-trade agreement's entry into force on 1 August 2010—hence the shortness of time. For this to occur, both Malaysia and New Zealand have to notify each other that they have completed their domestic procedures, and in our case that involves passing this bill through all its stages.

The business relationship between New Zealand and Malaysia is characterised by growth and potential. The relationship is underpinned by close and friendly relations between our respective Governments and populations. That stems from a multifarious selection of things, including our Commonwealth ties, the Colombo Plan, and our shared defence concerns, particularly through the Five Power Defence Arrangement. Malaysia is one of the countries in South-East Asia best known to all New Zealanders. We note that its rapid growth in recent years, coupled with our understanding of Malaysian people developed through trade and commerce, has enabled trade to grow very substantially.

It is worth noting that Malaysia is already our 10th largest trading partner. Two-way trade between our nations is approaching $2 billion a year. New Zealand exports $750 million worth of goods to Malaysia, and over the last 4 years our exports have grown by 50 percent. A proportion of that time was during the recession. Services are also flourishing in a range of sectors, including private education, engineering, and information and computer technology services. Of course, there has been a substantial increase in the number of Malaysian international students in New Zealand over the last decade. Investment links have also grown, and total New Zealand investment into Malaysia has grown from $26 million to $450 million in the year ending March 2008 over a 5-year period. That was a growth rate of 77 percent per annum. In contrast, overall investment growth collectively is 8.5 percent. Members can see the impact that Malaysia, and indeed South-east Asia generally, have had on New Zealand's growth prospects.

Entering into this agreement will do a great deal to enhance and expand that position. It is worth noting, for instance, that last year Parliament gave effect to the free-trade agreement negotiated by New Zealand and Australia with the 10 South-east Asian nations, the ASEAN nations, which include Malaysia. We are doing a bilateral free-trade agreement to secure further benefits with a Commonwealth country that go above and beyond the general ASEAN deal. As members would expect, this is a high-quality and comprehensive agreement. It is a standpoint for all New Zealand free-trade agreements, and it will deliver three benefits: first, it will enhance access to the Malaysian market for New Zealand goods and service exporters, by reducing direct and indirect trade barriers; second, it will provide greater certainty for New Zealand businesses about future trading and the investment environment; and, third, it will

provide potential long-term gains from enhanced regional integration and further outcomes within the ASEAN region generally.

In practical terms, on day 1 of the agreement entering into force, 95 percent of our exports will become duty-free, and within 7 years 99.5 percent of our exports to Malaysia will become duty-free. This time frame is an excellent and a very high-quality outcome, and is 5 years shorter than that for the ASEAN deal or the China free-trade agreement. That speaks a great deal about the depth of the relationship between our two countries. New Zealanders, in short, will be the only ones in Malaysia who will be able to guarantee to their clients that New Zealand goods will clear Malaysian customs within 48 hours. In commercial terms, that means that Malaysian importers will be able to have a legal assurance that New Zealand products will clear Malaysian customs within that period. No other competitor of ours will have that particular advantage. Of course, advantages of that nature are reciprocal.

New provisions in the agreement will make it easier for New Zealand companies to establish a business in Malaysia, to work more closely with Malaysian partners, and to deliver services across the Internet, as one would expect in these modern times. Those commitments made by Malaysia are new and are concentrated in those sectors where New Zealand is most competitive, such as in engineering, education, environmental services, and software services. The free-trade agreement future-proofs New Zealand's investment and service interests in key areas. We have a first-mover advantage, we have an edge on our competitors, and we stand to benefit automatically from concessions that Malaysia negotiates with future free-trade agreement partners. For instance, Malaysia is negotiating agreements with the United States and Australia, amongst others. We are ahead of those countries, and we will have any protections that those two parties negotiate.

It is worth noting to members of the House—and this will be of interest to the Green Party—that the free-trade agreement will be binding and given treaty status. Environment and labour agreements have also been concluded, built on existing agreements. I say at this point, deviating slightly from the provisions of this bill, that the Green Party needs to take those aspects of the agreement on board when its members perhaps consider this treaty during the select committee process. Those outcomes build on existing instruments in those areas with other ASEAN parties, so they enhance communication and cooperation on labour and environmental issues.

The timing of this agreement is particularly important as global economies emerge from the financial crisis. In strategic terms, the free-trade agreement with Malaysia strengthens key relationships that we have with a vibrant partner that many of us are very familiar with. It is a further building block towards the goal of securing a free-trade agreement for the entire region. That is a tremendously important goal for the APEC group of nations. It underlies our strategic positioning as a nation within the Asia-Pacific region and provides an incentive for other countries to follow suit.

I conclude by saying the free-trade agreement is expected to contribute to New Zealand's performance by promoting the volume and velocity of trade in goods, services, capital, people, and knowledge, and is intended to be part of a wider framework in due course. It is the Government's intention to see this bill enacted by 30 June 2010 in order to meet the target date, which is very important, of 1 August for entry into force of the free-trade agreement. I commend the bill to the House.

Hon MARYAN STREET (Labour): It gives me great pleasure to rise and support the Tariff (Malaysia Free Trade Agreement) Amendment Bill. In fact, if I thought I could help by taking a 5-minute call rather than a 10-minute call to get it passed sooner, I would do that, because there are people who would benefit from it immediately on its implementation.

I am not a kiwifruit grower, but if I were, then I would be waiting in anticipation of this bill being passed, because it will make an immediate difference to kiwifruit growers and exporters in New Zealand. They will receive a 15 percent tariff reduction on the implementation of this free-trade agreement. So I welcome it appearing today. But I want to take a few minutes to talk about some of the economic benefits that will accrue to New Zealand through the free-trade agreement. I will also talk about where it takes us from here, because one must always have an eye on the future with these kinds of agreements.

First of all, of course, the economic benefits are not inconsiderable. Malaysia is New Zealand's eighth-largest export market, totalling almost $1 billion in 2008. As communicated by Minister Wayne Mapp, between 2004 and 2008 exports to Malaysia grew by nearly 80 percent, which was more than double the rate of growth of exports to the rest of the world. I think the Minister may have made a slight mistake with the figures he was reading at one point; 95.1 percent of tariffs will go immediately on implementation, but within 7 years it will be 99.5 percent—I think the Minister said 95.5 percent by mistake. I think that was simply an error; 99.5 percent of all tariffs will disappear by 2016. That is significant for two reasons: not only do we get the majority of the tariff reduction immediately on implementation but, beyond that, we get almost everything taken away, almost every tariff reduced in a very speedy time frame. It will be in place by 2016, which is faster than the ASEAN free-trade agreement allows for in its terms. I think the Minister of Trade once referred to the New Zealand - Malaysia Free Trade Agreement as the "ASEAN free-trade agreement on steroids"—although I could be wrong. It is certainly faster and more comprehensive than the ASEAN free-trade agreement, which was a significant development in itself.

Of course, these kinds of agreements do not come out of a vacuum; they come out of a history and after years of development. So it is pertinent to pay tribute to previous Ministers with the trade portfolio, beginning with Jim Sutton, but also including Phil Goff and the current Minister of Trade, Tim Groser, who has brought the agreement to its conclusion, in good time. All the Ministers deserve recognition for the work they put in, given that the negotiations around this began back in 2005.

It was my great pleasure to accept an invitation from the Minister of Trade, Tim Groser, to attend the signing of the Malaysia free-trade agreement in October of last year. That is now a convention indicative of what is essentially, in large measure, a bipartisan approach to the trade portfolio. During the course of that trip, Prime Minister John Key, who was also present, opened a new facility that Fonterra had developed out of Kuala Lumpur. It will be significant for our dairy exports because it is a manufacturing plant that allows our dairy exports to be turned into products that are palatable to the Malaysian diet and appetite. Fonterra is to be congratulated for its multi-million-dollar investment in that plant—and certainly the plant was very impressive. But if we did not have such an agreement as this, then it would be so much harder for Fonterra to make the gains it seeks to make by advancement and investment in the Malaysian market. Kiwifruit, dairy products, meat and other food products, services, and education are the critical components of this Malaysia free-trade agreement. I welcome them.

It is also important to draw two other things to the attention of the House. The first is that the now customary side agreements on labour and environment conditions are also attached to this, because they are now conventional parts of the apparatus around free-trade agreements—and so they should be. But there are two exceptions that have been included in this agreement that I think are, again, apposite—funnily enough—today, as we have just passed the second reading of the Waikato-Tainui Raupatu Claims (Waikato

River) Settlement Bill and the Government has been emphatic about lauding the signing of a non-binding and aspirational declaration on the rights of indigenous people.

Here is something that makes Māori aspirations concrete. In this agreement there is an exception in relation to the Treaty of Waitangi, which is consistent with New Zealand's previous free-trade agreements. The New Zealand - Malaysia Free Trade Agreement maintains New Zealand's ability to take the measures it deems necessary to accord more favourable treatment to Māori, including for the fulfilment of New Zealand's obligations under the Treaty of Waitangi. That is meaningful. I say to the Māori Party that that is the way things are done. That is the way, through words on the page that are binding across nations, that the Treaty of Waitangi has international status, has international recognition, and means something in this country.

There is also an exception around the creative arts. That, again, is something that Māori will have profound interest in. The words on the page state that the free-trade agreement does not preclude New Zealand from taking measures necessary to protect national treasures, or taonga, specific sites of historical or archaeological value, or to support creative arts of national value. That absolutely relates to Māori creative arts and the things that are important to Māori. I say again to the Māori Party that that is the way that those aspirations are concretised. That is the way that those aspirations for Māori, which we share and which we support, are given life, status, and meaning. It is not in empty rhetoric around a declaration that the Prime Minister is very keen to stress is non-binding and aspirational. That is how a Parliament, a Government, and a country should make the recognition of things precious to Māori real, protected, and absolutely embedded, not only in the law of this country but in the way in which this country deals internationally with its trading partners. I hope this legislation is a lesson for the Māori Party in how to do things in a real and meaningful way. Thank you.

JOHN HAYES (National—Wairarapa): I was reflecting, as my colleague Maryan Street was speaking, about history. It is a word she used in her speech, and it took me back to my days at university. Most people of my vintage will remember the Colombo Plan and Malaysian students studying in our classes. A fellow called Ong was in our class at Lincoln University when I was doing my degree there. Moving on from that, my first-ever job was actually up in Alor Setar, looking, under our aid programme, at the location of an abattoir. The fact that I had never been in one in my life did not seem to matter.

After that I got a job with the Ministry of Foreign Affairs, and I remember very clearly the briefings we used to get in Singapore at our High Commission on the activities of the communists during the period of Konfrontasi, which, of course, underpinned the reason why we kept a battalion in Singapore, and why we did a lot of exercises in Malaysia, as we are doing today in Afghanistan. Today is a far cry from those days when people lived in attap huts and Malaysia was generally regarded as an underdeveloped country. Today we meet as equal countries signing a trade agreement, which leaves us in an equal relationship on both sides.

Rather than traverse some of the territory that has been covered so far by previous speakers, I will speak particularly to my constituents in the Wairarapa and outline to them the importance of this trade agreement to their day-to-day work. Specifically, we are exporting about $350 million of dairy products into Malaysia. We are producing a couple of million litres of milk a day down in South Wairarapa—much of that will end up in Malaysia. We export something in the order of $50 million worth of meat a year—sheep meat and goat meat particularly. That is a product that we have a lot of in the Wairarapa and in Central Hawke's Bay.

We are exporting $30 million worth of fruit and nuts to Malaysia, and we have, particularly, plenty of fruit in my electorate. We are exporting $20 million worth of

machinery. People like Metalcraft Industries in Dannevirke are producing and exporting to the global market things like wheelchairs, and we have just hit our 500th unit. Other significant products that Malaysia takes from New Zealand include about $20 million worth of paper and paperboard, $16 million worth of wood pulp, and $15 million worth of timber. All of those products come from my electorate, so this bill will be hugely important to the day-to-day market opportunities for many people in that area, which stretches from Ngawi to Waipawa.

I think it is also important to keep in mind that the global economic crisis had very little impact on the growth of GDP in Malaysia and on the growth of our exports to Malaysia. Our exports have continued to grow really strongly. Food, as I have said, comprised roughly 50 percent of our exports annually to Malaysia over the last 5 years. The real additional growth is not so much in commodity products but in prepared foods. We are adding value to what we are able to put into that market, and that is also because as incomes are rising in Malaysia, people can pay more for our produce.

I think the other thing that has not been mentioned today and is very significant is that, particularly to eastern Malaysia, much of our exports are actually transhipped in Singapore. We can probably guarantee that our exports to Malaysia are $60 million to $100 million a year more than the official statistics show because a lot of our product is actually getting caught through the Singapore net.

Another area of great importance to us is tourism. Every hotel bed represents three jobs. Nearly 20,000 Malaysians visit New Zealand each year. Both New Zealand and Malaysia will benefit from this agreement and from the ASEAN-Australia-New Zealand Free Trade Agreement, which has entered into force. The profile with Malaysia will be really high amongst our export community and our tourist industry. I think that, increasingly, New Zealanders will be off to visit Malaysia as tourists, as well.

I think this bill is a very good bill. There is no point in my continuing on about it. I look forward to it coming to our select committee, and we will be reporting back to the House in due course. Thank you.

STUART NASH (Labour): I stand in support of the Tariff (Malaysia Free Trade Agreement) Amendment Bill in its first reading. This bill amends the Tariff Act 1988 in order to implement the New Zealand - Malaysia Free Trade Agreement, which was signed in Kuala Lumpur in October last year. The bill's amendments will allow transitional safeguard measures to be applied in appropriate circumstances to imports originating from Malaysia. Like all free-trade agreements ratified in this House during this Government's term, negotiations for this agreement were started by the previous Labour Government, in this instance back in 2005 under the Hon Jim Sutton. They were carried out with diligence, competence, and leadership by the then Minister of Trade, Phil Goff, our next Prime Minister. It would be good if the National Government could give credit where it is due when it comes to these sorts of bipartisan matters concerning trade.

This deal expands on the ASEAN-Australia-New Zealand Free Trade Agreement, which was signed in February 2009. It cuts trade barriers between Malaysia and New Zealand more swiftly and to a greater extent than the ASEAN-Australia-New Zealand Free Trade Agreement does. This free-trade agreement underlines the close relationship that New Zealand has built with Malaysia over the decades. We hope it will provide a platform for even stronger ties. We have heard the statistics on the growth in trade between the two countries. We all know that if New Zealand is to develop sustainable economic growth, then it must follow a policy of export-led growth, it must work to foster an economic environment where key competencies around export strategy must be encouraged in any way, shape, or form, and it must continue to foster, develop, and ratify key relationships with our major trading partners.

Bill English has stated that his Government's goal is to drive an export-led recovery. He said: "We're looking for how to make sure we get a sustainable, export-led recovery." In my view, three things are holding back companies in New Zealand from optimising their export growth and, therefore, New Zealand's sustainable export growth and wealth creation. Bill English's Government not only is doing nothing to address these but also is making them worse. Therefore, this Government's actions are increasingly suboptimising any chance New Zealand has of increasing economic growth through the further development of the export sector. The three things holding New Zealand companies back from optimising their export opportunities are a lack of affordable capital, a lack of true export competency, and an outdated monetary policy. Let me expand on these.

First is the lack of affordable capital. Only around 10 percent of all business loans are unsecured. This means that around 90 percent of all business loans are secured against assets of the owner of the company—often the family house. This attitude to access to capital will never allow the country to address the issue that we overvalue capital and undervalue labour in this country. Basically, this means that we prefer to employ cheap labour rather than spend money on capital in order to improve productivity. This issue has not been addressed by the current Government; rather, it has worked against this principle in two ways. First, research has shown that the higher the wage, the more likely the company is to spend money on capital improvements. This does not—

Dr Paul Hutchison: What are we talking about here?

STUART NASH: This is very relevant because what I am—

Mr DEPUTY SPEAKER: The member must relate it back to the free-trade agreement. I am happy that he use these issues, but he must tie his first reading speech back to the substance of the bill.

STUART NASH: This is a very good free-trade agreement, as I have mentioned, but one of the reasons it will not be optimised is that this Government has not addressed three issues. One issue that will ensure that this Government does not optimise it is the lack of access to affordable capital. As I will point out, the higher the wages, the more likely a company is to spend money on capital improvements. This does not lead to fewer jobs; rather, it leads to greater efficiencies, more jobs as companies grow, and, more important, a greater propensity to scale up for export growth and, in fact, take advantage of this sort of free-trade agreement.

The second thing that this Government has suggested it will do is sell Kiwibank. This is the Government-owned bank that was set up by the previous Labour-led Government—

Mr DEPUTY SPEAKER: The member is well off the track. I have mentioned that we are talking about a free-trade agreement, and he must talk about that. It is about relevancy. If the member does not talk about it, I will terminate his speech. He can mention some things, but he must tie them back to the substance of the bill.

STUART NASH: Can I address that point of order?

Mr DEPUTY SPEAKER: No. I have ruled and I am inviting you to continue.

STUART NASH: OK. As we know, we are a nation of small to medium sized enterprises. This means that 97 percent of New Zealand's businesses consist of 19 members or fewer. When we are talking about a free-trade agreement, we are talking about an ability for companies to scale up and meet export markets—to grow to a point where they can export. Very few of those 97 percent of companies can afford to employ a full-time international marketing or market development manager in Malaysia, which is what this free-trade agreement is about, let alone open an office in a foreign country like Malaysia where the language is different, the legal system is different, and the

business culture is different, which is what we are talking about in this free-trade agreement. We need an agency that is our ears and eyes in global markets.

When we are talking about this free-trade agreement, we come back to the very important point that the Minister who is responsible for New Zealand Trade and Enterprise cut $10 million from its operational budget in 2009. My question to the Government and to the Hon Gerry Brownlee is how they see New Zealand companies optimising their growth with this sort of free-trade agreement in place. I hate to think what Mr Brownlee will cut from this year's budget. I asked the retiring chief executive officer of New Zealand Trade and Enterprise whether his organisation was New Zealand's international marketing and market development organisation in places like Malaysia, and his response was "If only."

The third point holding New Zealand's economic development back in terms of our taking advantage of a free-trade agreement like the one between New Zealand and Malaysia is our current monetary policy. I would like to elaborate on this a little bit because it cuts right to the heart of what a free-trade agreement is about. The vast majority of trade between New Zealand and Malaysia is in US dollars. What tends to happen is we buy and sell in US dollars; therefore, the cross rate is most important to companies that are doing this trade and are expected to take advantage of this free-trade agreement. I would like to again ask whether anyone in this House can tell me how a company can effectively forecast and business plan on the international market, like the Malaysian market—

Sitting suspended from 6 p.m. to 7.30 p.m.

Dr KENNEDY GRAHAM (Green): The New Zealand - Malaysia Free Trade Agreement is not the first of its kind to come before this House. It follows the China and ASEAN free-trade agreements, and will be followed by the Gulf States, some Pacific countries, and India. The fundamentals of these agreements are all the same, so the debates in the House have a certain quality of déjà vu. The debate over trade is simply part of the debate over the global economy. The difference between National and Labour orthodoxy on the one hand, and the Green alternative on the other, is in the most fundamental way a difference in economic philosophy. We have to revisit first principles, as it were. Essentially, National and Labour embrace traditional neoclassical economics. The Greens adopt ecological economics. The difference is qualitative.

The Government's case for free trade rests on two arguments: short-term morality, and efficiency. The Green's case for sustainable trade rests on two arguments: long-term morality, and scale. The moral argument, as propounded by the Minister of Trade, Tim Groser, is the following: the global population is set to grow from 6 billion to 8 billion by 2030, and food demand will increase by 50 percent. New Zealand has an obligation to feed that expanding and urbanising population. That moral obligation is accompanied by a financial interest in increasing our export income. So morality sanctions us to engage in production and trade, and to do so at optimal efficiency. The global economy is to grow through productivity specialisation, reflecting the theory of comparative trade advantage. The combined economic output is increased, and all countries stand to gain to some extent, even if some gain more than others.

So we are all better off, and New Zealand in particular combines economic wealth with moral satisfaction. With a population of 4 million we feed some 18 million people around the world already. With improved productivity we could feed more. However, specialisation means that our land, financial capital, and labour force will be required to realign from the less to the more productive sectors. But this can be done through time-bound, phased-out regimes.

That world view was most recently expressed in Mr Groser's foreword to the United Nations Conference on Trade and Development's 2010 trade and environment review. Mr Groser wrote: "All countries have a common interest in food security, removing impediments to trade and reducing global emissions of greenhouse gases. … Increased economic wealth would also improve the ability of countries over time to contribute to global action on climate change." I note the phrase "over time". The Minister believes that the world, with New Zealand punching above its weight as a fast follower, has the luxury of time as it slopes off into the 21st century; that it is not our problem, to determine the pace of change.

The Green world view is different. It has to do with sustainability and it has a different conception of both the magnitude of the problem and the urgency of its resolution. The carrying capacity of the planet, based on current technology, is less than 8 billion. In fact, it is less than today's 6 billion. Precisely what figure the optimal population is depends on the level of material consumption for humanity as a whole. If we all live Western lifestyles, we need six planets. Even at the average global level of consumption today, we have an ecological overshoot of some 30 percent. So with our current technology and our current lifestyle we are simply overpopulated on the planet. If we cannot bring ourselves to accept this unpalatable fact, then alternatively we have to acknowledge that the global economy is breaching the planet's ecological limits.

In light of this, New Zealand's moral obligation is not so straightforward. The National-Labour position is not to query the greater human numbers but to simply feed them and make a dollar. The Green position is to search for optimality of scale. That is a long-term moral imperative rather than a short-term moral choice. Mr Key and Mr Goff toss the phrase "sustainable development" around, through a vague intuition that it is a modern political good, but they do not understand its true meaning and they do not comprehend its implications for macroeconomic management or trade policy.

British scientist James Lovelock contends that the planet's carrying capacity is closer to 1 billion, that we may not reach 8 billion, and that the population will probably decline towards that much lower figure. Whether or not he is accurate with the figure, he is correct within an order of magnitude; National and Labour are not. Does the moral obligation for New Zealand exports hold for a global population of 20 billion? British governmental adviser John Beddington warns of a perfect storm around 2030 when resource depletion, climate stress, population numbers, lifestyle aspirations, and energy constraints roil the global economy and inflame the body politic. Whether or not he is accurate in his time prediction, he is correct about the prognostication.

So where does this leave global trade policy? Globalised free trade is the manifestation of the problem of the globalised economy. The case for free trade rests on the assumption that trade is voluntary. Both parties must be better off than before the voluntary act. When trade is based on the absolute advantage enjoyed by the countries for the commodities in question, this is self-evident, but the Ricardian theory of comparative advantage still justifies trade even when a country may have absolute advantage in all goods. The theory is that the combined production of all countries trading is greater than if they produced separately, and that each country stands to gain individually, even if not to the same extent.

Only last week the World Trade Organization chief Pascal Lamy dismissed any challenge to the notion that open trade brings overall societal benefit. He said that contested policy provides a fertile field for the growth of urban legend and falsely premised ideas with popular appeal. He identified what he saw as six fallacies, or economic myths, and sought to refute them. Time does not permit me to examine each one here. Mr Lamy contended that the benefits of trade, which he identified as economic well-being and political harmony, will be realised only if the overall policy

context is right. How right he was. Mr Lamy called for a public debate, so the response of the Greens is to identify the mistakes in his thinking.

There are six fallacies in the Ricardo-Lamy-Groser theory of free trade, and they are as follows. First, the extra combined production from free trade cannot, in fact, be achieved without extra resources. There is the increase in the rate of depletion in the natural resource base from which the product is made. What trade economists mean when they say "no extra resources" is simply no additional labour or financial capital, because neoclassical economics omits natural capital in its theory. Second, the extra transport costs associated with free trade are not included. International transport is energy intensive, often subsidised, and its external costs are omitted from its pricing. Sea trade emits 0.8 billion tonnes of carbon dioxide—3 percent of all anthropogenic emissions—and this is expected to triple by 2050. The same is expected of aviation and surface freight.

Third, free trade assumes the economic cost of specialisation to be negligible, but it ignores the social cost, it requires retraining, and perhaps physical relocation. That is a loss in human welfare. The invisible hand has narrowed the freedom to choose. Fourth, free-trade agreements have a withdrawal clause, and if a trade becomes too disadvantageous New Zealand can, theoretically, opt out. But that assumes that specialisation is reversible. Is a furniture-maker to return to the Wairarapa after a brief stint as a sharemilker in Canterbury, simply because things did not work out?

Fifth, the specialisation results in a narrow range of sectoral products, country by country. That makes each country vulnerable to the vagaries of the global economy. When cute varieties of ice cream and salted crackers pass in the night across the Tasman in the name of choice, and carbon emissions, that is simply daft. Sixth, Ricardo's free-trade theory was confined to trade in goods alone. The two productive factors, labour and capital, remain confined within national boundaries. Only commodities crossed national frontiers. Today's globalisation bequeaths far greater mobility in financial capital than in goods. The Minister glorifies our export growth to China since the free-trade agreement came into force, but he ignores the land and other assets going to Chinese ownership as we speak. Far from freeing up a country to benefit from free trade, New Zealand becomes a 21st century colony imprisoned through global free investment.

This Malaysian free-trade agreement is simply more of the same. As such, it spells disaster, not because of nefarious intent; Mr Lamy and Mr Groser are honourable men, but their economic thought needs reform. When this bill comes to the House for a second reading, I shall explore the philosophical differences between the National and previous Labour Governments, and Green alternatives, and how they play out in the case of the Malaysia trade agreement.

JACQUI DEAN (National—Waitaki): In the first reading of the Tariff (Malaysia Free Trade Agreement) Amendment Bill I will touch first on the purpose of the bill, which amends the Tariff Act 1988 and implements the New Zealand - Malaysia Free Trade Agreement signed in Kuala Lumpur on 26 October last year. The bill speeds up tariff reduction between our two countries. It will take nearly half the time agreed in the agreement that established the ASEAN-Australia-New Zealand Free Trade Area.

The comments that I will make in the first reading of this bill I will make largely in the context of the drought conditions that have been declared in much of the eastern area of New Zealand, and particularly in North Otago and Central Otago, in my electorate. Anything that the National-led Government can do to enhance favourable trading conditions, particularly for New Zealand farmers, can only be applauded. This agreement with Malaysia is a very important part of National's focus on free trade and improving access for our exporters to world markets. In the context of my electorate,

those exporters are in the agricultural sector. This priority was included in the Prime Minister's statement to Parliament in February, so I am very proud to stand and speak in the first reading of this bill.

I will give a little background. Over the past 4 years New Zealand goods exported to Malaysia grew by more than 50 percent, making Malaysia New Zealand's 10th largest trading partner. To me, that is exciting and significant. Malaysia provides New Zealand exporters with a wealth of opportunity. In the field of education—which is also important to us—between 2003 and 2008 the number of fee-paying Malaysian students in New Zealand increased by more than 70 percent. That is a significant increase. It makes Malaysian students New Zealand's third-largest source of fee-paying university students and the second-largest source of PhD students. It is worth noting that international full fee paying students are worth over $2 billion a year to the New Zealand economy.

I will speak on some of the detail of this Malaysian free-trade agreement. It eliminates Malaysian tariffs on 99.5 percent of New Zealand's exports within 7 years of its entry into force. That is quite significant. That rate—99.5 percent of New Zealand's exports to Malaysia being duty-free within 7 years—is much faster than the agreed rate of 99.4 percent over 12 years under the ASEAN agreement. On full implementation of the Malaysian agreement, the duty savings will amount to over $10 million a year for New Zealand exporters. Ninety-five percent of New Zealand's exports to Malaysia will be duty-free on day one of the agreement coming into force.

The bill also provides 48-hour customs clearance, and self-declaration of origin for our exports. Anything that can be done to smooth the way for exporters and to cut some of the red tape under which they operate must be applauded.

I will talk about a couple of specific components of this free-trade agreement. Although the provisions with regard to kiwifruit are exciting, I will leave those to my colleagues who live in the North Island to talk about, because we do not tend to grow kiwifruit commercially down south; we have much more exciting things to grow, like meat products, wool, dairy—excluding liquid milk—fish, and particularly forestry. Those meat, wool, dairy, fish, and forestry sectors retain their duty-free access. That duty-free access is bound in, so Malaysia cannot reapply tariffs on New Zealand's agricultural exports. In my introductory comments to this brief contribution I referred to the droughts declared today; in that context, I think that that component is exciting and should be encouraging. In terms of liquid milk, there is significant improvement. In-quota duties will be eliminated, and in-quota volumes will increase by up to 5 percent a year.

The New Zealand - Malaysia Free Trade Agreement is boosting innovation. I am quite sure that those in the exporting agricultural sector will be excited about the improvement in the access of exports to world markets. This is one of National's six policy drivers for a step-change in New Zealand's economic performance, and it is one that will be welcomed by farmers and by the agricultural sector, particularly in the dry areas of the South Island. I commend this bill to the House.

Hon CHRIS CARTER (Labour—Te Atatū): The Labour Party supports this free-trade proposal, which is a proposal that happened when Labour was previously in Government. With all due respect to our Green colleagues, the Labour Party knows that without trade our country could not exist. We could not import goods, and we could not pay for the lifestyle that we have. Trade is the lifeblood of New Zealand, being a developed country.

As I am sure all members of this House are aware, New Zealand faces severe geographic barriers to prosperity. We are the most distant country from the European market. We are far from the North American market. We are, relatively speaking, close

to the emerging Asian markets, but remember that we are as far from Singapore as London is. So, geographically, even for South-east Asia and for a country like Malaysia, New Zealand is still a distant market. Malaysia is currently our eighth-largest export market. We export goods of about $1 billion worth to Malaysia. Hopefully, this free-trade agreement, signed so recently and soon to be ratified by this Parliament, will increase that trade.

I think back to 2008 when as Minister of Education I accompanied the then Prime Minister, Helen Clark, and the then Minister of Trade, Phil Goff, to Beijing for the signing of the Free Trade Agreement between the Government of New Zealand and the Government of the People's Republic of China. I tell members to look at what the results of that free-trade agreement have been: an increase in trade of $1 billion in the last 2 years. That is an increase of 34 percent in our trade with China—that huge emerging market. One of the critical things to see the development that the China free-trade agreement personifies is a Government taking a very proactive role in promoting and encouraging the opportunities that the free-trade agreement provides. For example, when I went to China with the then Prime Minister for the signing of the China free-trade agreement, I had meetings with the Minister of Education, Zhou Ji. I signed a memorandum of understanding for the mutual recognition of high school qualifications so that students coming to study in New Zealand at high school level would not be penalised in China for having New Zealand diplomas, and similarly for New Zealand students going to study in China. I visited schools and tertiary institutions. I really worked hard, as we would expect any Minister of Education to do, to try to utilise those opportunities. Mr Goff and I went to Hangzhou. He spoke with exporters, and I dealt with educationalists in Zhejiang province in that very rich middle part of China. It is really important that a Government seizes those opportunities and takes a leadership role.

After that free-trade agreement the Labour-led Government set up a road show. It travelled all around New Zealand giving exporters, business people, and agriculturalists the chance to see what was available through the free-trade agreement. We set up web-based information services so that people could access ready and quick answers to the opportunities provided by the free-trade agreement. Between 2005 and 2008, when Labour was in Government, it increased New Zealand Trade and Enterprise funding from $6 million to $54 million. We knew that it was critical to invest to maximise these opportunities. I am really pleased that the present Government has signed the free-trade agreement with Malaysia, but I ask myself what it has done to encourage New Zealand exporters, businesses, education providers, and primary producers to take advantage of this situation. New Zealand Trade and Enterprise's funding over 4 years will be reduced by $101 million.

Hon Lianne Dalziel: How much?

Hon CHRIS CARTER: It is a reduction of $101 million in New Zealand Trade and Enterprise funding. Remember that this is the funding I just spoke about that, in 3 years under Labour, went up from $6 million to $54 million. That was an increase. In fact, we set up a national development fund, and that has already had cuts for this financial year and it will disappear entirely in 2011. Yes, the new Government has set up a Growth Services Fund, but only a very small amount of money from the New Zealand Trade and Enterprise cuts is going into that fund.

So we have provided an opportunity, but we have not provided the oil, if you like, to facilitate New Zealand businesses, education providers, and so on, to grasp those opportunities. I ask the present Government to take a lesson from what Labour did. We knew that we had to invest and to show leadership. We had to encourage, fund, and explore the opportunities that free-trade agreements create. This is especially important

because I guess we have seen, with the current air problems in Europe created by the volcano in Iceland, that air travel is critical to successful exporting. One of the obstacles that New Zealand already faces is the talk, in an environmentally and globally conscious world, that air miles—carbon that is generated by air transport—could be a penalising weapon used against us by some of our competitors in Europe and North America. They say that New Zealand primary production, as efficient and top quality as it is, is very competitive in those European and North American markets. Our competitors, and we cannot blame them for it, will use every opportunity they can to get a market advantage.

I am really concerned about the threat to one of the things that we have been very successful at in New Zealand, both Labour Governments and National Governments before that, which is helping to build this image of "100% Pure New Zealand": a country that is very environmentally conscious, that cares about the environment, and that would not be open to criticism about not being environmentally sustainable. Three events come to mind to question that brand, which we have been so hard put to invest in, which has been cultivated over so long, and which has been so successful. Those three things begin with, of course, first and foremost the proposal to mine schedule 4 lands, protected by the Crown Minerals Act, in our national parks, in the Coromandel Forest Park, in some of our offshore islands in the Hauraki Gulf, and so on.

I know that the present Government will say that it is just a proposal and that it is just looking at it, but the very fact that it is being considered is a detriment to this "100% Pure New Zealand" image that our country has spent so long and so much money on investing in and promoting. So the first issue is that we have to be really careful that this free-trade agreement with Malaysia and the tourism and brand opportunities that we have spent so long cultivating are not compromised.

Then we have the whaling issue. We heard Mr Key's announcement in January that he would have a bold new initiative to stop Japanese whaling in the Southern Ocean, on which I would totally agree with him. We do not want whaling to happen. I was conservation Minister for 5 years, and I battled against Japanese whaling that entire time. I went to every International Whaling Commission meeting over those 5 years to try to stop it. We now have a proposal from Mr McCully and Mr Key to have limited commercial whaling, with an end point where Japan will, hopefully, stop whaling. The Japanese have already announced that they will continue whaling indefinitely because they have said it is part of their cultural identity. Curiously enough, this is a country that started whaling only after the Second World War.

So we have had mining in national parks, and we have had New Zealand, instead of being the staunchest conservation country and reinforcing our brand as "100% Pure New Zealand", now being the leading country promoting the idea of lifting the international moratorium on whaling. Then we had the fishing debacle a few weeks ago. At the conference in Libya, the New Zealand delegates took the opportunity to increase their quota for bluefin tuna—a species that is at grave risk of becoming extinct. Many other countries voluntarily reduced their fishing quota, but New Zealand went from 4 to 6 percent. That did not receive very much attention in New Zealand, but it had a huge impact globally, and a huge potential impact on our image of "100% Pure New Zealand."

Mining in national parks, commercial whaling again, with New Zealand leading the charge, and now New Zealand becoming the only country in the world to increase its catch of bluefin tuna, an endangered species, are just three examples that have led to the *Guardian* and *The Economist* in London and the *New York Times* starting to question our clean, green image.

Dr Paul Hutchison: I raise a point of order, Mr Speaker. I think the Opposition speaker has been going far too wide off the mark, and he should come back to the bill.

This is the Malaysian free-trade amendment bill, and I think he should confine his remarks to that.

Hon CHRIS CARTER: Speaking to the point of order—

The ASSISTANT SPEAKER (Eric Roy): I do not need any advice. If the member is making comparisons, he needs to draw them back to the bill. But that opportunity has gone, because his time has expired.

Dr PAUL HUTCHISON (National—Hunua): I am grateful for the opportunity to speak on the Tariff (Malaysia Free Trade Agreement) Amendment Bill. I must say that this bill signifies another great achievement under this excellent National Government. It was good to hear the Hon Maryan Street saying how important she thought this bill was, and that she would be prepared to sacrifice some of her speaking time if that meant the bill would be passed earlier. However, despite her saying she would take just a 5-minute call she could not help herself, and went on for the full 10 minutes in talking about the merits of this excellent bill under the National Government.

It is appropriate to acknowledge trade Ministers, both past and present. I think of the Hon Dr Lockwood Smith—who was not acknowledged by Maryan Street—Jim Sutton, Phil Goff, and of course the extremely hard-working and productive Hon Tim Groser. All of those members have worked extraordinarily hard for New Zealand, often under hugely difficult time constraints, day and night.

There is no doubt that this bill signifies the gathering pace of many free-trade agreements that have gone on in recent times. Those include, on 1 January, the agreement establishing the ASEAN-Australia-New Zealand Free Trade Area. On 29 March the Minister of Trade, Tim Groser, signed the New Zealand - Hong Kong, China Closer Economic Partnership agreement, and of course the New Zealand - Gulf Co-operation Council free-trade agreement negotiations have been concluded. More recently, John Key has just returned from a very successful visit to the United States, further consolidating the Trans-Pacific Economic Partnership Agreement, for which talks began in Melbourne last month. The Government has secured approvals for free-trade agreement negotiations to start with India, and that, again, is another very significant achievement. I note that if all the free-trade agreements come to fruition, it will mean that we have direct and indirect agreements with the four most populous nations on earth: China, India, the United States, and Indonesia. That represents almost half of the planet's population and much of the world's economic activity.

I thought the contribution from the Greens was a somewhat gloomy one. It cited Dr Lovelock, the British scientist who has suggested an optimal world population of a billion when we have 6 billion already, and when almost inevitably the world's population will go up another 2 or 3 billion in the next 20 to 30 years. It is vital for New Zealand that we have greater opportunities for our food supply to go to these heavily populated countries. Undoubtedly with time there will be natural adjustments to population, but I think it is absurd to hear the Greens suggest that the world population of 6 billion would optimally be only 1 billion. How are they possibly suggesting that we reduce the population, in this short period of time, from 6 billion to that much lower level? Talking about the perfect storm and 2030 of course, I tell the House that countries throughout the world, through such mechanisms as emissions trading systems, are taking the global warming issue very seriously.

This bill certainly signifies a great leap forward for New Zealand, and a practical opportunity to increase our per capita income. That is absolutely central and vital for New Zealanders in order to have the opportunity to get better health, welfare, social services, and education services, which people such as the Greens and most New Zealanders so badly wish to have.

I will comment on three last things—firstly, the environment part of this bill. The Malaysia - New Zealand Environmental Cooperation Agreement, negotiated in the context of the Malaysia free-trade agreement, establishes a set of shared trade and environmental principles to promote sound environmental practices and sustainable development. The agreement is Malaysia's first bilateral treaty on environmental cooperation negotiated in the context of a free-trade agreement. I have been to Malaysia and have seen personally the spectre of fires going on continuously in the area around Kuala Lumpur, so I think it is extremely good and a step forward that the environmental aspect of the free-trade agreement has been embedded. Then, of course, the labour cooperation agreement, negotiated in the context of the Malaysia free-trade agreement, reaffirms commitment to the principles of the ILO Declaration on Fundamental Principles and Rights at Work, and is the follow-up to the declaration.

Finally, I think it is important to point out that there will be a review. The review will take place within 5 years of the agreement's entry into force, and at least every 3 years following that. So this bill is another excellent initiative under this forward-looking National Government.

Hon PETE HODGSON (Labour—Dunedin North): We are largely agreed in this House on the benefits of this free-trade agreement. I am sorry to say that I was not here to listen to the contribution of the Greens. I dare say that I would have listened to it with some measure of agreement and some measure of disagreement—and, I hope, a lot of respect—but as I did not hear it, I cannot comment further. Beyond that, generally speaking, the parties in this House seem to think that our progress on free-trade agreements is satisfactory. I add my remarks about past trade Ministers and also past and present officials, who, of course, do the yards. Yes, we are gathering pace. Doha appears to be making very slow progress, so our ability to make bilateral progress in the stead of Doha matters. However, that is where my agreement with National rests at the moment.

I have become increasingly disturbed over the past 15 or 18 months about the ability of this Government to follow up on free-trade agreements. I have been concerned about the ability of our exporters to follow up on the ASEAN agreement. I am concerned about the ability of our exporters to follow up on the Malaysian free-trade agreement. I think that our ability to follow up on the Chinese free-trade agreement was better, and that is the distinction I would draw. People can call it partisan if they wish; I think it matters. I think it matters that when we got ourselves a free-trade agreement in China, we took a number of steps. There were, and still are, a number of trade missions going to different parts of China. The signing ceremony was a significant public event and was carried significantly in all of the major dailies in New Zealand and China. Admittedly, that was because it was China's first free-trade agreement, and they were thinking that having one was a pretty good start, but that has not been the case with this free-trade agreement in Malaysia, and it has not been the case with the ASEAN free-trade agreement.

I think that we are dropping the ball in terms of the Government's role in promoting follow-up to the establishment of a free-trade agreement. It is as if the Government is saying that it has negotiated an agreement and now the exporters of this land of New Zealand can go and make good, but it will not be able to help them any more than it helped them before. That is simply wrong. It is simply wrong for there not to be some Government involvement. Of course most of the job rests with the exporters. Of course the private sector is the key player in export development. That is obvious.

The Export Credit Office was begun under a Labour Government and is getting stretched, I imagine, by the drying-up of credit in the last 18 months. I wonder whether the budget for that office will be extended next month in the Budget. I do not think so.

I wonder whether the Beachheads programme, which was started under a Labour Government and has been retained by this Government, will be expanded by this Government. After all, when we got ourselves into China, a Beachheads programme went with the free-trade agreement. As far as I am aware, there is no way that a Beachheads programme is going with the free-trade agreement in Malaysia; I would like a Government Minister to get up and tell me that I am wrong. I wonder whether we can make as big inroads with our agricultural exports into Malaysia when we have ditched Fast Forward, and whether our exporters feel as supported as they might have had we not done so.

I wonder what has happened to Market Development Assistance, which was, again, begun by Labour and continued for a number of years. It was in transition under the previous Government, so I am not suggesting that it would have remained unchanged had there not been a change of Government; it was being migrated across to the Growth Services Fund, which is a new label with a new purpose and a slightly different set of policies. But I know that in the meantime the money has gone missing.

Just at a time when we need, say, a Growth Services Fund for our biggest exporters, we find that that is not available any more, and that is troubling me. I think that perhaps not our biggest exporters but some of our medium-sized exporters that are growing quickly will have significant cash-flow problems and will have significant problems breaking into new markets and setting up new relationships quickly, yet that is exactly where a good Government can make a difference. I assert—with, I think, some knowledge in the matter—that when it comes to more recent free-trade agreements, the Government has pretty much said to the export sector that it is on its own. Of course, the export sector does not have to have a Government to make progress. Indeed, I recall that in Malaysia before a free-trade agreement, the volume—I think it is a volume figure—of trade doubled between 2004 and 2008. It is already a rapidly growing export market, but it is a big country.

I ask whether we are satisfied with that level of growth. Why can we not aspire to greater levels of growth? Is it not a fact that we have a persistent current account deficit? Is it not a fact that if we continue to have a current account deficit, then we will continue to own less and less of our own country? Is it not clear that investment flowing into New Zealand to buy dairy farms or whatever is created by the fact that we have an external account deficit? Is it not the case that if we can sell more, then we can own more of our own land? That has not reached the desperate stage yet, but some people are getting worried—I am starting to.

I think that when we have a free-trade agreement coming along, we should nail it. We should not just negotiate it; we should go ahead and nail it subsequently with good export assistance. In the case of Malaysia it is made all the easier by 30 or 40 years of Malaysian students training in New Zealand. Our knowledge of each other's countries is already quite good. The amount of interpersonal relationship between New Zealand and Malaysia is already quite good.

I have the pleasure of representing Otago University. Even today, if one looks at the numbers of foreign students at Otago University, one sees that, after the US, Malaysia comes second. It is ahead of China, ahead of Germany, and well ahead of Australia, the UK, or any of those nations. Malaysia comes in second.

Even today, long after the demise of the Colombo Plan 40 years ago, we have through export education very, very strong links with Malaysia. This is a country where we can do seriously good business, because we have seriously good relationships and seriously good history. But if there is no Beachheads programme, if there is no Market Development Assistance fund, if there is no intention on the part of the Government to support those companies that need an Export Credit Office to get themselves a bond

lodged in order to go and build a travelator at Kuala Lumpur Airport or whatever it is to be, and if there is no support or insufficient support for our exporters, then we have done only half a job. Half a job, when there is a current account deficit the size of ours, is not good enough, and it is not good enough for National members to bang on at length about how we need to have more exports but at the same time we need to reduce the amount of programme support that is going to our exporters. It was modest enough under the previous Labour Government, one might argue, but it is getting even more modest, indeed.

That is not to say that New Zealand Trade and Enterprise does not do a good job, and it is not to say that that agency is somehow absent in Malaysia. Neither of those things is true. The question is: what is enough? If we have a country with which we have a volume of trade that has doubled in 4 years and with which we have extraordinary historical links, then surely we should be going hard after further trade development with that country. I bet they are going hard with our little economy. I bet they are! But that is not the case when we look from New Zealand towards Malaysia.

I congratulate the Government on concluding the free-trade agreement. I hope this legislation passes quickly, and I ask the Government to please start paying attention to ensuring that we can put some runs on the board now that we have the ink dry on the paper.

HONE HARAWIRA (Māori Party—Te Tai Tokerau): Tēnā koe, Mr Assistant Speaker. Kia ora tātou katoa e te Whare. A few years ago a group of Malaysian organisations came here to Aotearoa to learn how the Māori people of New Zealand had brought their culture back from the brink of extinction. The delegation included tribal leaders from the Bajau people, one of the more well-known indigenous populations in Malaysia, who were keen to visit kōhanga reo, kura kaupapa, wharekura, and wānanga to witness the resurgence and revitalisation of te reo Māori in everyday use in schools and the community, and to learn how we have been able to defend and protect our customary heritage and culture, including our language.

I raise this experience here, because I would have thought that positive exchanges like that might be what we want to foster in an international relationship with Malaysia. Yet in this deal there is nothing, nada, horekau. There is no mention whatsoever of first-nation peoples' involvement in decision making on international trade agreements, which is a bit of an irony, considering that on this day, Tuesday, 20 April 2010, the Māori Party co-leader and Minister of Māori Affairs announced New Zealand's support for the Declaration on the Rights of Indigenous Peoples at the opening session of the Permanent Forum on Indigenous Issues in New York, where he acknowledged the special status held by Māori as tangata whenua, with an interest in all policy and legislative matters, and affirmed this country's commitment to the common objectives of the declaration and the Treaty of Waitangi. In doing so he set right New Zealand's grave injustice when in 2007, 143 countries voted in favour of the Declaration on the Rights of Indigenous Peoples, but the New Zealand Labour Government refused to support it, sending a clear and unequivocal message to the rest of the world that as long as Labour was in power, New Zealand would oppose the fundamental rights and aspirations of Māori people.

Thankfully for the indigenous people of the world, and for the Māori people of Aotearoa in particular, Labour was not to have much more than another 12 months in office before it was booted to the Opposition benches, clearing the way for the Māori Party to open negotiations with the National Government, which has led to today's historic announcement to support the Declaration on the Rights of Indigenous Peoples, a document that had the support of such luminaries within the Māori world as Sir James Henare, Dame Whina Cooper, Dame Mira Szaszy, Te Atairangikaahu, Sir Robert

Māhuta, Whakahuihui Vercoe, Sir Paul Reeves, Sir Hepi te Heuheu, the Māori Women's Welfare League, and the New Zealand Māori Council, but that has been opposed vociferously by the New Zealand Labour Party, Parekura Horomia, Nanaia Mahuta, Mahara Okeroa, Mita Ririnui, Dover Samuels—

Hon Darren Hughes: I raise a point of order, Mr Speaker. I appreciate that there is a lot of theatre and words around today's announcement by the Government, and reaching for exactly what this declaration means is a difficult task. But I would have thought that it was a hard task even for Mr Harawira to draw a bow between a Malaysian free-trade deal and the kind of political theatre we have seen in respect of a declaration signed by 143 countries, including Burma, on the rights of indigenous people.

The ASSISTANT SPEAKER (Eric Roy): Let me respond to that. Firstly, I tell Mr Hughes that the standard for a broader debate might have been set by a member from the Opposition side of the House a little earlier, which I did caution about. I suggested that first readings tend to be a bit broader, but members, if they are making speeches for comparative purposes, should relate them to the bill. This is the first reading, and I ask the member to continue, with that in mind.

HONE HARAWIRA: In respect of this bill we are discussing here tonight, I note that today we right that wrong, and announce proudly that Māori do hold a distinct and special status as the indigenous people of Aotearoa, and that indigenous rights—

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I know there has been an extension of indigenous rights today, but I do not think that it goes quite to the point of defying you, in the way that is occurring at the moment. The member was given an instruction by you, Mr Assistant Speaker. He waved at it, then went back to reading the speech you had just hauled him away from.

HONE HARAWIRA: Speaking to the point of order, I began my speech by speaking about the special relationship between the indigenous people of Malaysia and the indigenous people of this country, and I wanted to continue along that vein before returning to the specific details of tonight's bill.

Hon Trevor Mallard: The point may be relatively obvious—listing indigenous members of the New Zealand Parliament is hardly a way of denoting a relationship with Malaysia.

The ASSISTANT SPEAKER (Eric Roy): Well, the member did begin his presentation by talking about a relationship between Malaysia and Māoridom. In that context he was on firm ground. But he has shifted somewhat, and he needs to make his points relevant to the bill.

HONE HARAWIRA: The importance of that relationship between the indigenous peoples of Malaysia and the indigenous peoples of Aotearoa is critical to the Māori Party's support for legislation of this nature. We see that there is a need for this country to ensure that the rights of its indigenous peoples, now that it has adopted the Declaration on the Rights of Indigenous Peoples, are respected in the same way that we respect the rights of other indigenous peoples under that declaration. Therefore, we announce proudly that Māori do hold a distinct and special status as the indigenous people of Aotearoa, just as the Bajau people of Malaysia hold the same status there, and that indigenous rights and indigenous culture are of profound importance to both countries and fundamental to the identity of both nations.

We therefore also express our respect for, and our commitment to, international documents, as well as to local documents such as the Whakaputanga o Niu Tireni, and Te Tiriti o Waitangi, as the unique constitutional foundations of this country. On this day of the declaration, we challenge this House once again to recognise the Treaty as the foundation of partnership, respect, cooperation, and good faith between Māori and the Crown, as we also renew our commitment as a party to continue to work across the

international stage to promote the rights of all indigenous peoples. Today is a day that Māori people will remember forever, so it is ironic that on such an important day we are presented with a free-trade agreement that ignores the importance of indigenous peoples and is silent on the importance of the declaration. The Māori Party holds to the view that the economic benefits of international trade agreements need to be balanced with consideration of the rights of indigenous participants, that we should be supporting fair-trade agreements that recognise and implement international standards, such as those outlined in the United Nations Declaration on the Rights of Indigenous Peoples, ILO Convention 169, and the Mātaatua declaration, and that we should also be supporting trade relationships between first-nation peoples, as part of any wider trade agreements. This bill fails to achieve any of these goals, so the Māori Party will not be supporting it tonight. Kia ora.

TODD McCLAY (National—Rotorua): It gives me pleasure to rise to speak on the Tariff (Malaysia Free Trade Agreement) Amendment Bill. This bill amends the Tariff Act of 1988 and implements the New Zealand - Malaysia Free Trade Agreement, which was signed in Kuala Lumpur, Malaysia, on 26 October 2009. It speeds up tariff reductions between our two countries in nearly half the time agreed in the agreement established by the ASEAN-Australia-New Zealand Free Trade Agreement.

Over the last 4 years the amount of New Zealand goods exported to Malaysia grew by more than 50 percent. That means Malaysia is New Zealand's 10th largest trading partner. This bill and the agreement, when it enters into force, will mean that 99.5 percent of New Zealand exports to Malaysia will be exported duty-free within 7 years. That will be a saving in duty of some $10 million to New Zealand, and that saving will be of direct benefit to New Zealand producers.

I will speak about some of the products that will be covered by the bill, and in my electorate in particular there will be great advantage to producers. The first product is kiwifruit. At present, the kiwifruit industry faces a 15 percent tariff barrier when it enters the Malaysian market. By 2012, under this agreement, that duty rate will be reduced to zero. That is very good news for kiwifruit farmers all over New Zealand, but it is of particular benefit to my electorate. Exports of kiwifruit to Malaysia grew by a staggering 173 percent over the last 3 years. I will repeat that figure—a staggering 173 percent over the last 3 years. Last year we exported one million trays of kiwifruit to Malaysia. That is of great significance.

The Minister of Agriculture, the Hon David Carter, was in my electorate not so long ago, and we had an opportunity to meet with Zespri and talk with a number of other producers. I have visited a number of kiwifruit farms and have talked to those exporters. They raised a concern and an issue that kiwifruit exports to Korea face an extremely high tariff barrier. In fact, that barrier makes our kiwifruit less competitive when it is exported to Korea. In some cases, other countries that export kiwifruit already have trade agreements with Korea, and some of the rates of tariffs that are imposed against those other countries, particularly Chile, are close to reaching zero. That means that our kiwifruit producers—the best kiwifruit producers in the world—are at a disadvantage. The great news is that this free-trade agreement with Malaysia, which is a market of growing importance to New Zealand producers, means that by 2012—which I think, from memory, will be only 1 year after our Government has been returned to power for a second term—the 15 percent tariff will be reduced. That will mean extra money in the pockets of kiwifruit producers in my electorate and in other electorates.

A lot of meat, wool, and dairy products are also produced in my electorate, and forestry is very important to us. Those commodities already have duty-free access to the Malaysian market, but this agreement will bind those rates. There will be a binding commitment on the part of Malaysia, which means that in the future, when this free-

trade agreement can be renegotiated, those preferential rates of duty-free access cannot be changed. That has to be good news for our producers. It gives them a certain amount of certainty. Indeed, it means that they can build those markets and export more products to the Malaysian market, and there can be no fear that duty will be placed upon them. That is a very important issue.

I want to touch on just two additional parts of the bill, and the first is education. Between 2003 and 2008 the number of fee-paying Malaysian students coming into New Zealand increased by more than 70 percent, and that made Malaysian students New Zealand's third-largest source of fee-paying university students. Indeed, it was worth $2 billion to our economy last year. In Rotorua and in Tauranga we have two technical institutes—the Bay of Plenty Polytechnic and the Waiariki Institute of Technology in Rotorua. This agreement will be very good news to them. The reason for that is both technical institutes have a number of foreign fee-paying students who have come to New Zealand and love to live in the Bay of Plenty. This agreement means that those two very fine institutions in the Bay of Plenty will be able to go out and promote their services more to the Malaysian market. I can see a direct impact upon our local economy—certainly as far as employment is concerned—when more students come here.

The final point I will make is about goods from Malaysia that will be imported into New Zealand. New Zealand provides duty-free access for about 72 percent of imports from Malaysia at this time. Under this free-trade agreement that will move to 90 percent this year, and graduate to 100 percent by 2016. There will be a number of sensitive products imported from Malaysia, and some producers in New Zealand will have concern about a great influx of products coming in, and how they might compete. There will be a longer transition period, of up to 7 years, for the import of sensitive products. Examples are clothing, footwear, carpets, and some manufactured products, including wooden furniture. That transition period will give industries in New Zealand time to adjust to the change and to become more competitive. I believe that they have a very, very good opportunity to compete in our own markets, but also to take up the challenge of furthering their production and exporting to Malaysia.

In conclusion, I recognise the importance of the environment and say that Malaysia and New Zealand signed an environment cooperation agreement, negotiated in the context of our free-trade agreement, and that establishes a set of shared trade and environment principles to promote sound environmental practices and sustainable development. This agreement is Malaysia's first bilateral treaty on environment cooperation, negotiated under the free-trade agreement, and is something New Zealand should be very proud of. I believe it will be something that other countries will look to include in their agreements, particularly in any negotiations with Malaysia or any other Asian country.

It is a pleasure to support this bill. I look forward to receiving it in the Foreign Affairs, Defence and Trade Committee so that we can talk more about the very positive impact it will have. It is worth repeating the last figure of a 15 percent tariff rate against kiwifruit farmers in my electorate will be reduced over the next 2 years. That can be nothing but good news. It will make them more competitive, it will add to their productivity, and it means there will be more money in their pockets in the Rotorua electorate. That is a good thing, and I support this bill. Thank you.

A party vote was called for on the question, *That the Tariff (Malaysia Free Trade Agreement) Amendment Bill be now read a first time.*

Ayes 108

New Zealand National 58; New Zealand Labour 43; ACT New Zealand 5; Progressive 1; United Future 1.

Noes 14

Green Party 9; Māori Party 5.

Bill read a first time.

Hon Dr WAYNE MAPP (Minister of Defence) on behalf of the **Minister of Trade**: I move, *That the Foreign Affairs, Defence and Trade Committee consider the Tariff (Malaysia Free Trade Agreement) Amendment Bill, that the committee report finally to the House on or before 15 June 2010, and that the committee have the authority to meet at any time while the House is sitting (except during questions for oral answer), and during any evening on a day on which there has been a sitting of the House, and on a Friday in a week in which there has been a sitting of the House, despite Standing Orders 187 and 190(1)(b) and (c).*

A party vote was called for on the question, *That the motion be agreed to.*

Ayes 64

New Zealand National 58; ACT New Zealand 5; United Future 1.

Noes 58

New Zealand Labour 43; Green Party 9; Māori Party 5; Progressive 1.

Motion agreed to.

EDUCATION AMENDMENT BILL

In Committee

Debate resumed from 24 March.

Part 1 Amendments to principal Act (*continued*)

Hon TREVOR MALLARD (Labour—Hutt South): I will speak to amendments in Grant Robertson's name. They are extensive amendments that have some very important points in them.

The first focus, which some of my colleagues will also look at, is his amendment to insert into Part 1 a new clause 20A, "Guidance and counselling", which would amend section 77(a) of the Education Act by inserting ", including guidance and counselling on career choices and career pathways" after "counselling". The member has taken this approach because of the widespread concern and rumour currently circulating in the education community as to the Minister of Education's plans for guidance counselling, and, in particular, for career counselling.

It is the very strong view of members on this side of the house that high-quality career counselling is a fundamental part of our secondary education system in particular. Students need to work hard to identify the pathway that they want to take, to take the options that they think are important to assist them along that pathway, and not to cut off particular options as they work their way through the system, so that they keep their options open. I think that all of us could tell stories—and some of us might even have stories about our families, or even ourselves—of people not doing particular subjects late in their secondary school career, and, as a result, being considerably

disadvantaged when it came to making choices at university, or having to study for a longer period in order to get to that point.

I think it is fair to say that career counselling, career education, career guidance, has sometimes, in some schools, been a bit of a Cinderella. It is a subject that has not had quite the attention that it should. It is also fair to say that in some schools—and I think it is less common now—career counselling used to be the place to put teachers who were not confident in the classroom or had spent too long in the classroom. Now there is a new generation of career councillors, a new understanding of the subject, and there are organisations that give councillors a lot of support in order to make sure that their important work is properly supported, even if it is not well understood in schools.

All of us are aware that some schools are better than others at career counselling, at facilitating students' choices. There are certainly some schools in rural areas that do a very good job as far as rural options are concerned, but it is also fair to say that some other schools in rural areas do not provide options and also do not provide students with a steer in a way that is appropriate.

I know that the Minister of Education has had a flurry of emails on this particular topic from people around the country who have a good understanding of the importance of career guidance. Those people would see a decision not to include in the Act the amendment proposed by Grant Robertson—and it was included in Labour's bill—as an indication that they were not as well thought of as some of their colleagues who teach more regular academic subjects. As I have indicated, there is considerable rumour and fear at the moment that the funding made available to schools for guidance and for career guidance is likely to be taken away or somehow reallocated. A very, very important area of work, which I think just about all members of the House support, could very well be lost as a result.

The second area that I will focus on in my contribution—and I will take a couple of calls now, then one of my colleagues will have a go, and I will come back on the later points—is the functions of school boards. The bill introduced by the Labour Government Minister of Education, Chris Carter, was much more explicit with regard to the functions of boards and the things that they should do and the things that were important than this bill as it has emerged from the Education and Science Committee is—in fact, as the current Minister of Education introduced it. I am not sure that one could argue with any of the things on Mr Robertson's list in new section 60AA(1), in his new clause 16A. Section 60AA(1) states that the board must perform the following function: "(a) ensuring the enrolment at the school of all persons who are entitled to be enrolled at the school and apply to be enrolled at it:". Frankly, some boards do not do a very good job at that. Some boards allow systems within their schools that actively discourage students from enrolling at the school. I would be interested to hear the view of Hone Harawira on the schools that occasionally discourage Māori pupils, especially those who are not academic, from—

Hone Harawira: Not my one—94 percent NCEA.

Hon TREVOR MALLARD: I have been to that member's school, and it is a good school. I am not saying that the board's governorship of it was always perfect. I am not saying that its financial controls were perfect. In fact, it was pretty good at controlling the spending of the cash, but not necessarily at always keeping it in the right pockets. The member probably does not want me to go too far down that track. But the point that I am making to Mr Harawira is that he knows as well as I do that a lot of schools around the country actively discourage some Māori students, especially the less academic, those from the poorer suburbs, and those whose families are associated with gangs. They discourage those kids. Grant Robertson's section 60AA(1)(a) states that a board must ensure the enrolment of those students. I want to know whether Mr Harawira will

vote for that amendment; whether he will vote for boards to take kids from poor homes, or whether he will say that they do not have to take them. That will be interesting to see.

Section 60AA(1)(b) states that the board must ensure that "education is provided to each student enrolled at the school:". Well, that means that the board has to take a much more active interest in the quality of education and whether it is appropriate for each student at the school than some boards have been taking to date. Again, I congratulate Mr Harawira, because the school whose board he chaired did a very good job for its students in identifying and working on their needs, having programmes, and recruiting staff. I think it is fair to say that the member concerned was intimately connected with the recruitment of some of the staff, or at least one member of the staff of that particular school. The school board appointed good teachers and staff who worked to make sure that education was provided to each student enrolled at the school, and they made some real progress. I think it is fair to say that over the years I have had some discussions with the member about his school and about what was and was not appropriate, but there was never an argument that the school did not have the kids' interests at heart, that the board was not looking carefully at the school, or that it had programmes that did not work for the kids in that school.

Section 60AA(1)(c) states that the board must promote "a school environment that supports the highest standards of achievement for all students:". I want to know why National members would vote against an amendment that promotes a school environment that supports the highest standard of achievement for all students. Why would they not support that? What has got into their water? What has made them think that that amendment is not good? Why is the Minister in the chair, the Minister of Education, saying that she does not want an amendment that is much more likely to lead higher standards than the approach she is taking at the moment? There is much to debate.

SUE MORONEY (Labour): It is a pleasure to rise and speak to Part 1 of the Education Amendment Bill and to offer Labour's support. Labour did not support the bill at its first reading because we were concerned about the proposals in Part 1 to lower the police-vetting requirements for contractors who work at schools or early childhood education services. That could put our children's safety at risk. However, I am pleased to report that during the select committee process amendments were proposed that appeased some of our concerns in that area. We now find ourselves able to support the bill.

This bill is about doing practical things that support standards in our schools and in our early childhood education sector. Unlike other proposals this Government has for education, where it purports to be looking to improve standards but will in fact do the opposite, this bill will actually do something practical to lift standards. This bill ensures that our children are well protected in their schools and in their early childhood education environments.

During my call I will focus on one of the key changes that Labour was able to force at the select committee, and that is the part relating to the ability of a school board to be taken over by a commissioner. The bill originally, when it went through its first reading, proposed a policy to allow a corporate takeover of school board functions. We were very concerned about that. I think that if we look back on what has transpired over the last couple of weeks, we will see that we were right to be concerned about that issue.

We know that this Government has a tendency to replace democratically elected organisations with commissioners at will, and to leave them in place for quite some lengthy period of time. So getting it right in this bill was incredibly important. We did not believe it was correct for a faceless corporate entity to be able to take over in the role of a commissioner for something as important as our schools.

Labour's view, which happened to be shared by others on the select committee, was that it was important to have an individual responsible when democracy was overtaken by the appointment of a commissioner in the case of our local schools. So we fought for that measure, and were able to convince the Green Party and the ACT Party to support that position. I congratulate both those parties on coming on board in making that very important change during the select committee process. This Government was committed to going forward and allowing corporate takeovers of board functions by bringing in commissioners that were not named individuals but could be corporate entities. I think that could have been a very frightening prospect.

We know that local government is not the only area in which this Government has a tendency to replace democratically elected people—such as school boards of trustees—with commissioners for lengthy periods of time. In the part of the country I come from, in Hamilton, we currently have two secondary schools that have commissioners appointed to them. One of them, Fairfield College, has had a commissioner in place for 18 months or more. That is a very, very lengthy period of time for a school not to have community representation via a school board of trustees. The other school in the area is Fraser High School, which has had a commissioner for a shorter period of time.

The point I am making is that when we determine by legislative means the process by which a Government, any Government, can replace a democratically elected school board of trustees with an appointed commissioner, we need to be very, very careful about the powers that are bestowed upon that person—or, as the Government was arguing, a corporate entity.

Labour members believe that it was not right to allow corporate entities to take over that function, because corporate entities do not have the same culpability as individuals do in that situation. We were very pleased to be able to make that particular change at the select committee, and because of that change we can support the bill at its Committee stage.

KELVIN DAVIS (Labour): In talking to Part 1 of the Education Amendment Bill, I too would like to talk about the police-vetting measure. We have to ask why we have a police vet, and the intent of the legislation is to ensure that learners are not exposed to an unacceptable risk from persons with whom the school or early childhood service causes them to come into contact. Information provided by the New Zealand Teachers Council says about schools that "Before appointing a person who is not a registered teacher or holder of a Limited Authority to Teach to a position at a school, the Board of the school or management of school in certain cases, must obtain a police vet of the person from the NZ Teachers Council." This is going to change so that schools can apply directly to the police, which I think is a sensible move, in that it eliminates the middle man and will speed up the whole process.

When I was the principal of Kaitaia Intermediate School I was lucky enough to have an executive officer who would do that work for me. I would sign the form and she would send it off. I would basically forget about it for a couple of months until the police vet form would return saying whether the person had any convictions. It is really good that this intermediary step is being taken out, and schools can apply directly to the police.

I would like members to understand some of the difficulties that some schools have, especially some schools in the outlying areas of Te Tai Tokerau, such as Te Hāpua, Mātihetihe, Panguru, and Whangaruru. Those sorts of schools have to vet contractors. New Section 78CA in clause 21 talks about the police vetting of contractors and employees who work at the schools. It states "The board of a State school, or the management of a school … must obtain a Police Vet of every contractor, or the employee of a contractor, who has, or is likely to have, unsupervised access to students

at the school during normal school hours." The problem arises when principals and boards of those outlying areas have difficulty getting a contractor. Te Hāpua School is a drive of an hour and a half to 2 hours from Kaitaia, which is probably where the closest contractors are if the school needs help with plumbing, or a contractor to come in and do painting or electricity work. Quite often it has to get the first person who is available. The school might not know who these contractors are. It is really difficult to get contractors to come up to do a job that might take a couple of hours, or a day or two, and to make sure the contractors or the employees of those contractors are police vetted.

I have spoken before about my concerns about police vetting, and I have spoken before about a social worker in a town who wanted to set up a mentoring programme. She selected a hundred males whom she felt would be excellent mentors and role models for a hundred boys at risk in schools. As an afterthought, she thought she had better do a police vet on those people. She found that 78 of those 100 people had convictions.

I am concerned that people seem to believe that schools start at 9 a.m. and end at 3 p.m. and that the kids are there only between those hours. Quite often kids stay behind after school for any number of reasons, maybe sports, maybe extra tutoring, maybe just waiting for buses, and people such as cleaners who are contracted after hours may have contact with those kids inadvertently. They may be inside a classroom vacuuming, cleaning, or dusting, and the kids are in there doing homework, or whatever. So I have concerns that these contracted cleaners may not have had police vetting.

We cannot tell by the appearance of people whom we employ as to whether they have a criminal conviction. It may be that people who have been contracted into schools as cleaners, and who we think are fine and have not had the police vet, are not appropriate to be working after hours in the school, where they may inadvertently have unsupervised contact with kids. It is an issue I want to raise, because I have a dilemma about it. On one hand I want the safety of the kids to be paramount, but on the other hand I do not like overburdening principals and office staff with paperwork. Police vetting is another one of those things that, at present, have to be done. If we can work out a way so that the kids are safe and there is a minimum of paperwork, that would make everybody a lot happier.

In Part 1, new section 78CC states that further police vets need to be obtained every 3 years, which I think is sensible. As a principal I had staff members who, in between police vets, went and got convictions—one was for drink-driving, unfortunately. So peoples' circumstances change and they fall foul of the law. It is really important that schools have that mechanism every 3 years, checking that their staff members have the police vet. I also believe that the safety of the kids is paramount. Although police vetting does add a little bit of extra paperwork to the role of the principal or the office staff, we have to realise that the safety of the kids is paramount.

I want to touch on another issue that my colleague Trevor Mallard raised about the function of the board of trustees. There are half a dozen or so National Administration Guidelines, such as for finance, property, and health and safety. The most important one, I believe, is the first one, which is about the curriculum. If we are talking about the functions of the board of trustees, then the curriculum is the most important function that a board of trustees can oversee. I was fortunate enough at Kaitaia Intermediate School to have a board of trustees whose primary interest, and the item that took up most time in our board meetings, was the curriculum. In fact, of even more interest than the curriculum was the achievement of the kids at school. That was the focus of our board of trustees meetings every time. That then had a flow-on effect to me as the school leader, which had a flow-on effect to the school teachers, and that, in effect, was

part of what was instrumental in our school raising achievement—this unrelenting focus on achievement on the curriculum.

The board would call in heads of curriculum areas to board meetings to discuss what was going on in their curriculum area, what their achievement results were, how the board could support them, and what resources they needed. If we are talking about a quality education system, we need to encourage all schools to have the board of trustees' core function as an unapologetic and unrelenting focus on improving the curriculum and raising achievement. That comes down to the quality of teaching. A number of teachers still do not realise, unfortunately, that teaching and learning are related but separate things. Even if a teacher has taught a student something, that does not mean to say that the person has learnt it. When there is a board of trustees that focuses unapologetically on raising achievement, that is when we will see massive improvements in schools. I wanted to touch on that point that Trevor Mallard raised earlier.

Hon MARYAN STREET (Labour): There are a couple of points I would like to make. I think it is really important that although Labour is supporting this bill at the Committee stage, we register on the record one of our disappointments about the bill—though we are happy that a number of other amendments we sought in the course of the Education and Science Committee's deliberation on this bill were adopted. We are disappointed about the dropping of Labour's proposed amendment to make it explicit for principals to ensure that schools provide guidance and counselling on career choices and career pathways. I will take a moment of the Committee's time to talk about this matter as it relates to this bill.

Right now, we are hearing a lot about tertiary education opportunities, and about completion rates and failure rates at tertiary institutions. We are hearing a lot about the need to peg some part of tertiary institutions' funding to the success rates and completion rates of their students. One of the things that happens repeatedly when one discusses this with chief executive officers of polytechs and vice-chancellors of universities—and, to some extent, with chief executive officers of private training establishments—is that a lament goes out about the degree to which students exiting secondary schools are prepared to make appropriate career choices and appropriate further education choices.

One of the things that has taken on a new dimension of concern for us in the Labour Party—and this is why we lament the dropping of our proposed amendment that career counselling be mandatory in schools—is that there is now some sort of disjunction between where this bill is going, the things that it could say but will not say, and the kinds of requirements that are emerging at the end of the compulsory sector of education and the movement into tertiary education opportunities.

Frequently, vice-chancellors say that students have made inappropriate choices. How are they meant to avoid making inappropriate choices if they are not supported by career counselling and career guidance at the end of their compulsory schooling? Let us take Mr Joyce's example. At the end of secondary schooling, if a student wants to go into veterinary science and is accepted, and if at the end of year 1 that student does not make it into year 2, then clearly an inappropriate study choice has been made. That lends new weight, given the kinds of policy directions that the Government is proceeding with under the tertiary education portfolio, to the idea that the dots are not being joined in respect of this legislation. If it were possible for this, even through a Supplementary Order Paper in the Minister's name, to be reinstated as a part of this legislation, I would urge the Minister to do that.

It is a matter of joining the dots. Here is legislation that could have something in it to equip students to make sensible and appropriate choices, not simply to go into medicine

because their mother was a doctor or their father was a scientist but to choose a course where they can stay the distance, succeed, and not be one of those figures that the Government is keen on avoiding—that is, those who do not complete courses or who fail more than half of their papers. That is something that we on this side of the House continue to lament. It should have been something that could have provided a more seamless framework for education between the compulsory and the post-compulsory sector. However, that is now on the record as one of our objections, although we have decided to support this bill because of some of the further changes that were made in the course of the select committee's deliberation.

The second area I will talk about is that relating to the new section 128A, which is inserted by clause 36 of the bill. It is about the matching of register information and information about the payment of teacher salaries at payrolled schools. On the face of it, this appears to be simply a matter of sharing information between one Government agency and another, and so it should be. One of the things that is particularly important—and this is stated as the purpose of the bill—is to introduce information matching between the New Zealand Teachers Council and the Ministry of Education to identify individuals teaching in schools without registration. This is something that the Labour Party absolutely supports. As I understand it, this has been worked through to the satisfaction of the Privacy Commissioner. This kind of exchange of information is beneficial to teachers, because to all intents and purposes the ultimate purpose of this is to ensure that they receive every payroll entitlement that they should. However, the more important consideration is that it is useful for principals and those who are appointing teachers to have the confidence to know who is still registered and who is not.

I know that my own experience in this area is somewhat out of date now, and I readily concede that. In the time when I was a secondary school teacher, there was a huge shortage of teachers. The human resources policy that was adopted at the time—we did not even have human resources in those days, as there was no such thing; it tended to come later as an academic discipline and as a practice—could best be characterised as the "warm body" recruitment strategy. It did not matter who was in front of the class, as long as it was a warm body. There was a shortage of teachers, and being able to put any poor unprepared person in front of a class of children was better than having nobody at all. This measure goes further than that, and it becomes useful when teachers are deregistered and move away from that town or that city. They may have been deregistered for nefarious reasons. They may have been deregistered for all sorts of serious misconduct. Those people should not be allowed to move around the country from school to school or city to city and pick out another teaching job. They should not be allowed to be in front of children in classrooms.

This measure allows that to be policed. The sharing of the information, even for payroll purposes, ensures that principals, in employing teachers, know for sure that the people they are employing are registered and, therefore, have met all the requirements of registration and are fit to teach children. With this kind of matching of information, the possibility of deregistered teachers moving about the country and, under the cloak of anonymity, being able to take up another teaching job somewhere else far away—particularly in a situation where a teacher shortage might compel a principal to employ anybody—is, hopefully, avoided.

Hon ANNE TOLLEY (Minister of Education): As the member Maryan Street resumes her seat, I would like to take a quick call on the Education Amendment Bill. She is obviously unaware that, in fact, one of her colleagues has a set of amendments that include an amendment in the area of guidance and career counselling. I will go through those amendments from her colleague Grant Robertson and say that the

Government will be voting against them for a variety of reasons. If we look at his amendment to Part 1 to insert new clause 5A, we see that it is quite unnecessary because it is already provided for by section 41 of the State Sector Act 1988. That is a piece of bureaucracy we do not need, as is amending Part 1 by inserting a new clause 5B. The Correspondence School enrolment criteria are already published in the *Gazette*. Again, that is a bit of bureaucracy that is not needed. We have tried very hard to get rid of a whole lot of bureaucratic requirements in education that duplicate things that are done elsewhere. Interestingly, amending Part 1 by inserting new clause 20A and new clause 16A was picked up directly out of the previous Labour Government's bill that Labour speakers have fondly referred to right through the debate. Well, I say to them that this is new legislation that was introduced by a new Government.

Despite the talk about guidance and career counselling, there is no foundation for Labour's scaremongering that National is going to do away with that. That is just a figment of Labour's imagination. We do not see that if we put something into legislation, it necessarily makes it happen or makes it better. It was interesting to hear Mr Mallard ask of the functions of a board of trustees why anyone would not support it. In actual fact, there has been no consultation on putting into legislation those descriptions of the functions of a board, either with the New Zealand School Trustees Association, or with the many parents who are putting their names forward—

Hon Trevor Mallard: That's not true. They're in a bill that was introduced.

Hon ANNE TOLLEY: It is true. There was no consultation with the School Trustees Association. The first time the association saw it was when it appeared in legislation under the previous Government. Certainly there has been no consultation through this process. There has been no opportunity for any of the parents who might have put their names forward for the board of trustee elections that are happening in a couple of weeks to have any opportunity to discuss the sorts of tight restrictions that these amendments would put on them.

In fact, I ask the Committee what the problem actually is. There is no evidence that the majority of boards of trustees are not focused on the sort of things that we read about in these amendments. In the year to March there were 98 interventions in schools, out of over 2,500 schools, so our schools are working very well. The amendment to Part 1 to insert new clause 60A would just change the names of terms that are still valid. It was a good try by Grant Robertson but we do not see any need to support any of those amendments.

GARETH HUGHES (Green): Kia ora, Mr Chairperson. Ngā mihi nui ki a koutou, kia ora. The Greens are the only party opposing this bill and we do so because we believe that this bill is a wolf in sheep's clothing. The asserted aims of this bill are to introduce information matching between the ministry and the New Zealand Teachers Council to spot uncertified teachers, to toughen suspension procedures for teachers under investigation, and to reduce compliance costs relating to police vetting. However, there are unspoken aims in this bill that are not written about in the bill's description. These aims are to create the conditions required for direct corporate management of public schools, to strip the Education Review Office of oversight of integrated schools, and to introduce National Certificate of Educational Achievement testing into special schools.

The bill has all the hallmarks of a wolf in sheep's clothing. There are some good points contained in the bill, like the changes to the vetting of tradespeople in schools, or the teacher registration clauses, which we think are quite reasonable and we would support. But on the balance of evidence we will not be supporting this bill.

Over the course of this debate enough people have talked about the positive sides of the bill, so I will cover the points in the bill we are opposed to. Firstly, we do not

support, and did not support, the introduction of the term "body corporate" when appointing statutory managers in schools needing help, nor did we support entrenchment and corporatisation, which are not in the interests of the public education system. The bill would allow the Secretary for Education to appoint a corporate sole or body corporate as a limited statutory manager, or as a commissioner for the board of a school, as well as giving the Minister discretion to establish a combined board for two or more schools. This would allow the private running of multiple public schools by a single corporate entity, effectively privatising our public schools—good for some, but not for the high-quality public education Kiwis demand.

Yes, the Labour Party got some good amendments in the Education and Science Committee, such as changing the bill to allow a natural person being named as part of the body corporate, but for the Greens the substantive issue is still there. We are concerned at the changes to school governance. I do not believe the arguments in favour of the changes proposed have yet been convincingly put by anyone in this Chamber. We are opposed to the combining of boards of trustees when this could lead to external control of unique school communities. As a former board of trustees member myself, I am proud that the Green Party is standing up for public ownership and local governance of the public school system.

Likewise, the Green Party stands with the submitters from the Quality Public Education Coalition, who are concerned that the legislation was potentially legitimising corporate control in public schools, as opposed to local autonomy and local control. Our concerns have only been intensified by the proposals for school buildings to be owned in public-private partnerships. Our children's schools are not a worthwhile experiment, as the Minister of Finance, Bill English, has said. They are a core public service.

The long-term effect of this ownership model is to undermine State responsibility for schools and to take a further step towards the privatisation of our treasured public resources. The profit motive has no role in our public schools. The question that has to be asked is where this profit is going to come from. What will be the cut to pay the shareholders, and who is paying the bottom line? Obviously it has a role in the private sector, but not in the public school system, where equity is essential. We would support a complete review of Tomorrow's Schools rather than these piecemeal changes. It is a lonely vote for the Greens tonight, but we are showing the value of an independent party in this Chamber that is prepared to look at both the good and the bad of legislation coming before us. I am proud to be voting No on this bill tonight.

CHRIS HIPKINS (Labour—Rimutaka): I just want to pick up one of the comments that—

Hon Simon Power: Speaking of rising stars!

CHRIS HIPKINS: I thank Mr Power very much. I appreciate the endorsement.

Hon Simon Power: Believe me, it won't help. It didn't help me; it won't help you.

Hon Trevor Mallard: That member has got his future behind him!

CHRIS HIPKINS: That is right—his best years.

I want to pick up the comments made by the Minister of Education regarding the amendments put forward by members of the Labour Party and the bill as drafted by the previous Labour Government. I think it is a terrible shame that the Government has decided to vote against some of the provisions put forward by Labour that would have clarified the responsibilities of a school board of trustees. It is something that I think new board members, who will be elected at this year's elections, would appreciate—a clear articulation of exactly what it is they will be responsible for. National is voting against what I think is a very common-sense and practical amendment put forward by Labour. Why is National opposed to articulating in the legislation that a school board of trustees' responsibility is ensuring the enrolment at a school of all persons who are

entitled to be enrolled at the school? Surely nobody could object to articulating clearly that one of the responsibilities of a board of trustees is ensuring that education is provided to each student enrolled at a school. That is what a school is all about. Why can we not articulate that in legislation so that school boards of trustees are very clear and can be held to account against those responsibilities as set down in legislation?

There is the responsibility to promote a school environment that supports the highest standards of achievement for all students. The National Government keeps talking about raising standards and setting standards in education, yet it wants to vote down the idea that schools should be held accountable for that, that a school board of trustees should have that responsibility defined in legislation. National is going to vote against that.

Actively managing and monitoring the performance of the principal, and ensuring that the performance of the school's other staff is actively managed and monitored, are things that I think are really important to articulate as being a responsibility of a school board of trustees. Having spoken to a number of members of school boards of trustees, I know that a different approach is taken in some schools. Some boards see their job as being the employer of the principal, and therefore any other responsibility for staff employed within the school is no responsibility of theirs; all the responsibility is then on the principal. This amendment would clearly set down for boards of trustees that one of the board's responsibilities is ensuring that the performance of the school's other staff is actively managed and monitored, and board members cannot simply say that it is a matter that only a school principal needs to deal with. Yes, boards of trustees have the primary management responsibility for the principal, but they do have a role in making sure that other staff are actively managed and monitored, as well.

Another responsibility set down for a school board of trustees is the active management of, and reporting on, a school's performance against the aims and objectives set out in the school charter. This is a Government that says that it wants parents to have more information about how schools are doing and how kids are doing, yet it is opposed to the idea that one of the fundamental responsibilities of a school board of trustees should be active management of, and reporting on, a school's performance. That is one of the things put forward by the previous Labour Government. It is a very common-sense thing, but the National Government is opposed to it.

Ensuring that a school, including its assets, finances, and property, is managed in a financially responsible manner has to be one of the central functions of a school's governance. A school cannot be effectively governed if the board of trustees is not ensuring that its assets, finances, and property are managed in a financially responsible manner. That has to be something that is clearly set down as a responsibility of a school board of trustees. I do not understand at all why the Government seems opposed to articulating very clearly and concisely what the responsibility is of a school board of trustees. A new school board of trustees member—and there will be new members after the elections this year—should be able to know that.

I will also turn to some of the recommendations put forward by the select committee. The select committee has recommended that only natural persons and not bodies corporate may be appointed as limited statutory managers or commissioners of a school, but a natural person may be appointed "as being of a named body corporate". I think that is really important. I speak to schools in my own electorate who have been the subject of limited statutory management. They tell me that relationships are vital; having a good relationship with the limited statutory manager is really important. Limited statutory managers effectively take away some of the responsibility from a school's board of trustees. In doing so, they are handed a great amount of trust and responsibility. It is important that they have a good relationship, a relationship of trust, with the community that they are there to serve. That relationship would be hindered if

there was not an actual person with whom a school could identify and say "This is our person; this is the person we are dealing with." I think that that amendment put forward by the select committee is very sensible.

The committee also recommends inserting new clauses to allow the Minister of Education to split one or more schools from a combined establishment board. That will allow for the situation where one of a group of new schools is ready to be opened before the others, and it will allow the Minister to split off a new board to govern the school that is opened while retaining a combined establishment board for the remaining schools. I think that that is a very sensible, practical amendment put forward by the select committee. It is one that I think should be supported.

In conclusion, I have to say that I am at a loss to explain why the National Government seems so opposed to clearly articulating a school board of trustees' responsibilities. I think that is really important in the case of limited statutory managers, and I have spoken to some schools in my own electorate that have said that relationships are really important, and having a person they can deal with is really important. I think that is something that the select committee has recommended and something that I think the House should support. Overall, many of the amendments put forward in this bill are positive; they are constructive amendments. It is a shame that the Government has put on blinkers and has said that only the amendments it is putting forward itself are those it will support; it will not look wider, and it will not pick up many of the other practical, sensible things put forward by the previous Labour Government or by members on the Labour side at the present time.

CHRIS TREMAIN (Senior Whip—National): I move, *That the question be now put*.

Hon TREVOR MALLARD (Labour—Hutt South): In my previous call I focused on the amendments in the name of Mr Grant Robertson. On this call I will focus on the bill, the Education Amendment Bill, most of which we are quite supportive of. There are a few specific points. I think there will be amusement amongst senior members on this side of the Chamber at clause 8 of the bill, where there is a change from "which" to "that". The thing that most members will not understand is that former Prime Minister Helen Clark would have seen that as a bit of a direct attack. I think it is fair to say that Helen Clark had a view. I do numeracy, I do the numbers. I do not pretend to be an English language expert, but it is fair to say that Helen had a view of "which" and "that" that was not shared by the parliamentary drafters at all times. I think that this might be a case of them getting their revenge and doing a reversal.

I have a question for the Minister of Education on clause 15 with regard to the Education Review Office reports for private schools. I ask why they are to be given to the chief executive and managers. I think there might be a mistake, because the chief executive is the manager of a school.

Through the Minister, I would ask the officials to look very carefully and tell me whether she means the trustees or the governors of the school rather than the managers. By stating "the school's principal (or other chief executive) and managers.", we have stated the same class of person twice, when, obviously, if an adverse Education Review Office report reflects on the principal, it is very important that the report goes to the trustees. My understanding is that reports go to trustees of State schools. Therefore, I ask why there is a difference.

I will plead guilty now: I would have looked at this clause eight or 10 times over the consideration of the bill at the Education and Science Committee as I was looking at the submissions going through, and I did not pick this up before. I take some responsibility as a select committee member for that. But I think that if the Minister can get some advice on it, it would not be a big thing if I am right that we did get it wrong coming out

of the select committee, and we could put forward a quick amendment in order to correct the position.

I may be wrong; managers may be a class of people in private schools that we do not have in other schools. I met quite recently with the Independent Schools Association. Although I do not know well the three, I think, schools in Auckland that are for-profit schools, generally speaking, private schools have fairly traditional boards. Sometimes they have a proprietors' board as well as a trustees' board, in the way that integrated schools do, but they always have an equivalent of a board of trustees whose role is to appoint the principal and to run the school and so forth.

I am slightly stretching this in order for the advice to come to the Minister. I will move on and, if necessary, I will come back to that point.

There is a degree of unanimity on the vetting question. Although my colleague Mr Robertson has brought in a number of amendments to the Minister's bill that look back to the legislation of the previous Labour Government, I want to make it clear that I prefer this Minister's bill in the area of vetting, especially at the point we have got to on the legislation as amended by the select committee. We have come to the point of compromise where there is a degree of unanimity on it. This bill is now better than both the bill that Labour introduced and this bill as it was introduced. We have worked together to get this right.

On the question of limited statutory managers, again, this is a very interesting case of a select committee working under MMP. I ask members to remember that I have not been a member of a select committee for a decade, and I think that MMP has evolved. It was very interesting to see members of the select committee develop alliances on particular issues, sometimes coming from quite different perspectives, in order to get to a particular position. On clauses 22 and 23, the committee got to the point where the alliance that formed between the Green Party, ACT, and the Labour Party outvoted the National members on the select committee. I understand that the National Government has now adopted the position that it had opposed in the select committee.

It is fair to say that, even within the Labour Party, the reasons for getting to the position that we did varied. My view, as someone who has had some experience as a Minister dealing with these matters, is that it is very important—not on a frequent basis but where necessary—to pick up the phone and talk to the person who is responsible for what is effectively the statutory management, whether it is a commissioner or the limited statutory manager of a school. With the way that provision was introduced, one would have been ringing Ernst and Young or PricewaterhouseCoopers. Well, that is all very well, but as we know—even as the Minister of Commerce, who has responsibility for matters to do with the statutory management of companies, knows—liquidators and receivers are always named, even if they are effectively a front-person for an accounting company. That is the practice. I think it is important, firstly, to have the contact and, secondly, in order to have someone who is held responsible. That is the position that Roger Douglas came to, and that is the reason he was supportive of this provision.

It is fair to say that the Green Party saw the ability to have statutory managers as privatisation. I might say that one or two of my colleagues were slightly suspicious in that area. I have been around long enough to know that if we really want to privatise, that is probably not the route that we would take. Having said that, the Greens were supportive of the Labour Party position—and we now have the then spokesperson for the Greens and member of the select committee, Metiria Turei, in the Chamber. For a wide range of reasons, we got the balance of opinion of the select committee to the point where it supported this particular clause, and that is useful.

The select committee also did well on the question of splitting the establishment boards. It is my view that this area can be fraught, especially where an establishment

board is developing a number of schools—as is happening at the moment in the Botany area, for example, where there is a lot of new development. It is fair to say that both the Minister and I have had more experience of closing schools than of opening them, but we know that when we are opening a school, it will last for a long time, and it is important to get it right at the beginning. It is important to leave the Minister with flexibility on how we split the schools off, and flexibility as to whether we even do that. Where we generally have quite innovative schools in those new areas that are testing different shapes, models, and approaches to education, we need to keep on thinking about the governance models a bit more than we have done. For example, both in the Albany and the Botany situation, I probably would have preferred to keep one board for those schools and see whether that worked.

I think we might have an answer to the question that I have been delaying for.

JO GOODHEW (Junior Whip—National): I move, *That the question be now put*.

Hon TREVOR MALLARD (Labour—Hutt South): I raise a point of order, Mr Chairman. I know it is very irregular. Without there being any further debate from our side, I seek leave for the Minister to say yes or no on that very minor technical question.

The CHAIRPERSON (Lindsay Tisch): The member is seeking leave?

Hon TREVOR MALLARD: I seek leave for the Minister to—

The CHAIRPERSON (Lindsay Tisch): Sorry, we have moved beyond that. We still have Part 2 to debate.

A party vote was called for on the question, *That the question be now put.*

Ayes 69

New Zealand National 58; ACT New Zealand 5; Māori Party 5; United Future 1.

Noes 53

New Zealand Labour 43; Green Party 9; Progressive 1.

Motion agreed to.

The question was put that the following amendment in the name of Grant Robertson to clause 4 be agreed to:

to add the following new subclause:

(3) Section 2 is amended by inserting the following new subsection after subsection (2):

"(2A)In this Part, and Parts 2 and 3, unless the context otherwise requires, any term that is undefined has the same meaning as that term has in the Education Act 1964."

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 53

New Zealand Labour 43; Green Party 9; Progressive 1.

Noes 69

New Zealand National 58; ACT New Zealand 5; Māori Party 5; United Future 1.

Amendment not agreed to.

The question was put that the following amendment in the name of Grant Robertson to Part 1 be agreed to:

to insert the following new clause:

5A Power of Chief Executive of Ministry of Foreign Affairs and Trade to delegate

Section 4(5) is amended by inserting the words "or any person employed by the Ministry of Foreign Affairs and Trade acting with the delegated authority of and on behalf of the Chief Executive".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 53

New Zealand Labour 43; Green Party 9; Progressive 1.

Noes 69

New Zealand National 58; ACT New Zealand 5; Māori Party 5; United Future 1.

Amendment not agreed to.

The question was put that the following amendment in the name of Grant Robertson to Part 1 be agreed to:

to insert the following new clause:

5B Requirement for Minister to advise House of Representatives of changes to criteria for enrolment in Correspondence School

Section 7(1) is amended by adding the following new paragraph after paragraph (c):

"(d) upon making such notice, the Minister must, as soon as reasonably possible, present such notice to the House of Representatives."

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 53

New Zealand Labour 43; Green Party 9; Progressive 1.

Noes 69

New Zealand National 58; ACT New Zealand 5; Māori Party 5; United Future 1.

Amendment not agreed to.

The question was put that the following amendment in the name of Grant Robertson to Part 1 be agreed to:

to insert the following new clause:

16A New sections 60AA and 60AAB inserted

The following sections are inserted after section 60:

"60AA Functions of board

"(1) A board must perform the following functions:

"(a) ensuring the enrolment at the school of all persons who are entitled to be enrolled at the school and apply to be enrolled at it:

"(b) ensuring that education is provided to each student enrolled at the school:

"(c) promoting a school environment that supports the highest standards of achievement for all students:

"(d) actively managing and monitoring the performance of the principal:

"(e) ensuring that the performance of the school's other staff is actively managed and monitored:

"(f) actively managing and reporting on the school's performance against the aims and objectives set out in the school charter:

"(g) ensuring that the school, including its assets, finances, and property, is managed in a financially responsible manner:

"(h) ensuring the maintenance of proper standards—

"(i) of integrity and conduct appropriate to the board's status as a Crown entity; and

"(ii) for the safety and wellbeing of all students enrolled at the school:

"(i) any other function imposed on it by or under this Act or any other enactment.

"(2) A board may perform the following functions:

"(a) allowing the school to engage in activities that are incidental and related to, or consequential upon, the board's functions, other than those functions that are authorised under section 60AAB:

"(b) any function authorised under section 60AAB:

"(c) any other function it is authorised to perform by or under this Act or any other enactment.

"(3) Nothing in this section overrides any provision in this Act or in any other enactment that relates to a particular function of a board.

"60AAB Minister may authorise board functions

"(1) By notice in the *Gazette*, the Minister may authorise all boards or classes of boards to perform any function or class of functions—

"(a) not otherwise specified in this Act; and

"(b) with any condition on the performance of the function, or class of functions, that the Minister considers is necessary or desirable.

"(2) By written notice to a board, the Minister may authorise it to perform any function—

"(a) that is not otherwise specified in this Act; and

"(b) with any condition on the performance of the function that the Minister considers is necessary or desirable.

"(3) Before issuing a notice under subsection (1), or giving notice to a board under subsection (2), the Minister must consider whether or not the proposed function—

"(a) is associated with educational outcomes that will bring educational benefit to the school or its community, or to any other school; and

"(b) has a community purpose that presents no educational disadvantage to the school; and

"(c) will use or displace resources allocated by the Crown for educational purposes; and

"(d) may involve significant fiscal risk for the Government or significant financial risk for the board or boards, as the case may be; and

"(e) may involve a high level of reputational risk for the Crown or the board; and

"(f) may place unwarranted compliance costs on the board or boards, as the case may be.

"(4) The Minister may from time to time, after reconsidering the matters set out in paragraphs (a) to (f) of subsection (3), amend or revoke,—

"(a) by notice in the *Gazette*, an authorisation notified under subsection (1); or

"(b) by written notice to a board, an authorisation notified to it under subsection (2).

"(5) A board's functions authorised under this section must be performed in accordance with the requirements of this Act and any other relevant enactments."

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 53

New Zealand Labour 43; Green Party 9; Progressive 1.

Noes 69

New Zealand National 58; ACT New Zealand 5; Māori Party 5; United Future 1.

Amendment not agreed to.

The question was put that the following amendment in the name of Grant Robertson to Part 1 be agreed to:

to insert the following new clause:

20A Guidance and counselling

Section 77(a) is amended by inserting ", including guidance and counselling on career choices and career pathways" after "counselling".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 53

New Zealand Labour 43; Green Party 9; Progressive 1.

Noes 69

New Zealand National 58; ACT New Zealand 5; Māori Party 5; United Future 1.

Amendment not agreed to.

The question was put that the following amendment in the name of Grant Robertson to Part 1 be agreed to:

to insert the following new clause:

60A Exercise of certain powers of Authority
Section 260(7) is amended by omitting "laid before" and substituting "presented to".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 53

New Zealand Labour 43; Green Party 9; Progressive 1.

Noes 69

New Zealand National 58; ACT New Zealand 5; Māori Party 5; United Future 1.

Amendment not agreed to.

A party vote was called for on the question, *That Part 1 be agreed to.*

Ayes 113

New Zealand National 58; New Zealand Labour 43; ACT New Zealand 5; Māori Party 5; Progressive 1; United Future 1.

Noes 9

Green Party 9.

Part 1 agreed to.

Part 2 Transitional provision, validations, and consequential amendments

Hon TREVOR MALLARD (Labour—Hutt South): I will focus particularly on Supplementary Order Paper 99 today. It is in my name, and it inserts new clause 78A in the Education Amendment Bill to validate borrowing by King's High School in Dunedin.

This matter has a long history, and it is one that I think neither the ministry nor two, three, or even four Ministers of Education have very much to be proud about. The short story is that a number of years ago King's High School entered into an agreement to build a joint facility with Queen's High School. It received some additional Government money in order to build a performing arts centre. Unfortunately, the school's board—we think probably through the former principal—was under the impression that it could effectively draw down on its 5-year property plan money: that it could get a bank loan in that year, and a year or two later, when it became eligible for more 5-year property money, it could use that to repay the loan. The advice to the board was wrong, and as a result the school has been paying about $4,800 a month since that time to service the loan. At the same time that the school has this loan, which it would like to get rid of, it has a large amount in credit in terms of the 5-year property plan money that it would have been able to draw on from 2008 onwards.

I make it very clear that the board was not correctly advised. It took out a bank loan for a building, and it has a large credit with the Ministry of Education for building

purposes. It wants to use that credit—about $400,000 of it—in order to repay the loan, so that it stops paying the $4,800 a month to service the loan from the school's operations grant funding. That money would otherwise be used for the direct educational benefit of kids, and the school has indicated to me that its top priority, if it could, for spending the money in credit would be to apply it to the repayment of the loan.

I will put all the cards on the table. At least one former Labour Minister of Education received a letter from the school and turned it down. It might have been two Ministers, but I know that one Minister did. That Minister was wrong to do so.

I have now had two meetings with the current Minister of Education about this issue. It is fair to say that at the earlier meeting she understood the problem and asked the ministry for advice on a solution to it. I make it clear that this is not the only solution to the problem. There could be a policy change in relation to 5-year property funding to sort it out; there are a number of routes that the Minister could take in order to solve it. But the trouble is that if the Minister makes a policy change, she probably opens up the door for other schools, which I think is probably not a wise thing to do without going through a longer process.

But in relation to this particular school, the facts are well known. We have a school that has now been committed to using its resources, and it is not a rich school. Despite the names "King's" and "Queen's"—and when we hear "King's", a lot of people think of Auckland and of a school that is in a much better financial position than this school—Dunedin South is a medium to low decile area, and King's High School is not a wealthy school. It is not in an area of growth, and it is not in an area where there are major benefactors. It is fair to say the school is in quite good condition. One of the interesting things that we learn while serving as the Minister of Education is that boys wreck their schools, but that girls do not. The sad thing that occurred there in relation to the two schools—which are of the same vintage—is that the boys received their new school buildings before the time provided for under the 5-year property plan, but the girls did not get their new school. So the boys' school, King's High School, is in a much better position than Queen's High School. I actually like the style of the buildings at the girls' school a bit more than those at King's High School, but there is no doubt that King's High School has more up-to-date, modern facilities and more room than the girls' school has.

My question is really about whether it is appropriate or right for the interest on that loan to keep on flowing to Westpac ad infinitum, instead of that money being used by the school. It could be used for the special-needs pupils at the school, for extension work at the school, for the maintenance of the school—and it does not need a lot of maintenance—or to buy computers. Over $50,000 a year could be used to employ another teacher. I think that the Minister, although she and I might have debates about the adequacy of schools' operations grants—I think that schools need more of that funding—would agree that the grants are not particularly generous. Nor are they set up in order for a mid-sized, medium-decile secondary school to use that money in that way.

I want at this stage—and it is interesting to note that I am doing this in two debates in a row—to acknowledge the work that Sir Roger Douglas has done on this issue. He has taken the time to investigate the issue and look at the fairness of the situation. Notwithstanding the fact that the suggested amendment has come from the Labour Party, he has agreed to support it. I say to my colleagues from the Māori Party that I think it is sad that to date they have not made any contact with the school. There is an issue there, and there is an offer for them to be briefed on that issue. There is an offer for the Māori Party to understand the priorities of the school, but that offer has not been

taken up, either by its education spokesperson or by its local member of Parliament. I think that is sad.

At this stage it is important to acknowledge Clare Curran, the Dunedin South member of Parliament, who took me to the school, where I was briefed on the situation. I think it is fair to say both of us are a little embarrassed that we are in this situation. It is something that could have been fixed by a former Labour Minister of Education. There is no glory in this situation, and it is something that I think could have, and should have, been sorted out.

The Minister says the approach set out on Supplementary Order Paper 99 is inappropriate under the Public Finance Act. I have invited her to look at legislation of a very similar nature that has been passed in the last year. Every year Parliament passes dozens of validating clauses to sort out wee mistakes that have been made. That is what Parliament is for. Parliament is there to make sure that when mistakes that are against the law—that breach the law—are made that are technical, not deliberate, people should not suffer because of it. We are here as parliamentarians to try to sort out these things for the sake of the kids, and there is a solution here. It will make no difference to anyone who is not at the school. It does not involve any extra money. Nothing extra has to be voted as a result of this exercise; the money is sitting there for that school to use as it wants. All that this amendment does is to say to King's High School that it has the ability to use its money from its 5-year property plan, which it thought it could use to pay off the debt, to pay off the debt. I think that it is not an unreasonable request. We have thought a lot about this, and I cannot think of a better way of doing it, without opening the gate to other schools.

Hon ANNE TOLLEY (Minister of Education): I think it is outrageous that this issue has come to the Committee in this manner. I am really disappointed, on behalf of the school, that Mr Mallard has chosen to do this, in this manner, in the Chamber. But let us put out some information.

I am advised that in 2005, contrary to ministry advice, King's High School in Dunedin built a performing arts centre. It was encouraged to do so, as I understand it, by Mr Mallard himself. The school built a performing arts centre that was 60 percent larger than was required for the size of the school, and it paid a square metre rate that was 168 percent higher than the industry benchmark for that type of facility. King's High School paid almost $4.5 million for its performing arts centre, which compares with the Ministry of Education's current valuation for it of $1.275 million. This was a conscious decision made by a board of trustees, and we entrust boards of trustees to make these sorts of decisions. Mr Mallard himself, when discussing this with me, has admitted to the part that he played in getting the board into this situation. But it was a conscious decision that the board made, and the board knew that it would have to borrow money in order to complete the centre.

I am not sure where the idea came from that the board had received wrong advice from the ministry about the idea that the 5-yearly agreement funding could be used, but it was incorrect information. If the board had listened to the ministry, it would have known that it could not use the 5-yearly agreement funding to repay a loan. That 5-yearly agreement funding is provided to refurbish existing property; that is what it is appropriated for. Under the Public Finance Act it cannot then be used for another purpose—in this case, to repay a loan. We have been down that track, and I have explained that to Mr Mallard. In fact, in fairness I tell the Committee that Mr Mallard asked his colleagues the former Ministers of Education—both Minister Maharey and Minister Carter—to do a similar thing to what he is asking this Committee to condone tonight, and they declined to do so. They declined because other schools have also made similar decisions around borrowing to build property that is outside what is provided by

the ministry. If we allow one school to come back later and say: "Oh, hang on a minute. We didn't do this properly, and now we would like to remedy this, because we are paying for a loan from our operations grant.", we will open the floodgates and destroy our policy.

But I say in mitigation, because we do have some sympathy for a school—

The CHAIRPERSON (Lindsay Tisch): I am sorry to interrupt the honourable Minister, but the time has come for me to report progress.

Progress reported.

Report adopted.

The House adjourned at 9.55 p.m.

WEDNESDAY, 21 APRIL 2010

Mr Speaker took the Chair at 2 p.m.
Prayers.

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

Sale of Public Assets—Mining in Conservation Areas

1. METIRIA TUREI (Co-Leader—Green) to the **Prime Minister**: Is it current Government policy that no State assets will be sold either partially or fully?

Hon BILL ENGLISH (Acting Prime Minister): This Government has said many times it is Government policy not to sell State assets in the term of this Government. That means not selling an ownership interest in State-owned enterprises or Crown companies, and we have stuck to that policy. If the member is referring to tenure review and land that is sold as a result of that, tenure review has been going on since 1948.

Metiria Turei: Does the digging up and selling off of publicly owned minerals in our national parks by privately owned firms benefit private interests?

Hon BILL ENGLISH: That is a very unusual interpretation of the policy, but in respect of the schedule 4 consultation document I would think there is absolutely no prospect that in this term of the Government—even if we accepted her interpretation—there would be mining in any of those areas. [*Interruption*]

Mr SPEAKER: I apologise to the honourable member Metiria Turei. She had not even got out a word of her question before there was an excessive level of interjection. That is unreasonable.

Metiria Turei: Is a 5 percent Government share and a 95 percent private share of the profits from the mining of State-owned minerals a full or partial privatisation of a State asset?

Hon BILL ENGLISH: The member may be interested in a word game around that. The fact is that mining occurs regularly on Crown-owned land. I have never before heard that described as any kind of privatisation. The previous Government gave out mining licences, because the Department of Conservation provided access to mining on the conservation estate. We do not regard that as privatisation.

Metiria Turei: Can the Prime Minister clarify whether the State-owned minerals that he plans to sell off will still be there for future generations to utilise, or will they have gone into private hands?

Hon BILL ENGLISH: I think the answer to the question is obvious: if minerals are dug out of land owned by the Crown—which happens in a large number of cases right now—and they are sold, then those minerals are not there for future generations.

Metiria Turei: So the Prime Minister does understand, then, that when he sells something to someone else it no longer belongs to him, and that if he sells off a public asset, which is the mineral wealth belonging to the public, to someone else—

Mr SPEAKER: I have been listening very carefully, and I have been unable to discern a question in what the member has said so far. I do not expect the member to start with a question word, but I was waiting to hear a question emerge.

Metiria Turei: I raise a point of order, Mr Speaker. I did start the question with the phrase "does he understand".

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I might be from the Hutt Valley and that might be an explanation for this, but I heard the member say "does he understand". That is a question.

Mr SPEAKER: I invite the member to repeat her question. Please make it more clearly a question, because it started out "So, the Prime Minister does understand … that …" and then went on with a statement. I think we should really have a question.

Metiria Turei: Does the Prime Minister understand that when he sells something to someone else it no longer belongs to him, and that the selling off of publicly owned minerals to private interests means that they no longer belong to the public?

Hon BILL ENGLISH: Yes, he does understand that, and I am impressed with the sophisticated analysis that the Greens are applying to this complex issue.

Metiria Turei: Given the Minister's answer that he does not expect there to be the selling off of State assets in this term, can he confirm that it has been National's plan all along to have a fire sale of New Zealand's State assets in 2012?

Hon BILL ENGLISH: No. In respect of the position on State assets, the Government has stated many times that in this term of office it would not sell State assets. If that were to change, it would announce a position prior to the 2011 election and campaign on it.

Metiria Turei: How can the public have any confidence in this Prime Minister when, in breach of a promise he made to the electorate, he still plans to dig up and sell off a publicly owned asset, the mineral wealth of this country, destroying sections of national parks held dear to the hearts of New Zealanders across the country, and when he is attempting to dupe the public by saying this is not the privatisation of a public asset?

Hon BILL ENGLISH: The member has quite an interesting combination of conclusions that she has jumped to and assertions that she has made up in that respect. The fact is that the Government has put out a consultation document on whether there should be mining on some schedule 4 land, submissions are being made on that document, and the Government will then make decisions after it has heard public views. In the meantime, as I understand it, under the previous Government, which the member supported, there was a considerable amount—and there still is—of mining occurring on publicly owned land, generally to the benefit of New Zealanders, who get well-paid jobs, and of the service industry, and without a major impact on the environment.

UN Declaration on the Rights of Indigenous Peoples—Prime Minister's Statements

2. Hon PHIL GOFF (Leader of the Opposition) to the **Prime Minister**: Does he stand by his statement regarding the Declaration on the Rights of Indigenous Peoples that "It is an expression of aspiration; it will have no impact on New Zealand law"?

Hon BILL ENGLISH (Acting Prime Minister): Yes, and it is worth noting that other countries, such as Australia, announced their support for the declaration in recent years, and, despite the member's dire predictions, Australia, for instance, has not been handed over in its entirety to its indigenous people.

Hon Phil Goff: What does he say to legal expert Mai Chen, who says that, to the contrary, affirming the principles of the declaration actually influences New Zealand courts and the Waitangi Tribunal?

Hon BILL ENGLISH: Ms Chen would know that New Zealand courts have already imported reference to the declaration—in fact, the draft declaration—into judgments in the New Zealand courts. As the member will know, the Government is in constant negotiation with Māori about the regulation and ownership of resources and various other property rights. I have found the expectations of Māori to be pretty pragmatic and quite progressive, where they are keen to get on with creating jobs, lifting incomes, and getting better education. Actually, they are not that preoccupied with the declaration.

Hon Phil Goff: Does the Government's affirmation of article 4, which gives indigenous people the right of self-determination, autonomy, and self-government,

mean that the Government will give to the Tūhoe what they are seeking, which are those exact same things; if not, what does it mean?

Hon BILL ENGLISH: The answer to the question about Tūhoe is no. They will not be getting the right to self-government. The member knows that is a silly question. The member should understand the process: the Government has made a statement of affirmation of the declaration, and the degree to which New Zealand affirms that declaration is in the statements made by Minister Sharples and Minister Power, and by the Prime Minister.

Hon Phil Goff: Does the Government's affirmation of article 26, which gives indigenous people the right to land that they have traditionally owned, occupied, or used—

Hon Trevor Mallard: Or used?

Hon Phil Goff: —or used, which actually covers the whole of New Zealand, mean that individually owned land will now be subject to Treaty demands, or was that affirmation just an empty gesture?

Hon BILL ENGLISH: As the various statements from various Ministers have made plain, issues to do with land are determined within New Zealand's legal framework, and the affirmation of the declaration does not make any change to that. However, we are very pleased to see that Māori are keen on the idea of running their own lives, which is completely different from Labour's view, which is that the Government should run their lives, that they should be dependent, and that there is nothing that Māori can do about that.

Chris Tremain: Has the Prime Minister seen reports contradicting dire predictions of dangerous divisions between Māori and Pākeha?

Hon BILL ENGLISH: It is not just reports that we have seen. As I said earlier, the Government is interacting daily, often on quite contentious issues, with a range of Māori groups, and doing so in a very positive and progressive manner. I think that the dire predictions by the Opposition are more to do with its loss of the Māori vote than anything else.

Hon Phil Goff: Does the Government's affirmation of article 17, which requires the Government to seek consent from indigenous peoples before passing laws, mean that Māori people have a veto over the laws; if not, what does it mean?

Hon BILL ENGLISH: As we have said any number of times, all those processes carry on within the framework of New Zealand law. As it happens, the current Government is in coalition with the Māori Party, and we often seek its agreement to pass laws. That is democracy, and we do not see what is wrong with that.

Hon Rodney Hide: Does this Government have as its aspiration for New Zealand article 26 of the declaration, which states: "Indigenous peoples have the right to the lands, territories and resources which they have traditionally owned, occupied or otherwise used or acquired."?

Hon BILL ENGLISH: As I stated earlier, all those matters related to land are dealt with in the current New Zealand framework, which is not altogether straightforward, because a common law tradition, for instance, recognises longstanding traditional occupation of land. We are negotiating every day with Māori interests over control of land and resources, and we are doing so very productively.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. It is unusual for me to take a point of order on behalf of Rodney Hide, but that was a very clear question about whether the Government has an aspiration. In the answer was a whole pile of stuff to do with dealing with the issue, but the fundamental question as to whether that particular clause was the Government's aspiration was not even addressed.

Mr SPEAKER: It is an interesting point of order, but it is my interpretation, listening to the Minister's answer, that, in fact, he explained what the Government's aspiration was with respect to the treatment of land. Although it may not have been exactly the answer the member wanted to hear, when a member asks that kind of question—about an aspiration—there is no specific answer to it. I do not think I can ask a Minister to give any particular answer to that kind of question.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I think this is an important issue. It may be that you, Mr Speaker, could understand that from the Minister's explanation, but I think it is fair to say that most people in this House could not understand from his explanation whether it was the Government's aspiration to hand land over to Māori.

Mr SPEAKER: I must say to the honourable member that it was a nice try, but, as the Speaker has to be the judge in these matters, I have to base my judgment on what I understand from what the Minister said. That is the way I see the answer.

Hon Phil Goff: Do any of the affirmations in the declaration that the Government has agreed to represent an extension of Māori rights; if so, where?

Hon BILL ENGLISH: As I have said, all the issues that have been referred to here will be dealt with inside the current legal framework of New Zealand. That is not a radical view; we have heard today that the US has now stated that it is reviewing its position on the Declaration on the Rights of Indigenous Peoples.

Hon Phil Goff: I raise a point of order, Mr Speaker. You will recall that that was a very specific question about whether any of those affirmations represent an extension of Māori rights. I would have thought I could get a direct answer to that question, rather than a fudged answer.

Mr SPEAKER: I have to agree on this occasion with the honourable Leader of the Opposition. It was a very specific question; there was no political loading in it. It asked whether the rights are extended in any way, and I believe there is a real interest in the answer to that question. I ask the Hon Bill English to—

Hon BILL ENGLISH: I answered the question quite directly to say that all the issues that the members have referred to are dealt with within the existing legal framework of New Zealand.

Mr SPEAKER: I will ask the honourable Leader of the Opposition to repeat his question so that everyone can hear it. The issue is about rights. Within the legal framework of New Zealand there may be subtle changes in the rights people have—I do not know; I am not an expert in this area. But I think an answer that more directly addresses the question the member asked is on this occasion warranted.

Hon Phil Goff: Do any of the articles in the declaration that the Government has just affirmed represent an extension of Māori rights; if so, where?

Hon BILL ENGLISH: The answer is the one I gave before: all Māori rights are subject to the existing legal framework in New Zealand, and that does not change as a result of this affirmation.

Hon Phil Goff: I raise a point of order, Mr Speaker. If that answer was the answer that the Minister gave before, you already indicated to the House that that was not satisfactory.

Mr SPEAKER: The slight difference in the answer given this time was that the Minister, in answering it, said that the rights that Māori have in New Zealand are determined by the current framework of our law, and implied in that answer that there was therefore no change to the rights. If that was an incorrect interpretation, I am sure further supplementary questions will elucidate the matter.

Hon Rodney Hide: Does the Prime Minister accept each and every one of the 46 articles of the declaration as an expression of aspiration for New Zealand, or are there some articles that the Prime Minister rejects?

Hon BILL ENGLISH: The best exposition of the Government's position on that is set out in the statement of affirmation that was read out by Minister Sharples in New York and Minister Power here.

Hon Rodney Hide: I raise a point of order, Mr Speaker. I do not believe for a minute that that could be an answer in Parliament to a question of whether each of the articles is an expression of aspiration for the country. To say that something was read at 4.45 a.m. on the other side of the Earth is not a parliamentary answer to a question.

Mr SPEAKER: I have some sympathy with the member's point of order, because members of this House will not necessarily be familiar with the statement made by the Minister in New York.

Hon Simon Power: It is the same statement; I read it yesterday.

Mr SPEAKER: Well, if in fact that is the statement read to the House, and if that is what the Minister is saying, then the Minister should be able to answer the question asked by the member. The member asked for elucidation on that statement, and the House has not heard any elucidation. I invite the member to repeat his question.

Hon Rodney Hide: Does the Government accept each and every article of the 46 articles as an expression of aspiration for New Zealand, or are there some articles of the 46 that the Government does not accept?

Hon BILL ENGLISH: The answer to that, I suppose, is no. We have made it clear that the Government affirms the statement, subject to the existing legal framework of New Zealand remaining unchanged. The commentary on the declaration shows that some of the rights expressed in there are quite uncontentious—the right to freedom of religion, property rights, and so on—and some of them are more contentious. Whatever the nature of the articles there, they are all subject to New Zealand's existing legal framework, which remains unchanged as a result of the affirmation.

Budget 2010—Tax Reform

3. AARON GILMORE (National) to the **Minister of Finance**: What are the Government's objectives for tax reform in this year's Budget?

Hon BILL ENGLISH (Minister of Finance): The Government has two main objectives: to enable the economy to grow faster, and to give people more choices about what to do with their own money in a fairer tax system. Both are important and necessary. We can help to lift growth in the economy, and encourage savings and exports over borrowing and consumption, by making changes in the tax system. We can make it fairer if we apply even tax rates across different sectors and fix some of the glaring anomalies that currently exist.

Aaron Gilmore: What would be the impact on prices of any lift in GST?

Hon BILL ENGLISH: This issue was addressed by Statistics New Zealand in a release back in February. It calculated that the lift in prices from a 15 percent GST rate would be just over 2 percent. For those goods already subject to 12½ percent, Statistics New Zealand says that the rise would be equivalent to a 2.22 percent lift in price. However, GST does not apply to all expenditure, and rents, mortgage payments, and school donations are exempt. When these are allowed for, Statistics New Zealand says that the overall increase is about 2.02 percent. This increase would be lower than the actual inflation rate in each of the past 6 years, and in 9 of the past 10 years.

Aaron Gilmore: How would the Government ensure that real incomes are maintained or increased, in light of a GST increase?

Hon BILL ENGLISH: A number of tools are available to the Government. Firstly, income tax rates could be reduced for all levels of income by an amount that is at least as great as any GST rise. Secondly, there could be an immediate upward adjustment for beneficiaries, superannuitants, and those receiving Working for Families and other supplementary assistance. All of these are indexed to the CPI, which ensures that real incomes will be permanently maintained. In the case of national superannuation, as well as CPI-indexation payments, the rate would go up as a result of tax cuts.

Stuart Nash: Is it one of the Government's objectives to ensure that the 91 percent of taxpayers who are earning under $70,000 a year will benefit fairly from the tax reforms in Budget 2010, after having missed out so badly in Budget 2009; if not, why not?

Hon BILL ENGLISH: What those taxpayers missed out on so badly was the last Government's squandering of a long period of economic growth, where those taxpayers got not one single cent until the month before the 2008 election. We will fix that.

I seek leave to table the media release by Statistics New Zealand on 21 January 2010.

Mr SPEAKER: This is just a media release. I think these media releases are available to all members. I do not think I will allow this.

Senior Citizens—Effect of Government Policies

4. Hon PHIL GOFF (Leader of the Opposition) to the **Minister of Finance**: What reassurance did he give to delegates at the Grey Power conference about his explanation of how Government policies were affecting vulnerable, older people?

Hon BILL ENGLISH (Minister of Finance): I pointed out a number of the Government's initiatives that have helped them. In health, the Government has delivered an extra 12,000 elective operations this year, which is a record annual increase. In law and order, we have provided for an extra 600 front-line police officers, and have given the police new tools, such as Tasers, to go after criminals. And I pointed out that since 1 October 2008 the New Zealand rate of national superannuation for a married couple has increased by $100 a fortnight in the hand.

Hon Phil Goff: Did his explanation to the delegates about his cleaning his own bathroom impress them, when they know that Ministers' cleaning costs are paid for them and this Minister actually asked for more, and when people like Desmond Peat, a war veteran who has had a leg amputated and is on the waiting list for a heart bypass operation, has just had his home help cut by 1½ hours?

Mr SPEAKER: If I heard the question rightly, it asked about the reaction of an audience at a meeting. The Minister is not responsible for how an organisation may react. [*Interruption*] I am dealing with an issue. If the question had asked specifically about the speech, that would have been fine, but the question asked about the reaction of an audience. The Minister is not responsible for that. I would like the member to please rephrase his question to make it come clearly within the Standing Orders.

Hon Phil Goff: What I asked was whether the Minister had impressed the delegates, and he has an opinion on that because he gave the speech.

Mr SPEAKER: If the member would repeat his question. I accept the point he is making, absolutely.

Hon Phil Goff: Did his explanation about cleaning his own bathroom impress delegates, when they know that Ministers' cleaning costs are paid for them and this particular Minister asked for more, and when people like Desmond Peat, a war veteran who has had a leg amputated and who is waiting for heart surgery, has just had 1½ hours of his home help cut, leaving him with nothing?

Hon BILL ENGLISH: Actually, the Prime Minister has removed cleaning costs; it was a privilege available to Labour Ministers that National Ministers do not receive. I

thought the member had a serious intent behind his question, which was home care for vulnerable older people, but I see that he does not.

Hon Phil Goff: What does the Minister, in light of what he was told by the delegates at the conference, say, then, about the man about whom I received a letter today? Henry is 84, has heart problems and bowel cancer, and has difficulty walking, and his 1¾ hours of home care have just been cut. That is miserable. Why is the Minister of Finance allowing that to happen?

Hon BILL ENGLISH: At the meeting with Grey Power, I outlined to Grey Power that we felt the system ought to deal with cases individually to ensure that vulnerable older people were not left without care. My colleague the Minister of Health has pointed out that people have the opportunity to bring those cases forward and they will be dealt with.

Hon Phil Goff: I seek leave to table the letter about Henry, which identifies his son's name and his circumstances, and as Henry lives in or near the member's—

Mr SPEAKER: The last bit was not necessary to seek leave to table a document. Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Jo Goodhew: What upfront compensation was provided to superannuitants and vulnerable older New Zealanders when GST was last increased, in 1989?

Hon BILL ENGLISH: When GST was increased 21 years ago by the Labour Cabinet, which included the current leader and deputy leader of the Labour Party—Phil Goff and Annette King—there was not one cent of compensation for superannuitants. I am not surprised, because Phil Goff has told the media and the public that he is against an increase in GST but will not roll it back.

Hon Phil Goff: Did the Grey Power delegates think it was fair that frail and vulnerable elderly people on low incomes have been stripped of their home—

Mr SPEAKER: The member asked whether Grey Power delegates did something; the Minister has no responsibility for that.

Hon Phil Goff: Did the delegates tell the Minister that they thought it was fair that frail and elderly people were being stripped of their home-care assistance while he, as Minister of Finance, has foreshadowed tax cuts that will give him and his Cabinet colleagues about $240 extra a week?

Hon BILL ENGLISH: They raised the issue of home care, because we have an open and constructive relationship with Grey Power. Where they have raised legitimate cases that should be looked at, the Minister of Health has undertaken to look at them.

Jo Goodhew: How would superannuitants be compensated for any increase in GST as part of any tax package in the Budget next month?

Hon BILL ENGLISH: For the benefit of the Leader of the Opposition, who has made a number of public statements that indicate he does not understand how New Zealand Superannuation works, let me explain. If GST is increased, there would be a once-only increase in the rate of inflation of just over 2 percent, and after-tax superannuation rates would be increased on the day of any GST increase by that amount. To meet other and ongoing price increases, the usual annual inflation adjustment would be made to superannuation rates, so that superannuitants' spending power was preserved. Finally, any personal income tax cuts would also increase the amount of superannuation that people would receive in the hand, because there would be less tax on superannuation and because it would raise the floor of 66 percent of the after-tax average wage.

Hon Phil Goff: Did the delegates tell Mr English that they thought the Government had its priorities right in cutting home help, in cutting out funding for the Accident

Compensation Corporation's falls prevention programme, and in cutting orthopaedic surgery for elderly people, while this Government is giving a privileged and wealthy elite the biggest cuts in recent times to their income tax in the forthcoming Budget?

Hon BILL ENGLISH: In fact, no, they did not say that, because they understand what the Leader of the Opposition does not, which is that in the depths of a significant recession the Government has protected the elderly, as is indicated by the fact that New Zealand Superannuation for a married couple is now $100 per fortnight higher than it was in October 2008. They also understand that we need to lift growth in this economy if we are to give them a decent standard of living.

Hon Phil Goff: At the end of his discussion with the Grey Power delegates, did he have any better understanding of why they think this Government is looking after itself and its wealthy mates while slashing help to elderly people who have paid taxes all of their lives?

Hon BILL ENGLISH: Coming from the leader of a party whose Government squandered 9 years of a growing economy—

Hon Phil Goff: I raise a point of order, Mr Speaker. [*Interruption*]

Mr SPEAKER: A point of order has been called. That is unacceptable.

Hon Phil Goff: Mr Speaker, I think you know that it is not appropriate for the Minister to start an answer to a question in that way.

Hon Gerry Brownlee: Mr Speaker, you have previously ruled that if members ask questions that make outrageous assertions, such as those made by the Hon Phil Goff in that question, they should expect a hard flick back.

Hon Trevor Mallard: Speaking to the point of order, Mr Speaker.

Mr SPEAKER: This will be the last—[*Interruption*] People are offending all over the place. I remind them that a point of order is being heard, and it should be heard in silence. Please do not try my patience. This will be the last comment I hear.

Hon Trevor Mallard: I think the comment made by the Leader of the Opposition as part of his question was definitely political but not offensive, and did not invite that sort of reaction. If the member were trying to be offensive, he would have invited the Minister to pay the money back.

Mr SPEAKER: The only reason why I will not come down very hard on the Hon Trevor Mallard is that other members have offended under this point of order process, and it would be seen as being unfair. But that comment was very unacceptable. It was because points like that were built into the questions asked by the Leader of the Opposition during this course of questioning that I did not object to the manner in which the Minister of Finance responded to the previous question. If members want to load into questions material that some Ministers may find offensive, then they should not seek my protection when a Minister responds in kind. That is why I did not intervene on that occasion. Members will have noticed that where members ask straight questions and a Minister makes gratuitous comments, I come down on the Minister pretty hard. But a series of questions during this question No. 4 have been personally pretty critical of the Minister, so we cannot blame the Minister for being critical in response to the previous question. I agree that he has to answer the question.

Hon BILL ENGLISH: I am surprised the member is so motivated about this issue, because despite Labour having record surpluses and a fast-growing economy, it cut home care, and that member never complained. He leads a party that squandered the opportunity to make important changes to support our older people, and they have not forgiven him for that.

Hon Trevor Mallard: I seek leave to table in this House a copy of the request on behalf of Bill English for additional cleaning money.

Mr SPEAKER: Is this document a letter?

Hon Trevor Mallard: It is either a letter or an email; I have it in my room.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is objection.

Road Safety—Young People

5. DAVID BENNETT (National—Hamilton East) to the **Minister of Transport**: What improvements has the Government announced for road safety for young people?

Hon STEVEN JOYCE (Minister of Transport): The Government has agreed on a package of measures that will improve road safety for young drivers in New Zealand and narrow the gap in our safety record for young drivers relative to those in Australia. These measures include increasing the driving age from 15 to 16; making the restricted licence test more difficult, to encourage 120 hours of supervised driving practice; improving the road safety education available to young people; and investigating tougher penalties for breaches of restricted licences. In addition, the Government is investigating vehicle power restrictions for young drivers.

David Bennett: What else is the Government doing for young drivers in order to reduce the road toll?

Hon STEVEN JOYCE: A second package of initiatives focused on the impact of alcohol on our roads will be discussed by Cabinet shortly. This package includes a proposal to reduce the youth blood-alcohol limit to zero.

Darien Fenton: What improvements has the Government been considering to cycle safety on our picturesque highways, given that the Minister has just increased the potential weight of trucks to 53 tonnes while reducing the funding available for road maintenance; and what will he do to counter claims by European tourists that our roads are now too dangerous for cycle touring?

Hon STEVEN JOYCE: There are a number of incorrect assertions in the member's question, including the one that we have reduced the amount for State highway maintenance. That is simply incorrect. The second point is that the increase in permitted limits for trucks will actually reduce the number of trucks on the road for the same weight of freight. The third point is that we have a number of initiatives in Safer Journeys, which I am happy to provide the member with a second copy of if she wishes to read the initiatives in relation to cycle safety on New Zealand roads.

Whānau Ora—Establishments of Contracts

6. Hon ANNETTE KING (Deputy Leader—Labour) to the **Minister responsible for Whānau Ora**: What progress has been made towards the establishment of the 20 Whānau Ora contracts expected to start in July 2010?

Hon TARIANA TURIA (Minister responsible for Whānau Ora): A Government group has been established to facilitate the implementation of Whānau Ora and provide leadership and coordination across Government agencies and stakeholders.

Hon Annette King: Will any of the 20 Whānau Ora contracts be located in the 58 areas that have Strengthening Families, which is a programme that the Minister for Social Development and Employment, Paula Bennett, said is Whānau Ora, or in the 13 areas where Early Years service hubs already exist, which are coordinating services where 98 percent of its families are Māori; if so, will these existing programmes cease or have their funding reduced?

Hon TARIANA TURIA: Strengthening Families focuses on better coordination of roles between agencies when supporting families. Whānau Ora seeks to better position w'ānau to take responsibility for their own futures.

Hon Annette King: What plans are in place to evaluate the Whānau Ora programme using such methodologies as randomised control trials to compare the outcome of

whānau receiving Whānau Ora - based services with an equivalent group that are receiving existing services?

Hon TARIANA TURIA: There will be research running alongside of Whānau Ora, but it will not be to compare them with existing failed services.

Rahui Katene: What does she expect will be achieved through a Whānau Ora approach?

Hon TARIANA TURIA: Essentially we expect that w'ānau will be empowered to deal with the issues that confront them rather than be trapped in an environment of crisis. A Whānau Ora approach will enable people to focus on their own potential and opportunities to improve their situation. Some w'ānau will continue to need the support of service providers and also agencies to make that transition.

Hon Annette King: Does she agree with the Prime Minister that after spending over $1 billion on Whānau Ora, if it does not work "we will try something different"; and because there is a large amount of funding at risk, when will she be in a position to present an initial statement on the success of the Whānau Ora - based approach compared with the outcomes from existing provisions?

Hon TARIANA TURIA: After 30 years of failed provisions, I think I can safely say—

Hon Members: Oh, oh!

Hon TARIANA TURIA: Do those members want to hear the answer?

Mr SPEAKER: The Speaker wants to hear the answer.

Hon TARIANA TURIA: I feel very confident, because right throughout the country the whole non-governmental organisation sector is so excited and highly motivated to make this work. The Labour Party members might laugh, but in the next election we will see how excited they are.

Hon Annette King: I raise a point of order, Mr Speaker. That might have been a nice answer to clap for, but it certainly was not an answer to the very direct question that I asked.

Mr SPEAKER: As I recollect the member's question, it was a fairly direct question that asked the Minister when she might be in a position to report on assessment of the success of a programme. I invite the member to repeat the question.

Hon Annette King: I asked whether she agreed with the Prime Minister that after spending over a billion dollars on Whānau Ora if it does not work, as he said "we will try something different"; and, because there is a large amount of funding at risk, when will she be in a position to present an initial statement on the success of a Whānau Ora - based approach when compared with outcomes from existing provisions?

Hon TARIANA TURIA: At present we do not have an outcomes measurement in existing programmes. In fact, what is measured is a lot of outputs and activity. I think that after a year, we will be able to give some really good outcome measurements that show we are making progress with families rather than counting numbers and money.

Rahui Katene: How will providers find out what will be required with Whānau Ora?

Hon TARIANA TURIA: The three key agencies—the Ministry of Health, the Ministry of Social Development, and Te Puni Kōkiri—are engaging with providers through a series of hui across the country in coming weeks. This will ensure that providers are well informed about Whānau Ora prior to the expression of interest process.

Hon Annette King: In light of the Television One poll last night, which showed that 63 percent of New Zealanders do not feel they have a good understanding of Whānau Ora, does she believe that 10 meetings over the next month will be enough to improve that understanding; and who has been invited to these meetings?

Hon TARIANA TURIA: We can look at these polls and interpret them the way we like, because 57 percent of New Zealanders support Whānau Ora. I apologise; I cannot remember the second part of the supplementary question. [*Interruption*] It is a little bit more than 8 percent.

Mr SPEAKER: I am not sure the supplementary question was quite so specific. Does the member wish to seek a further supplementary question?

Hon Annette King: No, no, I was—

Mr SPEAKER: Is this a point of order?

Hon Annette King: Yes. I raise a point of order, Mr Speaker. I do not believe that the Minister addressed it. I asked, in light of the fact that 63 percent in the poll having said they did not have a good understanding, and the Minister saying on television last night that she intended to hold 10 meetings over the next month, whether that was enough to improve understanding, and who had been invited.

Mr SPEAKER: The member asked a question in light of certain polls last night, and in her answer the Minister gave figures that perhaps question the selected polling information the member used. To ask the Minister to be more precise on that kind of question is a little bit difficult. I have already asked the Minister to be more precise on one answer for the member. If she has further supplementary questions, I invite her to pursue them.

Kyoto Protocol—New Zealand's Net Position

7. NIKKI KAYE (National—Auckland Central) to the **Minister for Climate Change Issues**: What reports has he received on New Zealand's latest net position report under the Kyoto Protocol?

Hon Dr NICK SMITH (Minister for Climate Change Issues): The report shows that New Zealand is set to exceed its Kyoto target by 11.4 million tonnes, which is worth $233 million. That is a small improvement on the previous year's estimate. The report shows that, although New Zealand's gross emissions will be 23 percent greater than in 1990, over the Kyoto period, 2008 to 2012, that is offset by the growth increment of forests planted since 1989. However, the credits for those forests belong to forest owners. Foresters are expected to receive credits worth $1.8 billion; consumers and businesses, through the emissions trading scheme, are expected to pay approximately $1 billion; and taxpayers are expected to face a bill of about $570 million over the period to 2012. The $231 million surplus is the overall balance for "New Zealand Incorporated".

Nikki Kaye: Has the Minister received any advice on the impacts of the Government's emissions trading scheme on New Zealand's net Kyoto position?

Hon Dr NICK SMITH: Yes, the advice I have received is that New Zealand would be in deficit were it not for the emissions trading scheme. The emissions trading scheme is projected to reduce net emissions by 22 million tonnes as a consequence of the financial incentives it introduces to both reduce emissions and plant trees. In short, without the emissions trading scheme New Zealand would not meet its Kyoto commitment to stabilise net emissions at 1990 levels.

Nikki Kaye: Can the Minister clarify that there is a difference between New Zealand's net position and the Government's net position?

Hon Dr NICK SMITH: Yes, that is a very important distinction. New Zealand is expected to exceed its Kyoto target by 11 million tonnes, but the allocation of carbon units to foresters, as promised by New Zealand when we signed Kyoto in Japan in 1997, means that New Zealand's net position is actually a deficit of about 30 million tonnes. The claim that New Zealand does not need an emissions trading scheme because we are set to exceed our Kyoto targets ignores the reduced emissions that the scheme will

deliver and the fact that the Government still carries a substantive liability from emissions growth.

Charles Chauvel: What advice has the Government received about the additional annual cost to the taxpayer of continuing to underwrite carbon-price risks by maintaining a 50 percent obligation under the emissions trading scheme after 2013, as the Minister indicated on 8 April he was considering?

Hon Dr NICK SMITH: The Government is carefully balancing its Kyoto obligations with a real concern about the cost for consumers and for business. That is why we modified the scheme, which will halve the cost for consumers from 1 July this year. This Government has also indicated that if there is not significant progress internationally in countries like Australia and the United States, then it would be our intention—

Charles Chauvel: I raise a point of order, Mr Speaker. The question was a direct and quite precise one that asked what advice the Government had received about the additional annual cost to the taxpayer of continuing a particular policy. The answer has not yet even begun to address the question.

Mr SPEAKER: If I recollect, when the member carried on with his question he said the policy related to something the Minister said on a certain date.

Charles Chauvel: Yes, I was simply verifying that he had actually floated that proposal, so I was asking about the costing of it.

Mr SPEAKER: The member is saying that he floated the proposal and now he is asking about the cost of a policy.

Charles Chauvel: That was the primary part of the question, Mr Speaker.

Mr SPEAKER: What I am getting is that the member is now expecting me to intervene when his question identified that the Minister floated a proposal, but he is now asking about costing a policy.

Charles Chauvel: I am asking whether it was costed when he floated it. I think it is a legitimate question. I can repeat the question if it was not heard as clearly as it might have been. I do not think there is any sting in the tail here; it is a pretty straightforward question.

Mr SPEAKER: The Minister having heard that, I invite him to carry on with his answer.

Hon Dr NICK SMITH: Certainly. This Government made a decision to halve the costs to consumers and businesses from 1 July this year. I have raised the prospect that in the event that there is not progress in Australia or the United States, we would reconsider lifting the cost for consumers and businesses on 1 January 2013.

Charles Chauvel: At what cost?

Hon Dr NICK SMITH: The member asks what the cost of that would be. That is impossible to tell, for a very simple reason: there is no international agreement beyond 2013, so to determine the cost for New Zealand when at the moment there is no agreement beyond the Kyoto period to 2012 makes such a calculation impossible.

Finance, Minister—Statements

8. Hon DAVID CUNLIFFE (Labour—New Lynn) to the **Minister of Finance**: Does he stand by all his recent statements?

Hon BILL ENGLISH (Minister of Finance): That was such a good question that it should have been higher up the list. The answer is yes. In particular I stand by my statements about the mismanagement of the previous Government, which saw our tradable industries stagnate for a decade, Government spending soar, per capita GDP decline, and New Zealand go into recession a year before the rest of the world.

Hon David Cunliffe: Among his recent statements, is his claim to Grey Power that he will consider restoring New Zealand Superannuation Fund contributions sooner than had been expected an acknowledgment that the *Dominion Post*'s Vernon Small was right when he called the Minister's policy "dumb" and "short-sighted"?

Hon BILL ENGLISH: No.

Hon David Cunliffe: Amongst his recent statements, when he said yesterday that inflation was low, can he confirm that on top of another 10c-a-litre increase in the price of petrol, an increase in GST will unnecessarily push up the cost of living and make it more difficult for those who are struggling to make ends meet to get ahead?

Hon BILL ENGLISH: The member needs to wait and see the details of the tax package before he jumps to the conclusion that people will be worse off. In fact, as the Prime Minister has said a number of times, the vast majority of New Zealanders are likely to be better off.

Hon David Cunliffe: Among his recent statements, when he says the tax system is unfair, does he then agree with TradeMe founder Sam Morgan that the system is unfair because "The people that pay the most tax are working people"; if so, what measures will he take to correct that injustice?

Hon BILL ENGLISH: One of the reasons that people like Sam Morgan can essentially pick their tax rate is the ridiculous tax structure that the previous Government put in place, which gives many opportunities to people to structure their affairs so that they can virtually pick their tax rate. I have invited Mr Morgan, if he feels uneasy in his conscience, to write out a cheque to the Inland Revenue Department and pay what he believes to be his fair share of tax.

Warm Up New Zealand: Heat Smart—Number of Retrofitted Houses

9. MELISSA LEE (National) to the **Minister of Energy and Resources**: How many homes were retrofitted in March through the Warm Up New Zealand: Heat Smart home insulation scheme?

Hon GERRY BROWNLEE (Minister of Energy and Resources): I am pleased to advise the House that in March 3,837 houses were retrofitted with home insulation or a clean-heating device. Since the scheme started on 1 July 2009, the very large number of 37,532 houses has received assistance under the scheme. The target for the first year was 27,000 houses, so that record has been beaten by some 10,000 houses in only 9 months of the scheme's existence to date.

Melissa Lee: How many houses retrofitted so far are occupied by people on low incomes?

Hon GERRY BROWNLEE: This is one of the most pleasing aspects of the scheme. So far the uptake from low-income households has been about 60 percent of the homes that have been retrofitted—in other words, homes that are occupied by low-income earners. That is over 22,000 homes that will be drier, warmer, and healthier for the people who need that the most.

Chris Hipkins: What steps has he taken to ensure that the initial quality concerns with regard to Warm Up New Zealand: Heat Smart have been addressed, given that an audit of 570 houses that had been insulated under the scheme found that 359, or 63 percent, of them had insulation problems, half of which were regarded as serious; and what reassurance can he give to the 37,532 householders whom he has just mentioned that their houses have been insulated to an appropriate standard and have not had a slapdash job done so that he can trump up the numbers?

Hon GERRY BROWNLEE: That is a very serious question. Since the very start of the scheme we have insisted on very high standards, so the audit process—and every house that is insulated undergoes an audit process—has 100 checkpoints to ensure that

all aspects of the job are up to standard. The issues that have been raised in some of the audits are considered to be easily rectifiable—

Hon Annette King: Every house is audited?

Hon GERRY BROWNLEE: Every house is audited by the installer; that is right. Then there is the—

Hon Members: Ha, ha!

Hon GERRY BROWNLEE: Those members can laugh, but the reality is that—

Hon Members: Ha, ha!

Hon GERRY BROWNLEE: Are we going to have a go, or not?

Mr SPEAKER: Order. The Hon Gerry Brownlee is answering the question.

Hon GERRY BROWNLEE: The standards that are being achieved are extremely high compared with, for example, the situation in Australia. We have also held back payments from anybody who has a history of doing this work poorly, as well as from others who are in a position where they have had strikes issued against them. We are quite firm that if people do not rectify poorly installed insulation, they will be out of the scheme as providers.

Tertiary Education—Student Loans, Allowances, and Course Fees

10. Hon MARYAN STREET (Labour) to the **Minister for Tertiary Education**: What advice has he received on those who are likely to be disadvantaged by recently announced policies regarding tertiary education with respect to student loans, allowances, and course fees?

Hon STEVEN JOYCE (Minister for Tertiary Education): I have received a range of advice on a number of possible changes we are looking at making to tertiary policy. For example, the idea of introducing a stand-down period for new permanent residents and Australians before they can access a student loan has been the subject of advice. It would, obviously, have an impact on a number of Australians and new permanent residents who access student loans. It would also bring student loans into line with other Government support packages, and more into line with what New Zealanders experience in Australia.

Hon Maryan Street: What effect will an increase of 2.5 percent in GST and an increase in fees have on the Government's student loan liability, and does he think these increases will make it easier or harder for people to access tertiary education?

Hon STEVEN JOYCE: The proposed increase in GST, should it occur, would be accompanied by a compensatory increase in student allowances. Of course, fees increase every year. The previous Government had a maximum fee increase of 5 percent for most tertiary education courses, and many fees have increased on that basis for many years.

Hon Maryan Street: How does he think part-time students will be affected by the proposed time limit on access to student loans, and how does it fit with the Government's agenda for growth in the New Zealand economy?

Hon STEVEN JOYCE: I can inform the member that the effect on part-time students will be proportionate to the impact on full-time students. In other words, we would not be expecting part-time students to progress through their academic education to the same extent that we would expect full-time students to do so.

Hon Maryan Street: How will increased fees for the more expensive tertiary courses, such as medicine, encourage students to choose those programmes, and what effect will the increased fees have on the diversity and supply of highly qualified New Zealanders, such as doctors, in the future?

Hon STEVEN JOYCE: I think that question assumes there would be a sizable increase in fees, and I think that is very premature. I point out that the effect of stopping

increases in fees for courses that are expensive to provide, and allowing increases to occur for courses that are less expensive, has the impact of making the courses that are less expensive to provide subsidise the more expensive courses, which is hardly fair to those who are taking those courses. I also point out that the average time taken by a doctor in this country to pay off a student loan is 4 years, which is considerably less than the time taken by people in many other occupations, once they are qualified.

Legal Aid—Changes

11. CHESTER BORROWS (National—Whanganui) to the **Minister of Justice**: What changes is the Government making to the legal aid system?

Hon SIMON POWER (Minister of Justice): Earlier this month I announced a comprehensive reform of legal aid services, following on from Dame Margaret Bazley's report on this area. New Zealand's new legal aid system will include a new quality assurance framework for legal aid lawyers, improvements to the duty lawyer scheme, and an expansion of the Public Defence Service to Wellington, Christchurch, and Hamilton. I am confident this package of reforms will improve access to justice and help build the public's confidence in the legal aid system.

Chester Borrows: What reports has the Minister seen on his recent announcement about changes to the legal aid system?

Hon SIMON POWER: I have seen a report from the New Zealand Law Society, which has welcomed the streamlining of administration relating to grants of legal aid, and the extension of the Public Defence Service. The president of the Auckland District Law Society has also welcomed the changes, stating "The society supports any efforts to improve access to justice for disadvantaged members of the public unable to afford the services of a lawyer." I have also seen reports that the Hon Phil Goff and the Hon Lianne Dalziel have described the changes as "useful" and "a good thing".

Hon Lianne Dalziel: Has he met with the members of the Manukau legal profession who had their reputations damaged as a result of Dame Margaret Bazley's report, as he indicated to the House he would in December last year; if so, has he been reassured of the integrity of the overwhelming majority of those lawyers and their ongoing commitment to report those who are not meeting the high standards required of the Bar?

Hon SIMON POWER: As I said at the time, I am happy to meet the members of the Manukau Bar. I have just checked with my office in the last 15 minutes. To date I have not received an invitation or a request to meet them.

Local Government, Minister—Statements

12. PHIL TWYFORD (Labour) to the **Minister of Local Government**: Does he stand by all his recent statements on local government?

Hon RODNEY HIDE (Minister of Local Government): Yes, of course.

Brendon Burns: Can the Minister tell Cantabrians how abolishing their vote for Environment Canterbury councillors can be reconciled with his comments on Monday that "when you are essentially regulating and controlling natural resources such as water and land, the people responsible should be subject to democratic control."?

Hon RODNEY HIDE: Very easily. The decision made to replace the councillors of Environment Canterbury was made by Cabinet and Parliament, the members of which, each and every one of them, were elected to their position to be in Government. My concern over the Waikato River is that half of the representatives on the Waikato River Authority will not be elected by the general population but appointed by local iwi. I also note this difference from the situation with Environment Canterbury: Environment Canterbury returns to democratic elections in 2013, at the latest. That does not happen at all in the Waikato; the co-governance arrangements are for ever.

Brendon Burns: Can the Minister explain how on Monday democratic control meant: "If the community does not like it, the community can sack them.", when 3 weeks ago democratic control meant that if the Minister did not like it, the Minister could sack them?

Hon RODNEY HIDE: Au contraire. The Minister cannot sack Environment Canterbury. It actually requires Parliament to effect that change. I am sorry the member was not awake through the passage of that legislation.

Phil Twyford: Supplementary question, Mr Speaker.

Mr SPEAKER: Before I call Phil Twyford, it is my understanding that the Labour Party has had its allocation of questions.

Hon RODNEY HIDE: I raise a point of order, Mr Speaker. On behalf of the Government I am prepared to be very generous and seek leave for Mr Twyford to ask an additional question, because his questions are always so enjoyable.

Mr SPEAKER: Leave is sought for that course of action. Is there any objection? There is no objection.

Phil Twyford: How can he say that council-controlled organisations will strongly support local government transparency and accountability in Auckland when Local Government New Zealand said yesterday that under his model, Aucklanders cannot be sure where accountability lies, making it difficult for citizens and voters to know who to hold accountable for decisions?

Hon RODNEY HIDE: Easy. I disagree with Local Government New Zealand on this matter, and we have had some discussions. I have to say that their understanding of the issue is growing by the day.

Phil Twyford: So you're right and they're wrong?

Hon RODNEY HIDE: No. It is not about who is right and who is wrong; it is actually about understanding the issue. I have to say that Local Government New Zealand has a much better appreciation of the role of council-controlled organisations. I also note that the issue is before the select committee, and I am looking forward to the report back from the select committee to the House.

GENERAL DEBATE

HONE HARAWIRA (Māori Party—Te Tai Tokerau): I move, *That the House take note of miscellaneous business*. [*Interruption*]

Mr SPEAKER: From time to time all of us make the odd mistake in this place, including me. That is no reason to make so much noise.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I wonder whether we should take another 30 seconds to allow the instructions to come in from New York.

Mr SPEAKER: I choose to ignore that.

HONE HARAWIRA: It was with a sense of enduring shame that when the rest of the world was signing up to the Declaration on the Rights of Indigenous Peoples in 2007, the Labour Government of the time, without consultation with its own Māori caucus or with the wider Māori population, decided to oppose the declaration, thus sending a very clear statement to the world that as long as Labour was in power, New Zealand would oppose the fundamental rights and aspirations of Māori people. Labour openly declared that opposition, even though Māori had attended meetings all around the world for more than 20 years in support of the declaration, and even though the draft declaration had received the unqualified support of such national Māori icons as Sir James Hēnare, Dame Whina Cooper, Dame Mira Szaszy, Te Atairangikaahu, Sir Robert Māhuta, Hui Vercoe, Sir Paul Reeves, and Sir Hepi te Heuheu, as well as the Māori Women's Welfare League and the New Zealand Māori Council.

So it was with a deep sense of satisfaction from within the whole of Māoridom that Labour was dumped from the Government benches 12 months later, and lost four of its precious Māori seats to an upstart party whose people had finally woken up to the fact that Māori aspirations were being strangled to death in a party of indifference. This cleared the way for the brand new Māori Party to open negotiations with the National Government, which led to yesterday's historic announcement to support the Declaration on the Rights of Indigenous Peoples—a document opposed vociferously by the previous Labour Government in 2007, and still opposed by Labour in 2010.

Today I stand with pride to congratulate the Māori Party co-leader Dr Pita Sharples and his staff on the months of negotiation in the lead-up to yesterday's announcement that New Zealand would be supporting, without caveat, the Declaration on the Rights of Indigenous Peoples at the opening session of the Permanent Forum on Indigenous Issues in New York. On behalf of the Māori Party I congratulate Prime Minister John Key and National on the boldness of the Government's decision to work with the Māori Party in recognising that Māori do hold a special status as the indigenous people of Aotearoa, and that indigenous rights and indigenous culture are of profound importance to this country and are fundamental to our identity as a nation.

Again, on behalf of the Māori Party I acknowledge the longstanding support of the Green Party for the adoption of the Declaration on the Rights of Indigenous Peoples, and its commitment to the principles of Te Tiriti o Waitangi. I also acknowledge United Future for its support of the Government's decision to adopt the declaration. For the rest of this House—those who would speak against this document—I have some very simple questions. Why is it that opponents in this House can so comfortably sign up to international covenants on the rights of women, children, gay people, and even dogs, but be so small-minded, petty, and mean-spirited in their opposition to an international covenant on the rights of indigenous people?

This declaration is aspirational in its wording, positive in its vision, and uplifting in its nature. The adoption of this declaration deserves a greater conclusion than I can deliver, so I leave my final words to the Hon Sir Edward Taihākūrei Durie, who emailed us this morning, stating: "My congratulations to the Māori Party caucus for the Party's role in securing New Zealand support for the UN Declaration on the Rights of Indigenous Peoples. Were nothing else done during the Party's lifetime, this one thing would be enough to secure for it a treasured place in Maori history.

Notwithstanding the progress made through all the tribunal reports and court cases from the 1980s, and the consequential changes in legislation and official policy, I would still rank the day that New Zealand gave support to the Declaration as the most significant day, in advancing Maori rights, since 6th February 1840.

I do not overlook that the Declaration has only moral force. The same is said of the Treaty. Important statements of principle established through international negotiation and acclamation, filter into the law in time, through both governments and the courts, which look constantly for universal statements of principle in developing policy or deciding cases.

Most significant for the present is the statement that recurs throughout the Declaration that indigenous people should be dealt with through their own institutions, a matter with potent implications for the Office of Treaty Settlements"—

Mr SPEAKER: Before I call the Hon Gerry Brownlee, I remind members that when the bell goes in the general debate, that is the end of a member's contribution, regardless of who the member is.

Hon GERRY BROWNLEE (Minister for Economic Development): What do Rinso, Clayton's, the DeLorean, Enron, Pan American World Airways, Ansett, Betamax, Cold Duck, and the Labour Party all have in common? They are all dead

brands—all dead brands. They are all disasters in their own kind. And how do we know that the Labour Party is worried about that? Well, we have been made aware of the document I have here, which is probably from Clare Curran, called the Labour Brand Survey. It has been distributed to all Labour members and supporters throughout the country and asks some very important questions: do Labour Party members want to be known as non-confrontational people? Do they want to be known as memorable people? Do they want to be known as retro people? Are they desperate to be known as clever people? No; instead, they are choosing "Edgy", "Out there", "Funky", "Fresh", and "Cool". Well, I think that if members have sat on the Labour front bench for 26 years, what better descriptions for them are there than edgy, out there, funky, fresh, and cool?

Chris Tremain: But not retro—not retro.

Hon GERRY BROWNLEE: But not retro. The difficulty is working out who wears what, because although I would admit that Annette King is cool, she is certainly not funky. And I think that it would be an absolute outrage for me to suggest that she is out there. But that is not all. The survey goes on to ask the question, on page 2—

Hon Member: Look at this.

Hon Member: It's Phil.

Hon Member: That's many years ago.

Hon GERRY BROWNLEE: That is right. I think that is Phil Goff, but I am not sure. It looks more like "Phillipa" Goff. But, anyway, the survey also goes on to ask members "Can you describe Labour in six or fewer words?". Well, I have to tell this House that I cannot use the word, but I think I can come up with one word that has six or fewer letters to describe where Labour is at the moment.

I will turn now to two lovely pamphlets that the Labour Party is currently circulating around electorates. The pamphlets have inside them some simple, silly little questions that Labour is asking the public. On their fronts is a lovely picture of Labour's current leader. They are the same pamphlets, so we would think that they would have the same information, but that is except for when it comes to their back pages. On one there is a lovely pōhutukawa tree, beautiful rolling green hills, and a lake in the background. That pamphlet is for electorates like Wellington Central, Auckland Central, and every other ritzy electorate in the country. But the other pamphlet has dirty old miners' hats on the back page. That is for the West Coast, for Rongotai, and for all those hard Labour electorates.

So here we have a party, so hopelessly disorganised with no single brand, that does not know whether it is nice, tough, or naughty, or whether it is funky, retro, or out there. It has no idea on any of that stuff. Just to prove how confused the party is, going into his caucus yesterday Mr Goff, the Leader of the Opposition—the alternative position to the Prime Minister; the hard man who is supposed to take out the Government—said "Actually I think John Key's quite good." He said "I've got to give it to him: he is a very good politician, very slick, very professional at what he does." Mr Goff stopped just short of saying "I want to vote for him.", but I have to tell the House that that was not far off.

When we go through this document, we see that Labour members are looking for different sorts of branding that they might apply to the party in the months ahead. Well, I have found one for them. The brand is on this page. It is "PS"—I presume that is a Labour Party or a left-wing socialist party from some other country around the world—and I think it stands for two things. It has two letters and a picture of a hand outstretched with a rose in it, so we are looking here at the postscript for the Labour Party, and the rose on its coffin.

I think it will be very interesting in the next couple of weeks to see how things go, because yesterday, when it came to the issue of leadership, which we all know is on the

agenda for Labour, Mr Mallard was good, and just as he used to be. He was good yesterday and said "No, no. We're not discussing that stuff." Mr Cunliffe, on the other hand, said "Oh, well, this is an important matter, and we will be having discussions in caucus."—statesmanlike, and in perfect iambic pentameters, too, I might say. They are a brand that is dead.

Hon PAREKURA HOROMIA (Labour—Ikaroa-Rāwhiti): Tēna koe, Mr Speaker. E mihi kau ana ki ngā kōrero puta ā-waha a Hone; tēnā koe.

[*Greetings to you, Mr Speaker. I commend Hone on what he said in his address; well done.*]

I was glad to see that Hone Harawira was kept on his chain. He was playing poodle, and was under strict direction from his leaders. That was not Hone talking, and he knew that what he said was wrong. It was like that frumpy "big boy" over there on the National side, the Hon Gerry Brownlee, who was barking in his speech. There is a poodle in the Māori Party seats and a bulldog in the National seats. Mr Brownlee was carrying on and nattering on about nothing. Labour is a party of all of those things he mentioned. We are a party that cares about all sorts of people, and I am not so selective as to pitch just at the rich boys, and never mind anybody else. But that is what Hone has fallen for, at the end of the day.

Let us go back to the UN Declaration on the Rights of Indigenous Peoples, I tell Gerry. This is what the Prime Minister said quite clearly and unequivocally: "I think it is important to understand that the Declaration on the Rights of Indigenous Peoples is just that—it is a declaration. It is not a treaty, it is not a covenant, and one does not actually sign up to it. It is an expression of aspiration; it will have no"—and this is the important part—"impact on New Zealand law and no impact on the constitutional framework." That is what the National Government is saying. Pita Sharples and Hone Harawira on his chain are telling us to celebrate—celebrate. Celebrate what? Celebrate nothing. I will tell him, because he said we were useless bastards. That is what he said on TV.

Mr SPEAKER: I am on my feet, and there will be no interjections. Normally when members are clearly quoting something, I would not object too much. But the implication was that some members of this House are as the member described, and I do not think that is acceptable.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. What my colleague said was a direct quote from that member about members on this side of the House.

Mr SPEAKER: The point of order will be heard in silence.

Hon Trevor Mallard: It was a quote—and I think part of it was translated; a direct translation—of what that member said about members on this side of the House. If we cannot say what he said about us, and refute it, we have some problems.

Mr SPEAKER: The point is that in this House there are some limits. I do not want to be too tight, because this is a robust debate. There are rulings that state that members cannot use a quotation to introduce unparliamentary language. I do not want to be too precious about that, because this is a place of robust debate, but when we start quoting inside the House things that have been said outside the House, that implies across the House that members might be as the member said, I think we need to be a bit careful. I ask the member to be a little cautious, and not to be too careless in what he says.

Hon PAREKURA HOROMIA: Mahi waha hukahuka, e Hone; tēnā koe.

[*It is mouth-sweetening stuff, Hone; good on you.*]

What did the Prime Minister mean when he said last week that there will be no rush to sign the declaration? Does the Prime Minister agree with the Minister of Māori Affairs when he said the sign-up was unconditional? That is what the Minister of Māori Affairs said. [*Interruption*] That is right, I say to Maurice. He is not yet back on the

front bench, but that is dead right. At the end of the day, Gerry will make sure of that, and Simon will sit there and open up in the sense of the distortion that he spoke about yesterday in relation to the UN declaration. National members know that they have put the Māori Party asunder. They know that they are celebrating in disguise, and they know full well that they are using Māori Party members and milking them.

As Minister Turia said today, this is about next year's election. Well, let us see about that, in relation to the Māori issues. I will tell Hone Harawira what the last Labour Government did. We raised the minimum wage eight or nine times. In the last period of time when National was in power, it raised the minimum wage by 37c. National is at it again with GST, accident compensation, and all those issues that are relevant to Māori. Labour brought in 14 weeks' maternity leave. It did all of those things. Labour halved the Māori unemployment rate. What does Hone Harawira have to say about carrying one of the highest unemployment rates in North Auckland? That is even though the Minister, Paula Bennett, says that we have 11,000 fewer unemployed—that is benefit shuffling; we are down. What does she have to say to the 43 percent of Māori under the age of 24 who are unemployed? That is seven points off 50 percent, which would be half of all those people. It has nearly tripled since this Government has come into office. What does the UN declaration have to say about that? How will it make a difference? That is what is relevant. You know, Hone—

Mr SPEAKER: The member is an experienced member. He cannot point the finger across the House and say "you know", because the member is then referring to the Speaker. He must not do that, as it leads to disorder.

Hon PAREKURA HOROMIA: That member knows that, and he understands it very well. It is hurtful, having worked over a period of time with Hone Harawira, to see him being led. That is what happened here today. I am thinking hard about what we can do. What has been done for Māori? I refer to tertiary qualifications, I say to Hone. It takes Māori 1 year and 3 months longer to qualify, for whatever reason. We could blame colonisation; we could blame Gerry for being a woodwork teacher; we could blame anybody else—but we will not. We are not like that. But what we will make sure of is that whoever does all this shuffling around—Paula Bennett—who at the end of the day will this affect? It will affect Māori, and it will affect Pacific Island people. That is what will happen.

I can tell those members over there what they are saying out on the road. People are starting to doubt, big time. We get around, out on the road. It is not about votes for the Māori Party. The people think there is a shemozzle going on. The majority of this country understands the patting-poodle stuff and what National tells mainstream New Zealand. They understand that its members are very wary that they do not damage their image and are watching the polls, and that those members over there in the Māori Party do not understand that they are being taken down the road.

Hon SIMON POWER (Minister of Justice): The major disadvantage about being speaking fourth in the general debate line-up is that the third speaker gets to use the material before I do.

It is worth taking just a bit of time to look at this Labour brand survey. It starts like this: "We want to hear your views on the Labour brand. What follows are a series of questions aimed at discovering: what you think is essential to the Labour brand, how you'd like to see the brand represented, and your views on a selection of existing brands. Thanks again for taking part. 1. Pick the values you'd like to see associated with Labour. Choose as many as you like." What should be in brackets after that sentence is: "because we don't have a clue."

My colleague has set out a range of options, but she missed out a few that puzzled me. We have heard that some of the options are "Futuristic", "Feel good", "Bold",

"Inspiring", and "Cheeky". I thought "Cheeky" was an interesting option, as were "Dynamic", "Cool", "Modern", and "Happy". "Unusual" is one of the options, as are "Artistic", "Edgy", "Out there", and "Funky". But the one that got me absolutely flabbergasted, and that made it in halfway through the list, is "Sober". It asked whether members think Labour is sober. I do not know what to make of that option or why on earth any organisation would put it in as one of its core messages for consideration as part of its branding.

When we look closely at this survey, we see between the various categories a direct contrast between issues relating to the past, such as "Retro", and matters relating to the future, such as "Futuristic", "Edgy", "Out there", and "Unusual". Are they "Sophisticated"? I particularly liked "Memorable". Is the Labour Party memorable? Other options are "Integrity", "Innovation", "Caring", "People", "Dependable", and "Approachable".

What does this tell us? It tells us that halfway through the term of this Government, there is a sense of deepening malaise in the Opposition ranks. Watching their faces during question time today when their leader was on his feet was a sad indictment. Clayton Cosgrove is a good little scrapper—he likes to get his teeth into the odd issue and is known for putting forward a view every now and then—but he was totally disengaged. His head was up; he was looking at the ceiling during question time. His eyes were wandering, he was looking at the top of the roof, and he was not the slightest bit interested in what was going on. I do not mind reading about Trevor Mallard's cycling exploits from time to time; I just wish that he would not write about them during question time when his leader is on his feet trying to hold the Government to account.

One of the things that I found interesting about Mr Brownlee's contribution was his mention of Phil Goff praising the political skills of the Prime Minister. Phil Goff at the moment reminds me of one of those dad characters from a 1980s sitcom, and not just because *Family Ties* first aired when he was in his first term in Parliament. He is following a well-used formula called the "centra eccentrics" formula, where one straight character is the anchor for all of the other characters, who ultimately upstage him. While Mr Goff is nervously describing his unpopularity, we see a range of characters appearing in larger-than-life formats.

David Cunliffe was understandably moved by his visit to the Hiroshima Peace Memorial Museum, but his *Dominion Post* column yesterday suggests that he is forgoing his finance role for one presenting the History Channel. Some of his prose in that article reminded me of some of his earlier work from "I am Harvard". I have also come across another delightful piece, entitled simply "Seasons". I am no literary critic—I will leave those matters to the House—but it goes like this: "Almost without warning, branches that just a few weeks before were dead, dry twigs, are crowned with the lushest green foliage. Spring is brief. As a delicate balance between irresistible forces wrestling for control—it gives way, explosively, to Summer." It sounds decidedly like the leadership crisis in the middle of the Labour Party. He is a lead actor in his own show.

As for old Mr Jones over here, his continual calls of "hōhā" in the House every time he gets to his feet remind me of Al Pacino in *Scent of a Woman*. He has refused to rule out a leadership challenge, stating: "that lies somewhere between our caucus and providence,". Providence is also known as the work of God, so I guess that is his natural modesty continuing to come through!

Hon PETE HODGSON (Labour—Dunedin North): In June of last year Environment Canterbury paid a visit, accompanied by the police, to the property of Mr Tim Smith, and 21 charges were subsequently brought against Mr Smith, who has

subsequently pleaded guilty on all counts. Mr Smith's brother is the Hon Dr Nick Smith, the Minister for the Environment, who has recently sponsored legislation through this House sacking Environment Canterbury. A conflict of interest, therefore, arises. The conflict arises because the *Cabinet Manual* says so. It says so very clearly.

Let me quote paragraph 2.60. Paragraph 2.60 states: "A conflict of interest may be pecuniary … or non-pecuniary (concerning, for example, a member of the Minister's family.) A conflict of interest may be direct or indirect." So a conflict of interest is there all right, but the question is how the conflict was handled. Again, the *Cabinet Manual* gives us some guidance. It states that when a conflict of interest arises and it does not impinge on the Minister's own portfolio, then the Minister should declare the conflict of interest. It then states: "Having declared the interest, the Minister should either withdraw from the discussion or seek the agreement of colleagues to continue to take part." So if it is not within the Minister's own portfolio that the conflict of interest arises, the conflict should still be declared, and the Minister may or may not choose to leave the Cabinet meeting.

In this case, the conflict of interest directly impinged on the Minister for the Environment's portfolio. Indeed, it was probably the most important thing on his plate at the time. At the time there was probably no bigger issue in the environment portfolio than whether to sack a rather large regional council. Again, the *Cabinet Manual* gives guidance as to what to do in those circumstances. Paragraph 2.70(c) states: "A Minister with a conflict of interest concerning a particular issue within his or her portfolio may, with the agreement of the Prime Minister, transfer responsibility for that issue to another Minister." I know, because I have had issues transferred from me or to me on many different occasions—more than a dozen, I would think.

I do not think that that happened in this case. I do not think that the Minister for the Environment transferred the portfolio; I will say why in a minute. It is important to note that a conflict of interest does not cause the Minister to behave badly. The fact that a conflict of interest arises does not mean that the Minister necessarily performs badly in pursuit of that conflict of interest, but what does matter is that the Minister cannot say that he did not behave badly because he did not take himself out of the action in respect of this conflict of interest. That is bad Cabinet practice—pure and simple.

How can I be sure, when I do not sit around the Cabinet table, that the Minister did not transfer responsibility to another Minister? Well, because legislation resulted, and the legislation was in the name of the Minister, and the Minister involved was the Minister in the chair in this Chamber during the Committee stage and was the predominant Minister shepherding the legislation through. That is really bad practice. It is not just a sort of bad manners thing; it leaves the Minister vulnerable to the accusation that he did behave badly, and it leaves him vulnerable to not being able to prove that he did not.

That sort of thing is becoming a feature of this Government. We saw it just yesterday in the House with the Minister of Agriculture and the response that the Prime Minister gave to a series of questions from a member of the Green Party. I am putting on the table my concern about the slackness of Cabinet processes in this Government. I do not think that conflicts of interest have been managed at all well in this Government. They can be very awkward. They can be very awkward. When dealing with Māori land issues, sometimes half the frigging Cabinet used to get up and leave, including a bunch of Pākehās. That certainly was the case with the South Island Landless Maoris legislation I was responsible for. Certainly, if something involving Brierley's arose 10 years ago, there would be a bit of a railway station effect as Cabinet Ministers left. I do not think that is happening in this Cabinet.

I think that this Cabinet is taking an easy approach to managing conflicts of interest, and I am putting this on the record now because I intend to question the Prime Minister as time goes on about the management of conflicts of interest in this Government. I do not think it is up to scratch. I do not think enough attention is being paid to the propriety of governance decisions.

Hon PAULA BENNETT (Minister for Social Development and Employment): Now that we have heard from "Angry Smurf", we understand why the Labour Party is so desperately—

Mr SPEAKER: Did I hear the member use a name that is not a member's name to refer to a member?

Hon PAULA BENNETT: Well, I—

Mr SPEAKER: If the member did so, then I ask her to withdraw. That is not acceptable.

Hon PAULA BENNETT: I withdraw. For the last 18 months we have seen the Labour Party desperately trying to reinvent itself. We almost heard the conversation around the boardroom table when Labour members were telling Phil Goff that he was not making any traction and he needed to reinvent himself. They told him to wear more leather, get on a bike, and get out there into the heartland. They told him to visit pubs on that bike, and they would see how it went.

My advice to Phil Goff is quite simple. It is called being true to oneself, and it seems to come through each time. I would say to Mr Goff that he should be true to himself about the fact that he is an "SPM"—a stale, pale male—and that it is nothing to be ashamed of. We see people all over the world embrace their inner selves and get away with it. As Mr Goff travels around the country, desperately trying to reinvent himself and sending out a Labour survey that says things like: "Let's see ourselves as retro and edgy." and "Do you see us as funky?", we see that it is not really working for him.

First of all, we saw Phil Goff "The Paratrooper", who came sailing in out of a plane, and that did not really work for him. Then we saw him as "The Farmer", when he stuck a lamb on his shoulder, and we all remember that. Quite frankly, any farmer knows that when people stick lambs on their shoulders, all that will happen is the lambs will pee down their backs. But Phil Goff went for that angle. Then he went for the "Biker Dude". We saw the leather and the cruising up and down the country. I can hear the conversations. I wonder whether he is like the Lone Ranger. If Phil Goff is the Lone Ranger, then I wonder whether there is a Tonto uniform for Shane Jones. That is where we are heading. It is about ditching the spin and embracing who one truly is, and, we never know, Labour members might find that being true to themselves means people believe them.

I can see Phil Goff and "Slick" Rick Barker pulling up on their bikes to the pubs with Annette King in the car in the background, trundling along behind, and the people in the pubs saying: "Woohoo! Here they are to change our lives." Those people will be sitting there filling in a Labour survey about whether Labour is retro, funky, or all that. Quite frankly, is it any surprise that we are seeing such an absolute display? On Facebook, in conjunction with this, Phil Goff put up a nice photo of himself as the young, hip, new face of the Labour Party. The photo shows how truly retro and funky Phil Goff really is. It is a great start to the programme. It was a nice way to reinvent himself and to find out who he can be.

I simply say that when we hear the rhetoric and the questions that are coming from the Labour Party, we see that there is something simple in all of the messaging. It is that we cannot continue the way we are. We cannot continue to pour extra millions and millions of dollars into our communities, like we have for the previous 10 years, and expect to see different outcomes. We are seeing dysfunction in some of our families and

communities that is getting worse and more serious. I say to those people who think it does not affect them—and there are some New Zealanders who sit back and say: "That is them, this is us, and we are sitting here."—that it does affect them. If there is such dysfunction in a family that they are hurting each other and hurting their children, then imagine what they are doing to their street, to their community, and to their country because they simply have nothing invested in it.

To say that we are going to do some stuff differently, and to say that we will take some of the power out of Wellington and put it back into our communities and let them decide how they do it through programmes like Whānau Ora, and contracting—

Hon Annette King: That's where it has been for years.

Hon PAULA BENNETT: The member opposite yells out that that is how it has been. For 10 years we saw more money going in and we saw more box ticking required from Wellington, but we did not see outcomes. We have more children being abused and neglected than we have ever had, we have more dysfunction in our families, and we have had 10 years of increases in benefit dependence, and that has driven society backwards.

Hon Trevor Mallard: What nonsense!

Hon PAULA BENNETT: Let me give the member some evidence of that. In December 2000 there were 33,560 people on the sickness benefit, and in December 2008 there were 50,896 people on the sickness benefit. Over 45,000 people have been on the invalids benefit for 5 years or more. That is entrenched welfare dependency. This Government will not sit back and let it happen.

Hon RODNEY HIDE (Leader—ACT): We clearly have a problem in New Zealand when we have just announced the Government's ratifying of the UN Declaration on the Rights of Indigenous Peoples but even within the Government, even within this Parliament, we have such a widely divergent view of what it means. On the one hand, the Prime Minister says that it is of no practical effect, and that it is aspirational. On the other hand, MP Hone Harawira says that it is of enormous impact because, as Mai Chen says, it will inform the courts, it will inform the Waitangi Tribunal, and it will inform political discourse for years to come.

I believe that Mr Harawira is right, because words have to mean something. The words of the articles of the declaration are very, very clear in what they say, but I do not believe for a minute that the majority of New Zealanders agree with the sentiment set out in that declaration. I do not believe they want to live in a country where we are divided into two: those who are indigenous and have a separate set of rights and privileges, and everyone else. I certainly do not want to live in such a country. It is very clear when we read the articles that they say that indigenous people should be able to have political autonomy. Well, the Prime Minister says that that is an aspiration, but is it truly an aspiration for New Zealand that Māori people within New Zealand can have their own political structures, their own State? I say no.

Article 26 says that indigenous people have the right to the land and the resources that they traditionally owned or occupied. Clearly, if we look at that, we see that that is all the land and resources of New Zealand. We have followed a process where that land has been alienated, sometimes unjustly, and we are working towards fixing that through the Treaty. But this article does not allow for that; it says all the land and resources traditionally owned or occupied should be returned to the indigenous people. That is why Helen Clark as Prime Minister refused to ratify the declaration. She would sign up to anything from the UN that was put in from of her, but not this declaration; Parekura Horomia said it was incompatible with the democratic processes and the fundamental laws of New Zealand.

We cannot get around this by saying: "Don't worry. Nod, nod; wink, wink. We will ignore it." What sort of integrity do we have as a country and as a Government to sign something that we do not believe in, have no intention of honouring, and do not accept? And what sort of approach do we have to Māori in New Zealand when we sign something without meaning that it sounds a bit like 1840 all over again? I believe that the fact we have such divergent views on this matter is a cause for division in New Zealand. Hone Harawira clearly has a view of what it means, but the Government has a different view. Well, that is a cause for discord and disharmony. Why would we sign up to something that would cause such discord and disharmony? And why do it under the cover of darkness, covertly?

The ACT Party has been shocked and appalled, because when we signed up to support a National-led Government, it never occurred to us that National would depart so radically from its founding philosophy, and its election manifestos over many years, of having one law for all New Zealand with everyone being treated equally. I believe that that was a founding principle of the National Party, and that is why we are so concerned. Thank you.

SANDRA GOUDIE (National—Coromandel): Taking a completely different tack from that of the previous speaker, I will talk about economic growth. For me, ensuring there is economic growth is absolutely vital for New Zealand, because that is how we will provide the jobs that will keep our young people here, which is what we need in order for there to be a strong future for New Zealand. We want to keep young people here, because we also want to pay for our health, education, and law and order, and for the care of our environment. People need to start thinking seriously about how we can achieve that. Do they really want to leave a financial millstone around the necks of their children and grandchildren, or do they want to get behind the more aspirational leadership of the Prime Minister, John Key, and the Deputy Prime Minister, Bill English? They are holding New Zealand steady during the most serious, tough economic times that we have experienced.

We inherited empty coffers, which were absolutely savaged and ravaged by Clark, Cullen, and their cronies, supported by Phil Goff and the rest of the Labour members who are here still in the House. The Labour members did not have a care or a thought about securing the future for New Zealanders and for all of the young people whom we so desperately need to stay in this country. Clark and Cullen, supported by Goff and all their other Labour cronies, spent up large, and it was a case of to hell with the consequences. So it is no wonder that Labour has no message.

It is no wonder that Labour members are out there trying to re-brand themselves. What are they doing? They are even asking questions about what people think are the essential elements of Labour's visual identity. They are asking whether that identity is a red flag or other symbols. I suggest the Labour members look at some other symbols. They are also talking about essential graphic elements: the flag, fern, green, blue, stars, Pasifika, and Māori. I cannot believe it. We all know about the moon and the stars. Labour just does not have a message.

The Prime Minister, John Key, and the Deputy Prime Minister, Bill English, are two of the most outstanding political managers that New Zealand has ever had. I hate to think where we would be today if it were not for their outstanding leadership. Frankly, we would be up the proverbial creek. Labour does not have a clue about how to manage money; everybody knows that. I would not even put Labour in charge of a piggy bank.

Phil Goff does not understand how superannuation works. The Minister of Finance, Bill English, has taken great pains to repeatedly explain it to him, but he just does not get it. So I will explain yet again that a combination of tax cuts and other adjustments has seen New Zealand superannuation payments increase significantly: by $100 a

fortnight in the hand for a married couple. I will repeat that, because Goff does not get it. I think everybody else does, but clearly Labour does not get it. That means an additional $100 a fortnight in the hand for a married couple receiving New Zealand superannuation.

The Hon Bill English went on to explain the situation further for the benefit of the Leader of the Opposition, who clearly has no idea what he is talking about on this issue. Let me explain once again that it is quite clearly evident that people understand that the current Labour leader has no understanding of what is happening with regard to New Zealand superannuation. If GST is increased, there would be a once-only increase in inflation of just over 2 percent. After-tax New Zealand superannuation rates would be increased on the day of any GST increase by that amount. Do those members get it? In order to meet other and ongoing price increases, the usual annual inflation adjustment would be made to superannuation rates, so that superannuitants' spending power was preserved. We have to say that in quite simple, clear, plain English for the benefit of simple minds, but it does not seem to reach through to the Opposition.

Finally, any personal income tax cuts would also increase the amount of superannuation that people received in the hand. Therefore, superannuitants who rely on New Zealand superannuation would be better off.

Labour members should listen up and understand the message. I take Trevor Mallard as an example. What does he blog about to the New Zealand public? All that he does is to think about the time at which the Prime Minister and his Ministers actually turn up to work. I tell members to look at one of his blogs.

Chris Tremain: Yeah, very focused.

SANDRA GOUDIE: That is the level of focus of Trevor Mallard. What does that say about the Opposition?

Hon DARREN HUGHES (Labour): For members of the public who are listening, that was the state of the nation speech from Sandra Goudie, the member of Parliament for Coromandel. It is impossible, almost, not to like her in a lot of ways, for her substantial contribution in that respect.

Today in the general debate we have heard from the Minister for Economic Development, at a time when our economy is still very fragile. We have heard from the Minister of Justice, at a time when law and order is out of control and we have a record number of murders in our country. We have also heard from the Minister for Social Development and Employment, at a time when the employment rate is the highest it has been in 10 years. But from those three Ministers we have not heard anything at all about the policies they are pursuing for the country to try to address the crises that exist in their particular portfolio areas. All we have heard from them was their obsession with the Labour Party's rebranding exercise. If, after 18 months in Government, those members have run out of talking about their policies, and if all they want to do is talk about the Labour Party, then we know that we are absolutely on the right track.

That is not the first time that political parties have looked at their brand.

Paul Quinn: You need help so we're helping you.

Hon DARREN HUGHES: I remember—long before Mr Quinn took an interest in politics, so at least 2 years ago—the National Party taking on the Coldplay song "Clocks" from Chris Martin, without any permission or copyright from the band Coldplay. John Key was being introduced all around the country as that song was being played on his DVD. His DVD was bright and shiny but hollow in the middle, which I always thought was quite reflective of the Prime Minister's political principles in that particular respect.

I will take up some of the issues that Mr Hodgson has come up with today, with regard to conflicts of interest. But before I do I will touch on the issues that some

speakers have mentioned with regard to the Declaration on the Rights of Indigenous Peoples. We have seen no better example in the last 2 days of the troubling matter of this policy than the responses of the Government itself. Catholics believe in three Gods in one—the Trinity. In New Zealand we have three parties in one, in the Government. But one of the points about three in one is that they are meant to speak with one voice. In New Zealand we have the Māori Party, who has said that signing up to this declaration is the most amazing victory for Māori people ever, and that Māori should be swinging from the lamp posts in the streets, so happy should they be about it. Another member of the Government, the ACT Party, has told us that it is the end of the world that the Government has signed up to the Declaration on the Rights of Indigenous Peoples. The Prime Minister himself, from the National Party, has said that it does not matter, it is aspirational, and it is non-binding. But he was not able to answer Mr Goff's question about a single thing that would change for life in New Zealand as a result of our taking on that declaration.

That goes to the heart of the problem. If something does not mean anything, why sign up for it? If we sign up for something, we should have a consistent view about what it means. I say to Mr Harawira and the Māori Party—and I would say to Mr Te Ururoa Flavell, but I know that he is in other places at the present time—that when things actually count for Māori on policies, that has an effect on Māori people living in New Zealand every single day. An example is representation every single day on the Auckland super-city, on which the Māori Party was rolled by the National Party. The Māori Party failed to change the mind of the National Party. Māori members cannot point to a single thing in this declaration that makes any difference for Māori in work. The declaration does not put a single unemployed Māori back into a job, it does not lift a single dollar an hour in a wage for Māori in our economy, and it does not improve Māori representation around council tables or here in Parliament. That is why we are saying the declaration does not mean anything; that is where John Key is right. He has agreed to ratify something he does not believe in.

We know about the National Party; it was the great party of "Iwi/Kiwi". It was the great party of "no deals: the beaches are for everyone". When Bill English was Leader of the Opposition he paid for Parliamentary Service - funded billboards outside every airport in New Zealand. That party also campaigned on "one standard of citizenship for all". I listened to Simon Power give his speech in Parliament yesterday. If a Labour Government member had got up and said those words, the National Party would have been right out there; they would not have even bothered with the dog whistle. They would have gone right on to talkback radio and said that the Labour Party was giving New Zealand away to Māori. Paul Quinn laughs and smirks because he knows that that is absolutely right. National members are statesmen when they are in Government, but when they sit in Opposition they are divisive. That is why they sign up to these deals that mean nothing for Māori. And for Hone Harawira and the Māori Party to act as thought they have achieved some great thing is absolutely unbelievable given the record and what is happening for policies in this country.

I have written to you, Mr Speaker, about a matter that I do not want to go into today. It is a question of privilege with regard to the declaration of pecuniary interests of members of Parliament. I do not want to go into the details of that until I have had a response from you. But there is a wider issue that has been reported in the media, which I do want to touch on, and that is the funding of legal expenses for members of Parliament by the Parliamentary Service. Section 4.53 of the *Cabinet Manual* makes it clear that if a Minister has been represented at the expense of the Crown and costs or damages are awarded in the Minister's favour, then those monies should be regarded as public funds and paid into a Crown or departmental bank account unless Cabinet directs

otherwise. That is a very good principle under which we are governed, and an example of what should be happening in the National Party.

COLIN KING (National—Kaikōura): It is a pleasure to speak during this general debate. We have just got the Labour Brand Survey, and as I turn to the first page I see that the first question is: "Can you describe Labour in six (or fewer) words?". In describing Labour, I would say that it wasted and squandered the best times. That is why the Labour Opposition is in the doldrums. Labour is doomed. It is destined for political oblivion because of the way it wasted and squandered the very best times that New Zealand has experienced over the last 30 years.

When that member on the other side, Darren Hughes, resumed his seat, he had really identified the problem on the Opposition benches. Labour is very much like an empty drum. When it is beaten it creates confusion. What we see in the House is that there is a clear choice for New Zealanders. Do people want focus, direction, and purpose, or will people look again at what Labour offers?

Let us look at what Labour offers. There is no clear message or direction. What we saw over the last 9 years was a waste and squandering of the very best times. It would be easy to go into how that occurred when we look at the areas of education, health, and law and order, but, really, the problem the Opposition has is at the top. We know that when there is confusion and disarray, it is all at the top.

The problem for Labour is that it has a demoralised leader who has difficulty with identifying himself, and it is likewise with the front-benchers. Phil Goff used to lead off the debate when Labour was in Government. He was considered a big hitter, even though he was outside the country most of the time. However, leadership does not necessarily fit well with people when they move into another role. What we have seen is that Phil Goff came in like a lion and he has gone out like a lamb. He has reduced his own persona to mediocrity. He accompanies demonstrations; he does not lead demonstrations. He rides on buses and motorbikes. He is so much the average man that he goes around totally unnoticed.

The other day we got a bit of an insight into how Phil Goff is thinking on the inside. He is quite envious of the Prime Minister, John Key. He praised John Key's political skills and he nearly went as far as saying he would vote for Mr Key. So we can understand that there is a lot of disarray over on the Labour benches—they are in a demoralising situation. One thing about Phil Goff is that he is willing to learn, but when we look at the rest of the Opposition front bench, we see that they have not yet realised that they are in Opposition. What are left are the remnants of a visionless, failed Labour Party. Labour was lazy in Government and it is lazier in Opposition. On this side of the House is a Government that has clear messages and well-designed plans. This Government is working on those focus plans to restore this country's economy. Who is doing that? Of course, it is a National-led Government.

Let us have a look at taxation. In my view, there is no better way to leave money in the provinces and the regions than to leave it with the people who worked hard to earn it, whether they be wage earners, employers, or investors. When we send money to a Government department, we expect, with blind faith, that it will be used in the best possible way. We are looking forward to 20 May and to a Budget that will reset the incentives for taxation so that it is about enterprise, hard work, investment, and saving—everything that is contrary to what Labour did in Government. It encouraged speculation, sloth, and poor practice.

We are very enthusiastic with regard to 20 May, when we will see a major step forward. Unfortunately, because of the problems that Labour faces at the moment, it puts off all the hard decisions. The Resource Management Act is one of the things—now it is benefiting the regions immensely.

KEVIN HAGUE (Green): When I need to buy laundry powder, I go to the supermarket. I go to the right aisle and I check out all of the products that are available. I look at the effectiveness, the environmental and ethical dimensions, and the price of each product, and I choose the one that best meets my needs. How dumb would it be if all of the laundry powder manufacturers queued up to offer me their products one by one? If the first one came and I said yes, then all of the others could go away; if I said no, then the next one would come, and I could continue that way until I bought something. It would not make sense for soap powder and it does not make sense for power generation schemes, yet that is precisely the method that we use to determine power generation schemes.

The problem in the soap powder example is that I would have no way of knowing which is the best of the products that are being offered to me and no way of knowing what the total range would be. That is precisely the problem for power generation. The only schemes that get to be considered are those that best meet the purpose of profit maximisation of the power companies, not those that best meet the public good. Very often those two purposes will not be aligned. Furthermore, it is currently forbidden rather than encouraged for the merits of, for example, two competing schemes to be compared.

It is a ridiculous situation and it is currently well illustrated on the West Coast and northern Buller, where a company called Hydro Developments Ltd has received resource consent for an ingenious power generation scheme that involves dropping water from the Stockton Plateau down to sea level and using the drop to generate electricity. The scheme that is proposed by Hydro Developments would have a net positive environmental impact. If that scheme goes ahead, along with the Arnold Valley scheme, which is already consented, and the existing generation the West Coast would be self-sufficient in electricity.

It is a worthy goal, but the consents have been appealed, most notably by two State-owned enterprises, Meridian Energy and Solid Energy. In both cases the grounds of the appeals look spuriously weak. Understandably, members of the public have come to the conclusion that both of the appeals may have more to do with rival schemes owned by those two State-owned enterprises. Solid Energy's scheme is broadly similar to that of Hydro Developments, and it is a matter of extreme regret that the State-owned enterprise has refused offers of mediation from the chief executive of the Buller District Council. I would like to hear from the Minister for State Owned Enterprises as to what mechanisms he has in place to rein in the apparently unethical behaviour of both of these State-owned enterprises.

The shortcomings of our current decision-making framework are best illustrated by the Meridian Energy scheme. Its plan is to desecrate one of the most valuable and treasured places in the entire country, the Mōkihinui River. Meridian Energy intends to build an 85-metre-high dam and a 14-kilometre-long lake. It intends to inundate around 300 hectares of our most precious forest ecosystem in New Zealand. According to Meridian Energy's own assessment, the conservation values and recreation values are second to none in the New Zealand conservation estate and cannot be offset. The impact of this scheme can never be reversed.

A rational decision-making framework would say that, given that either of these schemes would make the West Coast self-sufficient, we should be able to compare the one that has the net positive impact on the environment with the one that has a catastrophic, irreversible impact. Kate Wilkinson has this matter in her hands. She has the chance to refuse the land swap that is proposed by Meridian Energy and that is recommended against by the local conservation board. I have heard her say that she

loves the conservation estate of this country as much as anyone. This is one of the most important parts of that estate, and I say to Kate that it is time for her to show the love.

SIMON BRIDGES (National—Tauranga): I do not know whether it is just me, but I am feeling a little edgy at the moment—sober, but edgy.

Chris Auchinvole: You're looking very edgy.

SIMON BRIDGES: Maybe it is the brown suit and the branding; I do not know.

I want to talk about how lucky we are in New Zealand to live in this great country, which has a mature democracy. It is a democracy where the big parties—Labour and National—can come together on big issues and we can agree. We can get cross-party consensus on things like our antinuclear policy and international free trade.

It has been very pleasing to see this week that we have come together on a core plank of the Government's policy and success. Phil Goff has made it very clear what a great Prime Minister we have in John Key. He said: "Look, we can learn a lot from this guy." I agree with Phil Goff. John Key is a great leader. He is a great Prime Minister. Why is that? What is making Phil Goff look to John Key? It could be something to do with the 54:33 lead in the polls—about 21 percentage points. They are probably 21 good reasons why Phil Goff is feeling a little down at the moment. Another figure we could go with is 54:8, but that would be a bit mean. I agree with Paula Bennett that we are talking about someone who is trying to reinvent himself. Phil Goff has been getting out on the Triumph motorbike and trying it with the big red bus. The National Party has a bit of advice for this guy. He needs a bit more than a big boys' toys campaign to be the leader of an Opposition that is doing very well.

During this debate we have heard a lot about "DRIP".

Paul Quinn: Oh!

SIMON BRIDGES: I say to Paul Quinn that I am not talking about the Declaration on the Rights of Indigenous Peoples. I am not talking about something that has only a symbolic effect.

Todd McClay: What are you talking about?

SIMON BRIDGES: I am talking about the Leader of the Opposition, Phil Goff. What does "DRIP" stand for? It could be that "d" stands for "don't", "r" for "really", "i" for "ideas", and "p" for "polls"—"Phil I don't really have any idea what to do about the polls Goff". I say to Phil Goff that that is all right, because neither does anyone else in the Labour Party. If they did, he would not be the leader for very long. What we have here in "DRIP" is more than a policy and it is more than symbolic, it is actually a condition that could be with the Labour Party for quite some time yet. Labour members may have "DRIP"—"I don't really have any idea what to do about the polls"—for some time yet. Of course, I could be wrong.

Todd McClay: No, they're out organising a barbecue.

SIMON BRIDGES: Well, they probably are. As I say, they are not really sure which drip should replace the current drip. But "DRIP" could stand for other things, such as "devastated really at how invincible the Prime Minister is". Of course, the "i" could stand for "infallible" or for all sorts of other things, but it is clear that we have some drips in the Labour Party.

I do not want to be cruel, and I have already made the point that it is good that there is cross-party consensus on these things, but I refer to some of Labour's allies. The Standard, which is a well-known left-wing propaganda blog, has been getting in on the act. Today's blog states: "Call in Malcolm Tucker, we've got a live one". It goes on to state that Phil Goff is "Too busy heaping praise on John Key. Calling him a 'good politician'. Saying he deserves 'credit where credit's due'. One News asks if Goff is losing his marbles. 3 News wonders if he's voting National in 2011."—that is a very fair question—"Me, I wonder if he's angling for a job with the Herald." We can see

quite clearly that the Labour Party is adrift. It is a rudderless ship on the ocean of politics, if you like.

Here in National we are not worrying about whether we are retro, cheeky, edgy, sober, futuristic, or any of those things; we are just getting on with the business of running this country. We are a party that has a credible plan. We have a plan for the future of the economy of this country. We want to take this country forward. As a first-term member, if I could give Phil Goff some advice about what to do, it would be to emulate John Key, to get out and talk to people, and to do things in a straightforward—actually, I am letting the secret out.

The debate having concluded, the motion lapsed.

ELECTORAL (DISQUALIFICATION OF CONVICTED PRISONERS) AMENDMENT BILL

First Reading

Debate resumed from 17 March.

PAUL QUINN (National): In the remaining time I have, I want to address the report of the Attorney-General in respect of this bill. In so doing, I preface my remarks by saying that the Attorney-General is a man of great integrity, courage, and enormous intellect. He may prove to be one of New Zealand's finest as time passes. Certainly, he is the best Attorney-General we have had in the last 10 years. But like all good Celtic Catholic men, there are times when we agree to disagree. In paragraph 11 of his report he says that the bill appears to suggest that anyone sentenced to any period of imprisonment is a serious offender.

Hon Lianne Dalziel: I wouldn't actually refer to Celtic Catholic men at the moment.

PAUL QUINN: I say to Lianne Dalziel that in paragraph 12 he goes on to claim that the above statement is questionable and that non-serious offenders will be disenfranchised; for example, fines defaulters.

What the report leaves unstated is that the only reason fines defaulters end up in prison is because they refuse to pay their fines. A former Minister, the Hon Rick Barker, answered a question for oral answer on behalf of the then Minister of Corrections and said that the number of offenders being given custodial sentences in lieu of fines reflected the importance the Government puts on offenders being held to account for their actions, and that a custodial sentence is obviously a harsh sentence for serious fines defaulters. The simple fact is that terms of imprisonment are imposed for some offences that one might consider minor, but people are not imprisoned for those offences unless they become serious, such as not paying, on a serial basis, fines that are due. One might say that there are many people who have committed serious crimes—

The ASSISTANT SPEAKER (Eric Roy): The member's time has expired, but he does get a reply.

PAUL QUINN: Is that right? We look forward to the debate.

Hon LIANNE DALZIEL (Labour—Christchurch East): I rise to advise the House that the Labour Opposition will be opposing the Electoral (Disqualification of Convicted Prisoners) Amendment Bill. I do not think any mock outrage on the other side of the House will cut any mustard on this side of the House. We know why this bill is being introduced: it is called dog-whistle politics. There is nothing worse in this House than to see matters of substance raised in a debate such as this. I take the strongest possible exception to using an amendment to electoral law to argue this dog-whistle position to attack people who are in prison at a particular time.

This matter has a very, very strong history to it. It was the subject of consideration in 1986 by the Royal Commission on the Electoral System. During the royal commission's consideration of our electoral system, it raised the issue that no prisoner could vote when that prisoner was in jail on election day. That is how the law applied at that particular time. That was the concern that the royal commission addressed, and it was ahead of its time. The royal commission was several years ahead of the passage of the New Zealand Bill of Rights Act. The New Zealand Bill of Rights Act is what led to the Crown Law Office writing the opinion that the member seems to think Chris Finlayson wrote all by himself, but that is by the by. The point I make is that the royal commission, which considered this issue in depth—and did not have the benefit of New Zealand being subject to the New Zealand Bill of Rights Act—decided that it was not correct to say to people that they do not have the right to vote if they are in prison on election day.

The question was raised in 1993, when changes to the Electoral Act were being proposed. In fact, the Solicitor-General at that time, John McGrath, advised the Government that denying all prisoners the right to vote was a breach of the New Zealand Bill of Rights Act by that stage. So the Government of the day—a National Government—under a very good Minister of Justice, Doug Graham, considered the whole question in the light of our obligations under the New Zealand Bill of Rights Act. It was said that imposing a limitation across the board on those rights could not be justified. The limit was arbitrary.

Paul Quinn: So why did it give 3 years?

Hon LIANNE DALZIEL: The member should read the New Zealand Bill of Rights Act. It says that a limit cannot be arbitrary. In this case, the reason that it was arbitrary was because it did not take into account the seriousness of the offence. A person convicted of a minor offence, simply because of timing, lost the right to vote for 3 years, whereas someone convicted of a more serious offence might not have lost the right to vote at all. That was the unfairness of the situation.

I will talk about the right to vote. People talk about the right to vote. May I recast that a different way? I ask this House to think about the duty to vote, not the right to vote. Let us recast it as a duty. We have an obligation under our law to be enrolled to vote. Paul Quinn says with this bill that prisoners should not be allowed to go on the roll, yet we require by law everyone else to be on the roll. So we would say to people who have committed an offence and who happen to be in jail during the period of time when there is an election that they cannot be on the electoral roll, and yet we require by law everyone else to be on the roll.

Paul Quinn: The current law says that.

Hon LIANNE DALZIEL: The current law says that, because it was changed in 1993. The way the current law was changed was to ensure that there could be a distinction made between those who were convicted of more serious offences. The position was adopted of choosing the time frame of more than 3 years, which was a parliamentary term, and which actually solved the problem—drawing those people into the group of people who lose the right to vote because they go overseas for more than 3 years and have not been back within that 3-year period. So, actually, the whole thing makes logical sense. The only way that Paul Quinn can argue what he is arguing is if he does not accept that there is somehow a moral duty to vote. I do not think any person should stand or sit in this Parliament who does not believe that it is a duty to vote as opposed to merely a right. I think a duty is far stronger than a right.

The member Paul Quinn is saying that we should take prisoners off the electoral roll, which means that if they are in jail at the point that they are seeking to re-enrol, they will come off the electoral roll. I say that getting marginalised people in our society on

to the electoral roll is one of the hardest things that we have to confront when we try to sign up people during the election campaign. Every member of this House will know how much resource we put into the Electoral Commission to make sure that people are on the roll in the lead-up to both the local-body elections, which take place this year, and the general election, which takes place next year. I think that people should think very carefully about what this bill really means. It is not about punishing people; it is actually about minimising the duty that goes with electing our members of Parliament and also electing our mayors, city councillors, community board members, and regional council—if we still had one in Christchurch.

I think that the fundamental issue is that the member Paul Quinn is using this as a dog whistle to those who want to see the Government as having a tough stance on our prison population, and who are saying let us get tough on prisoners. My view of that is that this idea is completely out of date and out of time, because it was considered in 1986 and it was implemented in an appropriate way by a National Government in 1993. The point I make is that the situation has become even stronger. The explanatory note with this bill says that the Royal Commission on the Electoral System failed to consider prior convictions before a custodial sentence was imposed. By the time one gets to a custodial sentence there are more serious offences that have been committed in the past. That was before the days of home detention, which in my view makes an even stronger case for the royal commission's position. This bill states that if an individual gets home detention they are allowed to vote, but if they are in prison they are not allowed to vote.

Simon Bridges: Well, there's a less serious offence.

Hon LIANNE DALZIEL: Oh, now the member has just given me the answer to that question! I tell that member that there were two young men convicted in Christchurch last year of exactly the same offence. One lived in Fendalton with a very supportive family. One lived in Aranui with a very unsupportive family. What happened? The one from Fendalton got home detention and the one from Aranui went to jail. So, why should one be taken off the electoral roll and told that he cannot be on the electoral roll when the other one from Fendalton is allowed to stay on the electoral roll?

I think that the Government has got this completely and utterly wrong. They need to work out that the underlying issue is much more important than this dog-whistle political bill. This bill will undermine what I believe every person in this country should accept: it is a duty to vote. It is not a right to vote; it is a duty to vote. It is a duty to be involved in our political system, whether it is local government or central government. All that this bill is doing is telling people who have been convicted for 3 years and who have to spend their time in jail, as opposed to home detention, that the Government wants to differentiate between those two. I say shame on the members opposite. It is an absolute shame that this bill is allowed to come before this House and bring this House into disrepute by not seeing this as the important issue that we are entitled to see it as. It is a duty to vote, and I believe that this bill undermines that very duty.

DAVID GARRETT (ACT): I will start by talking just briefly about the previous speech by Lianne Dalziel. It was not bad really; I agree with some of it. But I take issue with her view on the duty to vote. We do not have a compulsion to vote here, unlike in Australia. We are obliged to be on the electoral roll—we are duty-bound to do that—but we are not obliged to vote. Voting is a major right. It is a right that people have fought and died for. I am unaware whether any suffragettes died in this country, but certainly they did in England, in the early part of last century, in order to obtain the right to vote. That right was considered to be so important that women were prepared to go on to racetracks and be trampled to death in order to get the right to vote. There can be no democracy without voting; one inevitably follows the other.

I am afraid I disagree with Ms Dalziel's view regarding criminals in prison, but she has made a good point: there are disparities in treatment between those who are in prison and those who are on home detention. Perhaps that could be addressed at the select committee, because on the face of it, certainly, someone who receives a sentence of home detention—

Simon Bridges: It is for a less serious offence, David.

DAVID GARRETT: Yes, well, they can theoretically get home detention for a serious offence, so perhaps that disparity can be looked at. But by and large, contrary to what Ms Dalziel has said, people are in prison for very serious offending. They are deprived of their liberty, which is a right not much less important than the right to vote, perhaps. They are there for repeat violent offending, very serious violent offending, or for having stolen a lot of money. They have broken the social contract that we all make to abide by the laws that we make in this place. They are there for a reason. The question to be asked is simply why such people should be allowed to exercise a right that people have died for. That is not a melodramatic question; it is a very serious one.

Although this is a member's bill, in my view it is part of a sea change that this Government has embarked upon in the law and order field. Along with measures to combat drug abuse and the other drivers of crime, the National-ACT Government is making it very clear that prison ought to be a place that people do not want to return to. Although it is incorrect to say our prisons are five-star hotels—I have visited seven or eight of them, and I know that is not the case—neither are they hellholes or particularly unpleasant. That is changing. This Government, with the full support of the ACT Party, is introducing container cells. Now, the party opposite wails and moans about the inhumanity of that. If members had a bit of life experience, they would know that anyone who has worked in a mine in Australia or on an oil rig has lived in something very similar to what is proposed for Rimutaka Prison. Container prisons will not be like the so-called "Milton Hilton", the centrally heated prison in the South Island. They will not be like the Ngāwhā prison, which was opened under the previous Government. They will not have a large sculpture, at a cost of a couple of million dollars, to indicate the spirit returning to the sea.

Last week I was speaking to a Rotary group in the North Island near Ngāwhā about the "three strikes" bill, which is soon to pass in this House. After my speech, I took questions. One of the audience members was a doctor, and he asked me what I thought about prison conditions. I said pretty much what I have just said: prisons are not five-star hotels, but neither are they hellholes, and they should be places that people do not want to return to. Afterwards he came up to me and said that he treated all the prisoners from Ngāwhā prison who had ear, nose, and throat problems. Purely from his own interest, he had asked them how they found conditions there, and what they thought about life there. He said that every single one of them said that they were very comfortable, thanks, the food was great, they were not required to work, and they were very happy. Either that man was lying—and he did not seem like a liar to me—or we have made our prisons too comfortable. That is changing, and I applaud that change, as does my party. This bill is symptomatic of that change and is part of it, and we are proud to support it.

CHARLES CHAUVEL (Labour): The Electoral (Disqualification of Convicted Prisoners) Amendment Bill is nothing more than the latest in a long line of dog-whistle attempts to make the Government, the National Party, and its ACT Party fellow traveller over there seem tough on crime. This House should be gravely concerned that some of its members can come in here and propose legislation for those reasons, without any regard for its practical implications. Those members would place political image above fairness, above the value our society places on the civic duty of voting,

above the effectiveness of our electoral roll, and above prisoners' reintegration into society upon release, and in ways that would be impractical to implement for all the reasons that Lianne Dalziel set out in her very fine contribution to this debate.

As well as this bill being completely impracticable, the Attorney-General has notified the House that the bill is unjustifiable because it is inconsistent with the electoral rights affirmed by section 12 of the New Zealand Bill of Rights Act 1990.

Simon Bridges: This from the party that had Michael Cullen, who didn't even put one forward for the Electoral Finance Act.

CHARLES CHAUVEL: Unlike some of the members opposite, who are interjecting, I think it should be a matter for serious concern when this House receives a report of inconsistency from the Attorney-General.

Clearly Mr Quinn does not know what the process is relating to these reports. I will explain what that process is. The Crown Law Office looks at the legislation. It looks at overseas cases and comparable provisions in international agreements and legislation to consider whether courts or international tribunals have considered whether similar provisions are consistent with fundamental rights and freedoms. Let us look at the advice this House has received on that point. As far as a blanket ban on prisoner voting is concerned, it breaches the New Zealand Bill of Rights Act because it is inconsistent with the International Covenant on Civil and Political Rights, the High Court decision in *Re Bennett*, and decisions of the Supreme Court of Canada and the European Court of Human Rights.

The advice states that inconsistencies with the New Zealand Bill of Rights Act can be justified where the provision serves an important and significant objective, and where there is a rational and proportionate connection between the provision and the said objective. The stated objective of this bill is to disenfranchise the most serious offenders. The Attorney-General does not express an opinion on whether that is an important and significant objective but, regardless, he concludes that the objective to disenfranchise the most serious offenders is "not rationally linked to the blanket ban on prisoner voting".

There are three reasons for that, which are worth having in the record of the House. First, not every person serving a sentence of imprisonment is necessarily a serious offender, and people who are not serious offenders will be disenfranchised.

David Garrett: Wrong.

CHARLES CHAUVEL: Mr Garrett knows better than the Attorney-General on this point, judging by his interjections! That is the advice on the record from the Attorney-General. The example given is a fines defaulter, who may be imprisoned, but who hardly qualifies as a serious offender. Secondly, an irrational inconsistency is created so that mentally impaired prisoners who are detained in a hospital or secure facility for less than 3 years could vote, while all prisoners serving sentences of less than 3 years in prisons could not vote. Currently both groups are treated the same. Nothing in this bill deals with that issue. Thirdly and finally, the advice states that the blanket ban on prisoner voting is both under and over-inclusive. It is under-inclusive in that a prisoner convicted of a serious violent offence who serves 2½ years in prison between general elections can vote, and it is over-inclusive in that someone convicted and given a 1-week sentence coinciding with a general election would be prevented from voting. There is a complete inconsistency there, which a select committee would be simply unable to resolve.

This bill has no intention other than to make the Government look tough on crime. In doing so, it is proposing impractical changes. If the Government were really tough on crime, it would not be taking police cars off the street, decreasing firearms training for the police, and slashing $21 million of funding from the police. Most of all, it would not

be coming to this House every day to implement the sort of outdated economic policies that create inequality and impoverish our communities in such a way that creates crime in the first place. This is a bad bill. It is window dressing and it is offensive. It will not work, and that is why Labour opposes it.

DAVID CLENDON (Green): Thank you, Mr Assistant Speaker.

David Garrett: It will offend them. It will offend the communists, all right.

DAVID CLENDON: Thank you, Mr Garrett. The Electoral (Disqualification of Convicted Prisoners) Amendment Bill has one single and very simple purpose.

Grant Robertson: I raise a point of order, Mr Speaker. There are various Speakers' rulings about people moving to other seats to facilitate interjection. I know that in this House we have a fairly flexible regime in that regard, but we have seen several examples of it from Mr Garrett both in the previous speech and even before Mr Clendon was able to get a word out.

Todd McClay: Speaking to the point of order—

The ASSISTANT SPEAKER (Eric Roy): I do not need any assistance, thank you. I have cautioned members. This is a members' day and one would hope we have a slightly better standard of debate in that regard than a partisan-party operation. Mr Quinn has a right of reply; he might like to contain his interjections. Interjections are part of this House if they are rare and reasonable, and we have gone beyond rare and reasonable.

DAVID CLENDON: As I was saying, this bill has a single and quite simple purpose, which is to deny the vote to anyone who is currently serving a prison sentence. That is quite a significant shift to the current arrangements, yet there is very little in this bill in the way of argument or justification for that proposed change. It leaves us to speculate on the underlying purpose. I must agree with some of the speakers who have already noted that it seems to be a response to the very simplistic, populist call for longer sentences and tougher punishment for criminals. Allegedly, that will solve our problems but, of course, we know they will not.

Putting people in jail is punishment for a crime. There is nothing to be gained from punishing them further by stopping them from voting. Further marginalising prisoners from our society—and denying people the vote will contribute to that extra marginalisation—will contribute to the growing underclass that this Government pretends it is concerned about. Very well-founded and credible research from the US shows that depriving prisoners of the vote is not good for their rehabilitation and reintegration into society. It further alienates people from the norms of mainstream society. How far does this Government plan to go? We hope we do not get to a situation similar to that in the United States, where ex-prisoners are denied the right to vote. Currently some 5 million Americans—something like 14 percent of, or one in seven, African-American males—are disenfranchised. Let us hope this Government's somewhat irrational approach to justice issues does not take us too far down that road.

The bill's explanatory note acknowledges that it ignores the advice of the 1986 Royal Commission on the Electoral System, which was supported by advice from the Solicitor-General in 1992. However, it does not provide an argument for what this bill will achieve. The 1986 commission noted that the disqualification of prisoners was not uncommon internationally and that "Its origins lie in the view that voting is a privilege rather than a right, to be extended only to people of substance and standing on the community." The Greens reject absolutely the notion of voting as a privilege to be doled out by who knows who. We see voting as an absolute right in regards to the franchise. It is a right of every citizen, with a very few exceptions, to vote. The State's right to coerce citizens—and imprisoning citizens is perhaps the most obvious and extreme example of that coercion—depends on its legitimacy as an elected body with power and

authority supported by an electoral mandate. The right to vote ought only to be withdrawn in the most exceptional circumstances, and a prison sentence of less than 3 years falls far short of any reasonable test.

The Attorney-General's assessment, tabled in the House on 17 March, concluded that "the blanket disenfranchisement of prisoners appears to be inconsistent with s 12 of the Bill of Rights Act and that it cannot be justified under s 5 of that Act." It is true that the first draft of any bill can contain an error, a drafting error, or some reason why the Attorney-General might pick up a provision in breach of that Act. The core purpose—the core principle—of this bill is clearly in breach of the Bill of Rights. That in itself should be sufficient to stop the bill in its tracks.

Deterrence is often rolled out as a rationale for populist and ineffective punitive measures. This, indeed, is intended as a justification. Very few people think rationally before committing a crime. Very few people will stop at the point where they are about to commit a crime for fear they will lose their right to vote. It is simply not a reasonable expectation. The prison system is imperfect and not always just. We know that people are incarcerated while others committing similar crimes are allowed to serve a sentence in some other way, or escape conviction all together. That point has been made.

In summary, it is our belief that the proposal in this bill is not helpful. It will take us nowhere in terms of reducing offending or, indeed, recidivism in this country. It will not reduce our prison population. It will not make us a more peaceful, secure, or cohesive society. For those reasons, the Greens will continue to oppose the passage of this bill.

SANDRA GOUDIE (National—Coromandel): I speak to the Electoral (Disqualification of Convicted Prisoners) Amendment Bill. If the bill is enacted, the law would revert to what it was prior to the implementation of the current Electoral Act 1993. All this bill does is remove the right of a person to register as an elector if he or she is serving a sentence of imprisonment for a term of less than 3 years. The bill is very simple law. It says that if people do a crime, they do the time and give up the electoral right that normal citizens have. The legislation gives supremacy to a person's moral obligation not to commit a crime, rather than to the moral obligation of that person to vote. The Labour Opposition is saying that it is a moral obligation to allow these people to vote. But do these people not also have a moral obligation not to commit crime? If they want to commit a crime, they have to do the time, and they have to give up all the rights and privileges that law-abiding citizens have. If they want to do the crime, they give up those rights and privileges. Their moral obligation is not to commit crime; they have to have that responsibility in the first instance. If they want to continue to vote, then they will not commit crime. If they want to give up their rights and privileges, then so be it—they give up the right to vote. I would rather that the moral obligation not to commit crime had supremacy over the moral obligation to allow those people to vote.

Members should look at all of the thousands of New Zealanders who went to war, as David Garrett quite rightly pointed out, to protect our democracy. The biggest part of that democracy is the right to vote. Well, if people are going to commit crime, which they have a moral obligation not to do, then they can give up the rights and privileges that they can expect as New Zealanders.

What do the Greens say? They say that that is an irrational approach—to expect New Zealanders to have a moral obligation not to commit a crime is an irrational approach! That is being just totally soft on crime. What is the Greens' other interpretation? The Greens' other interpretation is to call the law of locking up criminals extreme coercion. I mean, you know, duh! This is about keeping New Zealanders safe, yet the Greens call the law of locking up New Zealanders extreme coercion. I guess if this were a communist country those members would be in the top seats, but it is not a communist country; it is a democracy. We expect a moral obligation of New Zealanders not to

commit a crime, and if they commit a crime then we expect that the laws will deal to them in the appropriate way; this is just another way in which we can curb their rights and obligations.

We need to send a very, very strong message to people who might think about committing a crime. We need to make them think about all the rights and privileges that they would lose, and we need to make sure that they do not enjoy their time in incarceration or in fulfilling their sentences. Of course, we hear all about the New Zealand Bill of Rights Act, and those people's rights. Well, in my view, the moment they commit a crime they abdicate their rights.

What about the rights of the citizens of New Zealand not to have crime perpetrated against them? We are not going to be like the Labour members. They said they are not going to not condone the actions of criminals, so by definition that means they condone the actions of criminals. Labour members are clearly soft on crime, but National members are sending a very strong message that we are not soft on crime. We want to make sure that every single criminal understands that they will get dealt to. If they want to break the law, they will get dealt to. We have made very sure of that.

We have totally supported the police with the changes that we have made under the excellent leadership of Minister Judith Collins, who is Minister of Police and Minister of Corrections. We have given the police Tasers, we have given them more police on the front line, and we have given them more powers to deal with crime and methamphetamine. We have enabled them to act to recover the proceeds of crime; we have taken $7.2 million from that. Bring it on!

HONE HARAWIRA (Māori Party—Te Tai Tokerau): Kia ora, Mr Assistant Speaker Roy. Tēnā tātou katoa e te Whare.

Paul Quinn: Hey, brother.

HONE HARAWIRA: Tēnā koe, parata. If an election were held today, some 3,200 sentenced prisoners—those with a release date between now and 5 March 2011—would be able to take up their democratic right to vote. Another 1,800 prisoners on remand would also be eligible. That makes up about 5,000 people in prison who can legally vote at a general election. Under the terms of the Electoral Act 1993, because they are serving a sentence of less than 3 years they are eligible to vote. But today we have the Electoral (Disqualification of Convicted Prisoners) Amendment Bill, which seeks to deprive those 5,000 people of their legal right, and to punish them again for the crime for which they have already been prosecuted, sentenced, and incarcerated. I have to wonder about the motivation of targeting people who are already isolated from our society, who are already alienated from everyday life, and who are already serving the time to pay for their crime. I ask what on earth could be the motivation to deny them even more of their rights, except to punish them, to prove how nasty and vicious society can be, to show that we do not care about those who have fallen by the wayside, and to show what a callous and depraved society we really are.

This bill is a backward step. It takes us back to the time before 1993 when, based on a recommendation of the 1986 Royal Commission on the Electoral System, the Solicitor-General agreed to the 3-year rule. This bill will take us back to the days when, on conviction, anyone in prison was disqualified from voting. This bill will take us back to the days of prejudice and ignorance, and of a society ruled by fear rather than freedom. Kim Workman, director of Rethinking Crime and Punishment, said the provisions of the bill would affect the 90 percent of prisoners who would be out of jail in 2 years, and it would also actively disenfranchise the families and the communities that those inmates come from. Communities like Ōtara, Flaxmere, and Cannons Creek would stand to lose a significant number of their voters. It does not take very much consideration to realise that with Māori and Pasifika constituting the great majority of

prison inmates, the Polynesian voice would be the voice that was silenced by this legislation.

The history of the right to vote in this country is one of confronting prejudice and challenging exclusion. Our history has been one of opening up the right to vote to women, to Māori, to people who were not British subjects, such as the Chinese, to people living on the Chatham Islands, to 20-year-olds, and ultimately to 18-year-olds, as well. This bill, along with a range of bills of a similar nature, aims to take us back to a time when exclusion defined us as a society, and to reset us on the track of slowly but surely rebuilding the walls of denial and racism. That would see this country plunge into levels of hatred and violence that would make today's problems look like they were a bun fight. We shudder at the thought of what might come next, and we signal quite clearly that we will most certainly not be supporting this bill. Kia ora tātou.

SIMON BRIDGES (National—Tauranga): Every so often Parliament gets to debate questions of pure principle. The issue here is whether serving prisoners should have the right to vote. My answer, at a principled level, is absolutely not. Some would say that voting is not a right, it is a privilege. I disagree. It is a right; it is a fundamental right, but it is not an absolute right. In fact, if we consider all the rights we like to think of, they never are absolute.

But with all rights, even with fundamental ones, go responsibilities. If we like, we can put it this way: there is a social contract between individuals and the State. The State makes the rules. It compulsorily takes taxes and does all manner of things. In return, we receive all sorts of things: warm shelter sometimes, hospitals, schools, and of course the power of the ballot to elect or "unelect", and, in our privileged case in this House, to be elected. Prisoners, however, have opted out of that social contract. They have not gone just against the State's and society's basic rules, they have gone against the big ones, which means that incarceration has resulted.

A central debate here concerns the matter of how easily imprisonment is imposed. I say to members from experience that it is not imposed easily, at all. In this country we do not take away someone's right to liberty and imprison them at all lightly. Indeed, the previous Labour Government increased the many sentence options that judges now have, and that they must consider, before a person is incarcerated. There is a spectrum, and a wide one at that, of offences before we get to the most serious penalties in our system of imprisonment.

Moreover, the right to vote is not just a fundamental one; it is a precious one. Millions of men and women have shed blood and lost their lives for the right to vote. I simplify to some extent, but I say that arguably any war we like to think of that New Zealand has been involved in has been fought in the name of, among other things, democracy. I am certainly not saying to this House that all wars are right. Indeed, often they are fundamentally misguided. Nevertheless, as I say, to some extent they are in the name of democracy.

My grandfather fought in a world war, but did he do that so that serving prisoners could vote? Voting is a fundamental right, but it is also a precious one. By committing serious crime, prisoners opt out of the social contract between citizens and the State, and they lose the right to vote. When they have served their time and they are out, they can re-enter society. They can regain their precious right, that hard-earned, with blood shed, right to vote. That is how it should be. This bill, in principle, is the right thing to do. I commend it to the House.

CHRIS HIPKINS (Labour—Rimutaka): I will begin by, for the first time—and possibly for the only time—endorsing 100 percent the comments made by Hone Harawira in the speech that he just made on the Electoral (Disqualification of Convicted Prisoners) Amendment Bill. There was nothing in the speech he made that I disagreed

with; there was much in the speech he made that I strongly endorse and think members on all sides of the House would be well advised to listen to. I think we should take on board much of what he has to say, not just in this debate but in many other debates, when it comes to law and order and the incarceration of prisoners.

With the possible exception of the last contribution, from Simon Bridges, the common feature and common characteristic of all of the other contributions from the other side of the House is that the speeches have been filled with anger and hatred. I can understand that, to some extent, when it comes to debates about law and order. I can understand it when it comes particularly to serious criminals and their serving of time in prison. But the problem is that when it comes to debates about law and order, anger and hatred seldom advance matters very far, at all. In fact, the point that Hone Harawira made, which I totally endorse, is that so many of the people in our prisons feel nothing but anger and hatred from the society around them, and often know no different from that. Often they have never felt anything other than anger and hatred from the society around them; they have become so disenfranchised. That is a contributing factor to their offending.

This bill will disenfranchise them from society even further. Voting is a duty that all citizens should have, with the exception—and I accept this exception—of the most serious criminal offenders, who are already prevented under the law from voting. There have been many reviews of this law, including a royal commission, a review by the Solicitor-General, and comments recently on this bill by the Attorney-General—the National Government's own Attorney-General—all of which have said that it is not justified to remove the ability to vote from somebody who is sentenced to imprisonment for a term of less than 3 years. I totally agree with that. We cannot treat people differently depending on when they are sentenced and when they serve their sentences. People who would never have the opportunity to vote anyway, because there may not be an election during the time they are in prison, could be removed from the electoral roll. Somebody may be in prison for 6 months between elections, and they would never have the opportunity to vote even if they were out in public. Yet they would be removed from the electoral roll.

We spend so much time getting people on to the electoral roll in the first place, and some of the people who are the most difficult to get on to the roll in the first place are the people who are disenfranchised from our community. We struggle to get the people who are more likely to go to prison on to the electoral roll in the first place, yet this bill removes them from the electoral roll. It is not justified. It will further marginalise them from our community.

Tough on crime rhetoric is the easy part. Dealing with the underlying social causes of criminal offending, the disenfranchisement from society, and the total feeling of anger that exists within many of the people in our prisons is something we have to think long and hard about. We do not do a good job of this, because the political rhetoric is too hard on any side of this political debate. It is very difficult to deal with this issue in a way that will look good on the news and will make people likely to vote for us. Yes, there are votes in being seen to be hard on criminals. There are very few votes, unfortunately, in dealing with the root causes of crime and criminal offending, because they are not easy and they do not fit on a bumper sticker.

We have to get past that, because New Zealand already has one of the highest incarceration rates in the developed world. We have nearly twice as many people per capita in prison as Australia does. The gene pool of its population was hand-picked by the best magistrates in the United Kingdom, yet Australia apparently has a lower level of criminal offending than New Zealand. I simply do not accept that. I believe and accept that the political rhetoric in New Zealand has gotten to the point where we can no

longer have a rational debate about this issue. We have to step back from that rhetoric. The tough on crime rhetoric has to stop. We have to take this matter much more seriously, and this bill is not the way to advance these issues.

TODD McCLAY (National—Rotorua): It gives me pleasure to rise and speak on the Electoral (Disqualification of Convicted Prisoners) Amendment Bill, presented to the House by Paul Quinn. I will read the middle part of the title again—"disqualification of convicted prisoners".

I congratulate Paul Quinn on having a little bit of the Green Party's luck. I heard a member of the Green Party suggest one day that a bit of karma is involved when it comes to having a member's bill drawn out of the ballot, and we recognise that over the last year the Green Party has had many bills drawn. Well, if anybody deserves karma in this area it is Paul Quinn, and I want to recognise that fact right here.

I support this bill very strongly for a number of reasons. The right to vote is an important right. It is a right that is exercised and enjoyed by all law-abiding citizens throughout this country, and it is considered by law-abiding citizens to be a very important right. When people break the law in this country—and in many others—there are consequences. People who break the law lose a number of the rights that law-abiding people in New Zealand enjoy. The right to freedom is lost. I think everybody in this House would agree that people who commit crimes should lose their freedom. The right to association is also lost because of incarceration.

Someone mentioned earlier that the right to stand for election to Parliament is lost. I believe that it is only proper that people lose their right to exercise their voice in society through their vote when they have been sentenced to a period of time in prison. I say to all those who hold their right to vote as precious to them that there is a simple way to retain that right, and that is to not break the law. If they do break the law, if they do commit a crime, then I hold the right of a law-abiding person to vote to be more important.

I have listened closely to the debate, and I have enjoyed some very good interventions. I note that Hone Harawira spoke with some wisdom in some of these areas, and I look forward to this bill going to a select committee, if today's vote allows, so that we can hear more from others and from members of the public about their thoughts on the matter.

After listening to the rhetoric from Labour members, I say that Labour has shown again that it is soft on crime. Those members opposite are more concerned about the rights of the criminal than they are about the rights of the victim. If there was a way to give the criminals' votes to their victims, then I would very seriously consider supporting it. I say to members opposite that if Labour members were an effective Opposition, in touch with the concerns of law-abiding citizens who hold the right to vote as being very important, then they would be supporting this bill. But we have heard today, of course, that they are not an effective Opposition, and they will not be supporting the bill.

I believe that the majority of people in this House are committed to tackling crime and making our communities safer for Kiwi families. I believe that the majority of people in this House believe that the rights of law-abiding citizens should come before the rights of criminals. This bill makes it clear that our democratic rights as citizens include obligations to obey the law. When people break the law and are sentenced to prison, they have not met their obligations to society and they therefore should lose the right to vote while they are in prison.

I reiterate for the benefit of anybody who was not listening earlier that I support this bill very strongly. We have heard from others about a royal commission report some years ago, and there are always different interpretations of it, but, very clearly, the

commission's analysis is notable for its omission of any consideration as to the level of serious offending most prisoners have been convicted of prior to their eventually receiving a custodial sentence. The select committee will have an opportunity, should this bill move beyond its first reading, to look at that. It will have an opportunity to decide and to converse with New Zealanders about what they think is an appropriate level.

I have read the bill and looked at it closely, and I congratulate Paul Quinn. I think he has the level right. If people want to keep their right to vote, if voting is an important right to them, they should think about victims and not go out and commit crimes. I say to Paul that he will have my vote on this issue. Thank you.

PAUL QUINN (National): The Electoral (Disqualification of Convicted Prisoners) Amendment Bill is quite a simple bill. All it sets out to do is to remove the vote from anyone who is imprisoned on the day of an election. I am quite happy for the bill to go through the select committee process to work out any procedural issues. If the Opposition is hung up on the fact that it removes people from the electoral roll, then let us just leave them on the roll and say that if they are in prison, they do not get on a bus to go and vote. [*Interruption*] I know that the bill does not say that, but that is what the current Act says. All I have done is extend that provision. The simple fact is that the select committee is charged with finding the most appropriate mechanism to achieve the aims of the bill.

Labour has accused members on this side of the House of practising dog-whistle politics. Talk about rhetoric! Those members have talked about anger. Most of the anger and most of the rhetoric has come from them. In fact, probably the best contribution to this debate, the most civilised and the most thoughtful, I thought, was an outstanding contribution from my colleague Simon Bridges. There is a man who has been at the coalface of crime. I think that his contribution to this debate was very worthwhile of being listened to.

It was suggested by Lianne Dalziel, and again by David Clendon, in the contribution from the Green Party, that this was against the New Zealand Bill of Rights Act. The fact of the matter is that section 5 of the New Zealand Bill of Rights Act allows, in exceptional circumstances, section 12 of that Act to be overridden. This debate is all about whether there are exceptional circumstances, and, if so, what they are. Already both the royal commission and the Solicitor-General, in his opinion of 4 or 5 years ago, confirm that at some point in time there is an exceptional circumstance. What this debate is about is where the line in the sand is around exceptional circumstances. That is all the debate is. I suggest that if Lianne Dalziel had read the royal commission report more fully, she would know that the only reason the provision for 3 years is there is that the commission thought there should be some exceptional circumstances. We have said that people who go overseas for more than 3 years lose their right to vote. The commission thought that sounded OK, so it applied the same ruling to prisoners. If she had read the report she would understand that that was the basis for the provision of 3 years.

No other reason was given in the royal commission's report. Someone who makes the choice—his or her own choice—to go overseas for 3 years or more loses the right to vote, and therefore prisoners should be treated on that same basis. Yet we are talking about people who have transgressed against society. They have abused the rights that the community values and that the people who fought in the wars commemorated by the memorials in this Chamber fought to defend. But, no, Opposition members want to stand aside and not have that conversation. Well, I say that it is an appropriate time for this conversation to occur, because we are faced with, and challenged by, the fact that the community can go only so far in being able to defend people's rights. I believe that

the community has the right to decide when it will no longer provide the protection that it offers when it protects people's right to vote.

That is what this conversation is about. I hope that this bill is referred to a select committee so that we can have an informed debate, rather than the rhetoric and anger that came from the Opposition. Thank you.

A party vote was called for on the question, *That the Electoral (Disqualification of Convicted Prisoners) Amendment Bill be now read a first time.*

Ayes 63

New Zealand National 58; ACT New Zealand 5.

Noes 59

New Zealand Labour 43; Green Party 9; Māori Party 5; Progressive 1; United Future 1.

Bill read a first time.

The result corrected after originally being announced as Ayes 64, Noes 58.

Bill referred to the Law and Order Committee.

EMPLOYMENT RELATIONS (WORKERS' SECRET BALLOT FOR STRIKES) AMENDMENT BILL

First Reading

Hon TAU HENARE (National): I move, *That the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill be now read a first time.* At the appropriate time I intend to move that the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill be referred to the Transport and Industrial Relations Committee. First of all, I thank my National Party colleagues for allowing me to put this bill in the ballot and for then supporting me—hopefully—when the time comes to refer it to the select committee. The bill's title is the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill. In a nutshell, it amends the Employment Relations Act 2000, to require unions to hold a secret ballot vote of their members to approve a strike before undertaking any strike action.

My key message to the House is that National has always believed that employment law should treat all parties fairly, with the focus on protecting employees and employers. National has been committed for a long time to creating a positive work environment, and I think that this bill supports that priority. I will not take up too much of the House's time, but I will say in an overview that our nation is at a crossroads and that we need to get this nation back on a footing where we are concentrating on productivity. I think that the raft of measures that National has seen in, in the 18 to 20 months that it has been on the Treasury benches, has done that.

This bill requires unions to hold a secret ballot for their members when voting on strike action. Strikes can be incredibly stressful for both sides, both financially and mentally. One of the reasons why I suggested this bill to my colleagues was that one such person felt that he was under pressure when it came time to decide whether he would be part of the withdrawal of labour at his workplace. Not all workers will be in the same personal circumstances, so it is fair that any decision they make is free from judgment by anyone else. This bill will provide a protection mechanism for workers who may feel intimidated through the voting process. People must feel at ease with the process, whether it is about choosing to withdraw their labour or choosing their representatives every 3 years.

Chris Hipkins: Did New Zealand First have a ballot when they walked out of the National Government?

Hon TAU HENARE: That member was about 7 when that happened. This bill will ensure that a secret ballot before strikes is a legal requirement for all unions. It is nothing new. Actually, all that this bill does is to codify and standardise what is already occurring within some of the major unions of this country. I want to make it quite clear that this is not about a fight between right and left, or a fight between National and Labour; it is not even a fight between employers and employees. This is not an attack on unions. Rather, it enhances the processes that many unions already have in place.

Sue Moroney: What about employers?

Hon TAU HENARE: We will get to that; we will get to the little squeak from the Opposition members.

I had a meeting today with Peter Conway from the New Zealand Council of Trade Unions, and it is very clear and apparent that the Council of Trade Unions does not have any problem with this bill. But it is also very clear and apparent to me that it wants to couch some issues in the select committee process, and I cannot wait for the council to come along—and for anyone else to come along—to make a submission on this bill. I think that the wars we used to fight have been won and lost. I will not say who won or who lost, but let us just say that those wars have been fought; those wars have been won, and those wars have been lost.

Hon Trevor Mallard: There's nothing wrong with a bit of history.

Hon TAU HENARE: Absolutely; it makes us better people if we understand that history. It makes us better people if we know—

Hon Trevor Mallard: It would make your colleagues very well informed.

Hon TAU HENARE: No, no. Again, you see, this is not about right and left; this is not about National and Labour. This is about protecting a person's right to make a decision without fear or favour. Protecting a person's right to make a decision without feeling that he or she is under the cosh, so to speak—

Hon Trevor Mallard: The cosh or the bottle?

Hon TAU HENARE: The bottle, as well. We have all done things in our pasts that we rather regret; I ask Trevor Mallard whether that is not so.

Hon Trevor Mallard: I have never bottled anyone.

Hon TAU HENARE: No, some people never regret what they have done. They continue to make the same mistakes as they have in the past. But that is different, and not what we are here for.

We are here to protect a person's right to withdraw their labour in a way whereby they are fully informed and not under any threat, either physical or mental. So I have set out today, and in my talks with various people, to make sure that the bill is non-controversial. It is all about transparency; it is all about democracy. It is all about the rights of the individual person who is being asked to withdraw his or her labour. In fact, that is the only real tool that workers have in their kitbags, so to speak, to further their interests.

As I said, I will not speak for very much longer, other than to say that I received a very, very nice letter concerning legal advice in respect of the consistency of my bill with the New Zealand Bill of Rights Act 1990. I am glad to inform the House that there are no issues with my bill going forward. It certainly does not contravene, I believe, any of the rights in the New Zealand Bill of Rights Act 1990. I leave the House to consider and make up its mind.

Hon TREVOR MALLARD (Labour—Hutt South): I will state right at the beginning that Labour will be supporting the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill to go to the Transport and Industrial Relations

Committee. It is a pity that the member in whose name this bill is had not consulted his nephew, the list member for the Hutt Valley, in order to make sure that the bill was similarly consistent with the New Zealand Bill of Rights Act. Maybe his nephew could give him some lessons in that area.

It is an unusual position for Mr Henare and me, but there was almost nothing in his speech that I could disagree with. He summarised the situation pretty well. His bill will do effectively nothing. He is enshrining in legislation what is already codified in the vast majority of union rules. Again, I will do something unusual and take the language of Ruth Richardson to ask "What is the mischief in that?". There is no problem in sending the bill to a select committee. I have a question in terms of whether Parliament would be better dealing with some other issues. I think there are some bigger issues in industrial relations and other areas, but this is an issue that would be good to get to a select committee. I think that as far as the member goes, there will be a degree of unanimity. I hope there will be a degree of unanimity in the House about the legislation, because all it is doing is reflecting the practice of modern unionism, something that has changed a bit in the time since the member and I were more actively involved in the union movement.

There is an area in the bill, though, that Labour will look to amend, or to see whether the bill is a vehicle for amendment—that is, a reflection or mirror image for employers, an area to make sure there are proper processes for employers before they lock out workers. I think there is a lot of unevenness in the employment relationship legislation at the moment. Generally in our industrial relations law we have rules that apply to employers as well as to employees. What the proper approach for employers should be, I am not entirely sure, but I think certainly for companies it will be appropriate for at least the board of directors to make a decision before workers are locked out.

Darien Fenton: What about the Business Roundtable?

Hon TREVOR MALLARD: Well, it might be good for the Business Roundtable to take a secret ballot on some of its own policies. It is interesting, as one goes around the Business Roundtable, to see how different the individual members' positions are from the positions that have been put forward by Mr Kerr. But, as I say, that area is something that we will be happy to look at.

I say to the member that over a number of years there have been some real changes in practice from the time when we were both actively involved in the union movement. In that time there were probably a significant number of unions that did not have secret ballots, and people had different methods of enforcement—both employers and employees. They had different methods of dispute resolution over that time; I ask Mr Henare whether that is so. I think it is fair to say that people had different attitudes to transparency at that time, because when there were incidents within the union movement those incidents tended to be covered up, and some of the people who behaved badly, as Mr Henare did, tended to be protected. I do not know whether it was because of the union brotherhood that they were protected, or whether there was a special deal even in those days, under the United Nations or some other arrangements, which meant that Mr Henare had protection rather than prosecution in the way that everyone else would have had, if they had behaved in the way that he did as he exited the union movement.

Mr Henare knows exactly what the story is; he introduced the importance of transparency in union matters here. I am sure that over the next period of time we will enjoy him telling us the story of the way that he exited the union movement. I tell members that it was not a matter of ballot fixing. He did not get caught for his ballot fixing, although I think the union might have had a trouble or two in that area at one stage or another around the time that he was an official. But that was not the reason that

he decided to resign from the union movement; it was something that was much more serious than that. I look forward to transparency.

As I said at the beginning, we are supportive of the bill. It will have almost no effect in its current form. It might be a bit of a waste of time. It is likely to get widespread support, but we hope to improve it so that it will be fair and will mirror the processes available to employers before they use their power to lock workers out.

DAVID BENNETT (National—Hamilton East): It is gives me great pleasure to support my very good colleague Tau Henare. He was once a union organiser and he has a particular interest in workers' rights. For many years he has been advocate for those who need assistance. The Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill is part of his delivering legislation to the House for the people of New Zealand. This member's bill will assist workers and given them the democratic rights that he knows they deserve. As a result of his very good experience in that field, we see this solid legislation coming through from a good member of the House who has an impeccable record and a future in this institution. He is also a good member of the Transport and Industrial Relations Committee. If the bill gets through its first reading, it will go to that great committee and we will endeavour to look at all options, including those put forward by Labour, to see what can be done to make this legislation the best it can possibly be in the circumstances.

Basically, the bill gives fairness and equity to people in a ballot situation so they can have secrecy in making their decisions without feeling pressured in any way. That is crucial in a vital decision such as whether to undertake a strike action because not only is it possible that one might get some kind of pressure from colleagues, but also there is the potential pressure from those outside of the group who would be looking at the strike. It is important to have that secrecy so people can make a fair and independent decision because making the call to go on strike is a big decision. It can affect the livelihoods of many families, and many businesses can suffer dramatically from strike action. It is not an easy decision in any circumstance. If we can make that decision as fair and as equitable as possible at the time, then I think that is in the best interests for everyone. It is important to make the proper decision, one that is reflective of the circumstances, not one that has been pressured on to people for any other ulterior motive.

I congratulate my colleague Tau Henare on bringing this legislation before the House. It is something that the select committee will take a great deal of interest in, and we will work tirelessly to make sure we have the best legislation coming forward to the House for future readings. It is in the best interests of New Zealand workers, our business community, and our industrial relations to pass this bill. I commend it to the House, and I wish my colleague all the best as we progress it through the House.

Hon TAU HENARE (National): During my euphoria I forgot to mention which select committee I was going to send the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill to. I seek leave to move—

Mr DEPUTY SPEAKER: Leave is sought for this purpose. Is there any objection?

Hon TREVOR MALLARD (Labour—Hutt South): I think what the member is trying to do—and I will be helpful—is to seek leave to indicate which committee he will move the bill to at the appropriate time.

Hon TAU HENARE (National): I intend at the appropriate time to move that this bill be referred to the Transport and Industrial Relations Committee.

Hon TREVOR MALLARD (Labour—Hutt South): I seek leave for what the House is about to agree to to be incorporated in the first reading speech of the Hon Tau Henare.

Mr DEPUTY SPEAKER: Leave is sought for that purpose. Is there any objection? There is no objection.

DARIEN FENTON (Labour): I think it is very interesting that we are debating the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill on a day when it has been announced that work stoppages are at their highest level in 5 years.

Hon Members: Oh!

DARIEN FENTON: Oh! So the National Government, the friend to business, is presiding over the highest rate of industrial action that we have seen in 5 years. It is no wonder the member Tau Henare is keen to have the passage of his bill. But it is very good to see that that member and the National Government have finally come out to support workers' right to strike—because I have not been sure of that, particularly since the 1990s when that right was so curtailed—even though the timing of the bill is a little bit unfortunate. We are pleased to have a piece of industrial relations legislation that is not viciously attacking workers' rights, because everything else we have seen from this Government does—for example, the 90-day fire-at-will bill, the Holidays Act review, and the pitiful minimum wage increases. They have all been about pandering to business and sacrificing the rights of Kiwi workers.

Although we are supporting this bill, we have to question whether there are not more pressing issues to consider. There is no demand or need that I am aware of for this legislation. Tau Henare said in the paper that the idea came from his time as a union organiser in the 1980s. I mean, things have changed quite a lot since then. Poor old clerical workers! What did they do to deserve that member as an experienced union organiser?

Hon Tau Henare: I will have you know that we were a great team.

DARIEN FENTON: That is right. I have to tell that member of the National Government that there are not legions of union officials going around the country pushing reluctant workers into strike action. As a union leader over many years, I never had one complaint from one member about that. The member said he had one person come to him, so it seems like a pretty small and minor issue.

Iain Lees-Galloway: Could've been one of the other National members' bills.

DARIEN FENTON: Well, it could have been, too; that is right. I think, also, that in a modern union movement, workers make many decisions as union members, not just about whether they will strike or take industrial action but about whom they will elect as their workplace leaders. They also decide on collective agreements, which is usually the most important thing; the thing they are most interested in is what their pay rise will be. They vote on union rules. There are things such as union rules that are covered by the Employment Relations Act, and unions are required to have those rules. And they vote on the democratic governance structures. Workers are not stupid. They cannot be pushed into doing things they do not want to do. Anyone who thinks so should just catch up, because it is so different from what it was in the 1980s.

Hon Tau Henare: Tell that to the Service and Food Workers Union themselves.

DARIEN FENTON: I have, and those workers are right behind me. If Mr Henare goes to talk to them, they will tell him that, and particularly the cleaners in this workplace whom that member has never supported.

I will raise some issues, though, because there are many issues in this bill, and I think, perhaps, that the member has not thought them through. Apart from the fact that the bill does not do anything, there are some issues, like the lack of balance that my colleagues have referred to. Why is there a duty on workers to have secret ballots for strikes but not one on employers, including a secret ballot of shareholders? When employers lock out workers it is vicious; lockouts are shocking and they take away the economic livelihood of workers. They have had absolutely enough. There are a whole

lot of questions about this. As I said, I do not think that the member has thought through how this will work.

How will the secret ballot be conducted? Will it require a new army of labour inspectors to supervise these ballots? How will the Government pay for this out of its ever-decreasing public service funds? What will be the rules around the conducting of a ballot? How will the votes be counted? Will there be restrictions on the questions that can be asked? How will we make sure that employers do not interfere in the ballot? How will we stop that happening? What will happen if an employer says the workers cannot get together to have a secret ballot? What if they cannot meet? Will they be forced to use their paid stopwork meetings? Most important, what will happen to workers in health and safety situations? They currently have the right to go on strike if they are facing a hazard, and can walk off the job. Will they have to stop and say "Oh well, we'll just take a secret ballot, and we won't worry about the hazard."? There are many questions that I look forward to addressing in the Transport and Industrial Relations Committee.

KEITH LOCKE (Green): The Green Party will be supporting the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill to go to the Transport and Industrial Relations Committee. But whether we support it beyond that will depend on whether it is proved in the select committee that there is a real need for such a bill, and a way to handle some of the downsides of the bill that have already been explained by speakers, including the previous speaker, Darien Fenton.

The bill seeks to codify practices that already exist in unions to conduct secret ballots before engaging in industrial actions. In order to promote a legislative framework for that and, as Darien Fenton said, an army of bureaucrats becoming involved in the work of a voluntary organisation—and unions are voluntary organisations—a reason has to be provided. What is the problem that now exists that requires such legislative intervention? We do not make laws just for the sake of it. Sometimes National goes on about a nanny State; well, this would be a nanny State if we enacted a law for no good reason.

I think Tau Henare in his introduction indicated what lies behind this. He talked about the need to protect people from intimidation, and things of that manner, without providing a single bit of evidence of intimidation in the current union situation, and not a single bit of evidence has been provided by any of the National speakers. Essentially, this bill and the talk around it, without providing any evidence, are creating a prejudicial attitude towards unions, serving to soften up unions and workers for more attacks on them, and to create a public climate where they find it more difficult to resist those attacks. David Bennett talked about an ulterior motive for going on strike, but it is quite clear that when workers take the democratic decision, as they do, to go on strike, they are thinking and canvassing all the issues; nobody voluntarily takes a reduction in income for nothing.

Other negative problems are also associated with this bill, and they have been brought to light by unions such as the Service and Food Workers Union, which says that already employers sometimes try to take injunctions against unions to either prevent or slow up industrial action and to put unions off their stride, by saying "Well, you're not obeying this union rule or that union rule." The more we put a legislative framework into the union situation, the more likely it is for employers to try to use injunctions to say that "According to this law you did not conduct the ballots quite right. Were all the members informed?", and all the rest of it. I think it is right, as Darien Fenton pointed out, that this debate is in the context of more industrial action caused by Government policy—for example, court workers in the Ministry of Justice went on a series of rolling

industrial actions over the last 6 months and finally won their dispute, which originated in the Government not giving enough to the ministry to pay court workers properly.

The bill does not address the other side of the equation, which is that of employer lockouts. As has been pointed out—and the Greens would address this in the select committee as it would help us to determine whether we supported the bill beyond that deliberation—there should be a procedure to stop lockouts. There have been very damaging lockouts recently, in the dairy industry and so on, that have hurt workers and employers. In these days of computer technology it would not be at all problematic to email each shareholder of a company and each member of a board, to ask if they supported a lockout and to give the reasons, argue it out, and have a debate over email or in some form. There could be a special meeting and a secret ballot of shareholders before workers were ever locked out. It is probable that at the moment most lockouts are done autocratically by the chief executive officer, and even the board is not informed or brought fully into the discussion, in most cases.

With those few words, I say that the Green Party will be supporting this bill going to the select committee. But our support is conditional on proper justification being provided for it and on alterations being made.

HONE HARAWIRA (Māori Party—Te Tai Tokerau): Kia ora, Mr Deputy Speaker. Tēnā tātou katoa e te Whare. The Māori Party supports the right of workers to be treated fairly and with dignity, and we support their right to a safe and healthy workplace.

We are keen to hear what workers think about the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill, which requires unions to hold a secret ballot before undertaking strike action. We understand that the Council of Trade Unions has said it would support the bill because that is what is happening in the workplace anyway, but we have also heard that the Service and Food Workers Union does not support the bill and that it has criticised the Council of Trade Unions over this issue.

We have some concerns, but we will support this bill at its first reading to ensure that it goes to a select committee for a wider consideration of the submissions from affected parties, and because Tau Henare said I had to. Kia ora tātou.

LYNNE PILLAY (Labour): It is a pleasure to stand and speak in support of Tau Henare's bill, the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill. Like my friend and colleague Darien Fenton I say that it is nice—and I do not share the view of a previous speaker that this bill should not be supported—to see a bill that relates to workers that does not deal to workers. I congratulate Tau Henare on that; I think that is really commendable.

Members on this side of the House have been very supportive of Tau's notice. Indeed, Trevor Mallard was very helpful in terms of supporting the member. With all sincerity, I ask that the member consider supporting another workers' bill that will be coming to this House very soon. It is the bill about supporting the right of every worker to redundancy compensation. If the goodwill that I can feel flowing across the Chamber can be replicated for that bill, it would be a very happy day in this House. I do not think we see many happy days in this House at the moment.

This bill is nothing short of aspirational. It is not non-binding, but, in a funny way, it has that same feel about it. It is aspirational in that it does what is already happening in practice, and there is nothing wrong with that happening.

I also want to put on record—and I say this very sincerely to the member—that I remember that he was as renowned in the union movement for his contribution, his diligence, and the work he did, as he is in this House. Everyone on this side of the House—and I can see affirmation from other members—thinks that Tau Henare's

contribution is certainly up there in this House with what it was in the union movement. I say that with all sincerity to the member. [*Interruption*] Kia ora.

I wonder when the last time was in this House that we have been able to say anything positive about any of the National members of Parliament. Certainly, there is no time that I can remember. This may not be a huge issue, but it is something that is deeply felt by the member. It is something that he has held close to his heart since the 1980s. It is probably what drove him to stand for Parliament. I will make sure that I hear his speech at the end of his career, because I know that this bill will be up there as one of his achievements. It will go down in history. It is disappointing that the Māori Party is not supporting this bill at this stage.

Sue Moroney: They are supporting it.

LYNNE PILLAY: I apologise. Despite the workers unions, the Māori Party is supporting this bill. Apart from, perhaps, the ACT Party—although, maybe even their members will support it—there will be a meeting of minds in the House. The aspirational member Tau Henare has brought this House together under this bill and it is very commendable.

It seems rather sad that I have to say this when we are being quite positive, but there are things that have come before this House in terms of workers' rights that are not so aspirational and not so good. Those are things like the 90-day bill, which is now an Act. I wish that Tau Henare had applied his heart and soul and had stuck up and convinced his caucus, as he has with this bill, that it was something that should not have been done. Although we have seen the minimum wage go from $12 to $12.50 an hour, the cry is to get that wage to $15 an hour. There was the slashing of pay equity, which—hello, déjà vu—is exactly what happened in 1991. I urge the member—and I can see that he is listening really intently—to reconsider his position on some of those issues. In the future, I hope that we can see more of a meeting of minds on bills for workers' rights. Thank you very much.

Dr JACKIE BLUE (National): I am delighted to speak in the first reading debate of the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill, in the name of my colleague Tau Henare. The bill amends the Employment Relations Act 2000 to require unions to hold a secret ballot of their members before undertaking any strike action. I understand that this is current practice in the larger unions. I absolutely support that this is current practice, but it may not be the case in smaller unions.

I respect the work of unions and organisations such as the New Zealand Council of Trade Unions. Their philosophy and driving force is that everyone has the right to decent and productive work in conditions of freedom, equity, security, and human dignity. Who would not support that sentiment?

When this bill was drawn from the ballot, it was somewhat controversial. Some Labour members and others said that it was not necessary as it was already current practice. When the bill was drawn from the ballot, the New Zealand Amalgamated Engineering, Printing and Manufacturing Union said that it was out of touch and not needed as secret ballots are already practised. That may well be case for the large unions and those affiliated to the New Zealand Council of Trade Unions, but it does not represent all unions. It represents only 80 percent of unions, and it does not speak for all.

However, I am pleased to see that the New Zealand Council of Trade Unions has come out in support of the bill in principle, and it is to be commended for that. However, it is concerned that the bill is not balanced and believes that it must be changed to also require employers to follow democratic procedures, including a secret ballot with shareholders prior to a lockout. That is what a select committee process is for. It is the right place to hear all the arguments and the evidence. The select committee

will invite public submissions, work through the issues raised, and decide what changes, if any, should be made to the bill. The bill will be a better bill when it comes out of the select committee, as that is the place where amendments can be made to improve it.

I am pleased that our Labour colleagues are supporting the bill, as are our Māori Party colleagues. I am also pleased to see that the New Zealand Council of Trade Unions has indicated that it will be making a submission when the bill gets to the select committee. There is no point in making legislation for the sake of making legislation. Parliament needs to make laws to improve the current situation, and I am sure this bill will do exactly that.

Although this bill's provisions may be current practice and no would disagree with that sentiment, why should that practice not be enshrined in law? No worker should be made to feel intimidated or under pressure to vote, or not to vote, for strike action. No worker should feel coerced to vote in a certain way. It should be a free vote, and it must be a personal choice. That is the democratic way, and I am sure no one would disagree with that. There is no doubt that when strike action is contemplated emotions run high and both sides feel aggrieved. Strike action is the last resort when all avenues have been exhausted, the parties are at a dead end, and no agreement has been reached.

The stakes are high when strike action is contemplated, and it is a tense time for all concerned. Objectivity can be lost in situations like that, and it is not hard to see that if there was not a secret ballot a worker could feel intimidated into voting in a certain way. Also, let us not forget that strikes can be stressful financially and emotionally for a worker. Not every worker will have the same personal circumstances, so it is fair that any decision a worker makes is free of judgment from anywhere else. People must feel at ease with the process, and this bill will ensure it is a legal requirement for all unions. I commend this bill to the House.

SUE MORONEY (Labour): It is my pleasure to speak on this member's bill, the Employment Relations (Workers' Secret Ballot for Strikes) Amendment Bill, although I am quite perplexed as to why we are taking up the time of Parliament debating an issue that is already fixed. I think that everyone who has already contributed to the debate has said that unions, because they are democratic entities, operate in that way, anyway. None the less, it is good to see a National member standing up for the principles of democracy, because that has not been the case lately. Democracy has seemed to take second place to what the Government thinks is right for communities such as Canterbury, for example. Democracy has taken a back seat when it comes to the good people of Canterbury and the environmental needs of their area. But, moving on from that, I thank the member for bringing this matter to our attention. This is about saying that when workers make the very, very important decision to go on strike—and it is the course of last resort—when they make the decision to go without their income, to not to be able to pay their mortgage, to not to be able to be sure that they can put food on the table for their children, that very, very serious decision should be one where they can ask themselves, through a secret ballot, whether they really want to take that course of action.

Today we heard that, sadly, more and more frequently under this Government workers feel forced to make exactly that decision. It was announced just today that under this Government the number of industrial disputes is at its highest level for 5 years. That is the issue that really does need addressing. Tau Henare can play around with the right of people to cast a secret ballot in order to make this terrible decision, but it is a terrible decision, and it is one that is happening more and more frequently under this Government. Workers feel forced to cast their vote to go on strike and to go without an income in order to fix up an inequity and unfairness in their workplace. No worker takes that lightly.

I speak from experience, not as far back as the 1980s—although some of it was during the 1980s—but I have more recent experience than that. The era that weighs particularly heavily on my mind—and I hope that one day I will get to bring in a member's bill that will fix up some of the things that I have been harbouring for 20 years—was my experience as a union organiser during the 1990s for the nurses union. I know that employers stood over union members and forced them to sign pieces of papers saying they resigned from the union. They were then faxed through, one after the other, to the union office from rest homes. That was so that those rest home owners could ensure that they could take penal rates away from people who worked weekends and nights during the 1990s under a National Government, so that they could make more profit out of the care of older people and not pay for the people who had to work those unsociable hours to care for them properly.

It is important that we continue to discuss industrial relations issues, because the rights of workers to get fair pay for the work that they do is fundamental to this country going forward. We have not always done well in that regard in this country. Sadly, we are seeing more and more situations in this country where workers are voting to go on strike. It is not because they feel like going without pay, not because it is a great lark for them, and not because it is a holiday, but because something their employer has done under this Government has caused them such grief that they are prepared to stand up and fight for it. They are prepared to put their mortgages at risk, and they are prepared to maybe not be able to feed their children, because the inequity going on in their workplace under this Government is so serious that they will take that course of action. I say to Mr Henare that that is the real mischief that needs fixing.

MICHAEL WOODHOUSE (National): I want to take just a quick call in support of this bill. I think that we may have unanimity on the bill, although I was not quite sure where the Greens were coming from.

I want to touch on a point that Ms Moroney made about employers standing over union members. In my experience in the health sector, that has occurred, but so too there have been union members standing over other employees, influencing their decisions and coercing them into supporting industrial action when the financial consequences on their families may be greater than the benefits of striking.

One of the other things I was surprised to learn was that, although we quote ILO conventions quite frequently, the right to strike is not set out in the ILO conventions and recommendations. A number of documents do set out the conditions for the right to strike, and they include the obligation to take strike decisions by secret ballot. So in introducing this bill we are lining up our legislation with that noble cause, and for that reason I support the bill.

Hon TAU HENARE (National): I am absolutely overawed with the 100 percent support that my bill will achieve tonight. It is something that has not happened for a long time. It is a very moving part of my parliamentary career. I will not say much. I could say a lot about the criticisms that have come my way from some people, but let us not ruin the moment. Let us all bask in the glory of the unification of this House.

Bill read a first time.

Bill referred to the Transport and Industrial Relations Committee.

Sitting suspended from 6 p.m. to 7.30 p.m.

MINIMUM WAGE (MITIGATION OF YOUTH UNEMPLOYMENT) AMENDMENT BILL

First Reading

Hon Sir ROGER DOUGLAS (ACT): I move, *That the Minimum Wage (Mitigation of Youth Unemployment) Amendment Bill be now read a first time.* At the appropriate time, if it is given a first reading—it does not appear likely—I will move that it be considered by the Transport and Industrial Relations Committee.

This bill is about two very simple things. The first thing is jobs. The second is helping young people find their footing in the labour market and giving them a start.

Since the previous Labour-led Government abolished the youth minimum wage in 2008, youth unemployment has soared. Since 2008 youth unemployment for 15 to 19 year-olds has almost doubled. The number of unemployed youth has risen by more than 18,800 people. The recession has had an obvious impact, but the youth unemployment rate is far higher than usual in a recession. University of Canterbury economist Eric Crampton has demonstrated that there was a large rise in the youth unemployment rate relative to the adult rate after the youth minimum wage was raised to the adult level.

The youth unemployment rate today stands at 26.5 percent—a national disgrace. The rate for Māori youth is even worse: it stands at 38.7 percent. Almost two out of every five young Māori people in this country are unemployed. To put it in another way, for every 1½ young Māori people who are in employment, one person is unemployed. Yet the Māori Party, as I understand it, intends to vote for this situation to continue. It intends to vote against this bill.

Why do National, Labour, the Māori Party, and the Greens keep pretending that the abolition of the youth minimum wage has helped people in New Zealand when it has, in fact, stopped many young people from finding work? Labour and now National tell us that they care about the young people of this country. But the people of New Zealand should not be fooled: it is those parties that are responsible for the large number of young people who cannot find work. Labour and now National have forced thousands of young people to go without gainful employment.

Why does the youth minimum wage have this unintended consequence? Businesses are not charities. They respond to prices just like the rest of us. The abolition of the youth minimum wage has priced young people out of the market. That has occurred because many young people are just starting out on their career. They will be searching for their first job. Their lack of training and experience means that they have few skills. What Labour and now National have forced young people to do is to compete with adults. They are forced to compete with those people who have had a lot more time to gain experience and who have more skills.

I find it hard to believe that the National Government will not support this bill when it has conceded that the abolition of the youth minimum wage has led to unemployment. Then again, the National Party has always been bold in Opposition, but has proved to be spineless in Government. As Wayne Mapp said when debating this issue in 2006—

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I am reluctant to do this, but, in the interest of decorum in the House and despite the fact that the National Party did not take objection, I note that references to members of Parliament or a parliamentary party being "spineless" have been ruled out of order on a number of occasions. I can remember back to when comments made by the Rt Hon Sir Robert Muldoon including that particular word were ruled out of order.

Hon Sir ROGER DOUGLAS: Speaking to the point of order, I think that that reference was related to one individual member and not to a party as a whole.

Mr SPEAKER: I think that that is an important distinction. Where a member accuses another member of being gutless, spineless, or lacking in courage, it is clearly out of order. But had National members been worried, it would be up to National members to object if they found it offensive.

Hon Sir ROGER DOUGLAS: As I was saying, Wayne Mapp stated: "The problem is if one artificially boosts minimum wages to levels that are, frankly, too high, one ends up reducing profitability, reducing opportunity, and reducing the ability to put more money into approving skills."

When National is in Government, it plays the numbers game. Those thousands of young people who are out of work do not, in general, vote. Some of them are too young. It does not matter to the pollsters in the National Party. When in Government, National is happy to help out the unions, who want to erect higher and higher barriers for those who are out of work. In Government, National clearly does not believe in principle or in bold implementation. The only question it appears to ask is: "How do we stay in power?".

What is the alternative offered to unemployed youth? The law makes it illegal for a young person to be hired on anything less than $12.75 an hour, or $510 a week. In other words, unless young people have a productive value of at least $510 a week, they are unemployable. That is what John Key, Phil Goff, and Pita Sharples are saying. The people who say that they care for young people are saying to the 16-year-old who could earn $400 a week that he or she is not allowed to do that. They have made it illegal for him or her to work at that rate.

John Key and National care so much about their short-term images that they will stop young people who have the capacity to earn $400 a week from doing so—that is, from having a job that pays them that amount. Instead, John Key and National, supported by Labour, will force those young people to collect a benefit of $160 a week. They care so much for the young people of this country that they will make many of them unemployed, and in the process they will make them $240 a week worse off.

But even worse than that, the National Party, the Labour Party, the Greens, and the Māori Party all say to unemployed young Māori of 16 years of age not only that they cannot accept that job paying $400 a week but also that they cannot get the job in the first place. They say that they cannot start developing their skills and cannot get work experience. We failed many of those young people who do not have a productive value of $510 a week. We failed them through the education system, and now we intend to fail them once again in the labour market for certain. Instead, we are saying to the young person who could get $400 a week at the Warehouse or at a grocery store that he or she cannot accept that $400 a week; he or she has to go on the dole for a $160 a week.

We are saying that young people should sleep in until 11 o'clock and sit around playing the PlayStation, and if that $160 is not enough, then they can supplement their income in some other way. We are saying that they should not get a legitimate job, because we will not allow them to get a legitimate job. No, we will not. "Go and join a gang"—that is what we are saying to the young people of this country. We are saying that they cannot have a legitimate job earning $400 and that we will pay them $160, so they should go and supplement their income. I had such a young person talk to me today who is doing exactly that: joining a gang.

It is increasingly clear to those New Zealanders who are economically literate that if they want a Government that is genuinely different from Labour, then they should not vote for National. National may get things right when it is in Opposition, but it will always be weak in Government.

DAVID BENNETT (National—Hamilton East): In this debate I think we will see most members of the House, especially members of the two main political parties, unified in their opposition to the Minimum Wage (Mitigation of Youth Unemployment) Amendment Bill. I will start by responding to some of the issues that have been raised by the presenter of this bill. In the context of looking at the youth of New Zealand and at the future this country has available to it, of which this Government is very much aware and which it wishes to promote, we see a bright future for our young people. We see our young people getting education, skills, and training, and having a direction and purpose in life, and we see a positive, successful, and dynamic future for New Zealand's youth. Those things are essential if our country is to achieve its goals.

The fundamental proposition this bill puts up is that we need to pay people less to get them into their first job so that they can have an unskilled future. That is what this bill essentially will do to New Zealanders. We see a different future for New Zealanders. We want those young people to get into training and skills so that they are not talking about getting the lowest-paid job they possibly can, but instead are looking to get the best-paid job they possibly can. If we can achieve that, we can make the dynamic change in our economic base that will give New Zealand the growth potential we need. I think that is the fundamental point that the ACT Party has not grasped. It is looking at things in a historical perspective. Well, the world has moved on. At this stage we need to create an economy that has a strong and successful workforce, and to do that those young people need to get the best skills they can, at the youngest age they can. We should be promoting to them the need to get education and training, not encouraging them to take the easy option of temporary employment, which may provide some financial gain at an early age, but will not deliver long-term benefits for them as we go forward as a country.

That is the dynamic that I think the ACT Party has not grasped. It is looking at it from the perspective that we can just give lower rates of pay, and therefore people will be happy. It is also scaremongering by talking about things like youth gangs, taking the dole, and all that kind of "work". That is not the reality. The reality is that youth want to achieve and get a decent start in life. Where do we set the rate? Where do we set a youth rate, if we are to have one? What is the value that would be put on a young person, under the ACT proposal? I imagine that if we were to take ACT's logic to its full extreme, it would be detrimental to have the youth rate that ACT is proposing. ACT should not propose a rate if it really wants to get young people into employment, rather than into the gangs or on the dole. To set a rate is to set a line, and the fact of the matter is that the line is set at the minimum wage. I think we will see agreement on that between the main political parties, because we probably share a common vision of what we want for those young people going forward.

I encourage those people who are listening and members in the House to look at this issue in the wider perspective of what we want to achieve in setting some incentives and some direction, and not try to scaremonger or create perceptions that if we have a lower rate of pay at the first level of employment, those opportunities will necessarily be provided. That is not the signal we need to send to young New Zealanders as we go forward.

I think it is important to look at the situation we are in at the moment. I do not think anybody out there is under any illusion about how difficult it is to get a job. The most difficult and harrowing situation for a student leaving school, university, or polytech is achieving that first start in the employment cycle, or, for someone who has lost his or her job, finding that next job. Many New Zealanders are living that nightmare at the moment. That nightmare has been brought about partly by the nature of our economic position, which is partly caused by world circumstances, but also because we need a

stronger and more vibrant economy that can deliver opportunities for our young people going forward. That is the crucial problem, and we as a Parliament should be looking for solutions.

We should be looking for solutions so that New Zealanders, and especially young New Zealanders, can see a future in training and in employment so that they can achieve personal growth and the desire that comes with getting a job. That is what this Government is focusing on. It is focusing on the economic fundamentals that will provide the environment whereby employers can hire young people and deliver them the incentives to get ahead and succeed. The Transport and Industrial Relations Committee has debated the issue of youth employment rates and unemployment many times. One of the key points that always comes through is that we have young people appearing before the select committee who are attaining very high levels of management expertise and success at a young age. It is difficult, when we see the logic of this member's bill, to compare that with the reality of the success of a lot of young people. We are denying them their success by holding them at a lower rate than their ability shows as individuals. It is a tremendous shame if we dumb down our young people, who can provide successful and strong services and can be paid for that at a rate that demonstrates their capability and their ability to do a job well. It is important that we do not set the bar too low, in the sense that our young people who work hard must not find that they get no reward for their efforts. That is something that I think this legislation could have a problem addressing if it goes through this House.

In essence, there is a new way of looking at these issues as we go forward. There is a way of building an economy that is strong, and that delivers the skills and enterprise for our young people to take advantage of that strength. The Government is committed to creating that economic environment. We do not believe that this measure will create the environment that the ACT Party says it will. We believe that the true measure of success for New Zealanders as we go forward is a strong economic environment, where we deliver skills and enterprise, we back our young people, and we give them the right direction and rewards so that they know they can succeed. They will then build themselves into even stronger and more successful New Zealanders going forward.

Hon TREVOR MALLARD (Labour—Hutt South): For the second time in a day I find myself in the unusual position of following the speech of a National member of Parliament on industrial relations legislation and just about agreeing with it. I think I can agree with the vast majority of what my colleague David Bennett from the Transport and Industrial Relations Committee—and Tau Henare; the pair share a hairdresser—said on the Minimum Wage (Mitigation of Youth Unemployment) Amendment Bill. David Bennett is right. He has got it. If I were Sir Roger Douglas, I would be slightly insulted that a junior backbencher was sent to the House to deliver the Government's position; the tradition is that a Minister takes the first call on this sort of legislation to state the position for the Government. A Minister is part of the Government, and a backbencher, of course, is not. I know that procedural niceties are not as important as that as far as this Government is concerned and I think that Sir Roger is not as sensitive as that anyway. He probably would not realise that Kate Wilkinson is a Minister at the moment.

Hon Ruth Dyson: Who is?

Hon TREVOR MALLARD: Kate Wilkinson, I understand, is the Minister of Labour and the Minister of Conservation.

I ask Sir Roger Douglas what happened to his principles. He knows he does not believe in minimum wages, at all. Why did he bring into the House something that he thinks is a half-cocked, halfway approach? Why did he not stand up in the House and say what he really believes, which is that there should not be any minimum wages for

anyone? That is what he believes. He believes that it does not matter whether the people who come in to clean up the pig farm are adults or kids, he should set their rate—he, as an employer, should decide what the rate should be. That is his position. He believes in the total power of the employer, rather than having a fair and balanced employment relationship.

There are a few fairly simple arguments against this bill. One is that we are all waiting for the evidence from Sir Roger that massive problems have occurred as a result of the introduction of youth rates. That evidence just has not come. The reason it has not come is that he could not find evidence that problems have occurred. There is a clear argument in equity for paying people properly, and most people in New Zealand accept that. Most New Zealanders believe that all people should be paid in a dignified and proper way for their labour, and it does not matter whether it is a younger person, an older person, or a person in the main section of the workforce. I say again to Sir Roger that a few of us would have thought more of him if he had come down to this House and said what he really believed, and if he had told the full truth as to ACT's opinion on the minimum wage, rather than the half-truth or part-truth approach that he took with this bill. Most of his colleagues, funders, and mates in the Business Roundtable actually would not agree with him, but I am certain that Mr Kerr and others who helped draft the legislation would say that from their perspective this is not the best approach.

The final point I make is that I do not think that National went far enough. My view is that having decent wages forces employers to train. They have to make their workers productive and earn their money. It forces them to invest in proper capital equipment because if they are paying someone a decent wage, they need the right gear in order to make sure they get the return. We have a choice in New Zealand: do we want a high-wage, high-skill economy, or do we want to compete at the bottom end with India and a number of countries like that? Roger Douglas wants our wages to go down; Labour wants them to go up; and National says it wants them to go up, but in real terms it is keeping them down.

Dr JACKIE BLUE (National): I am pleased to speak to the first reading of the Minimum Wage (Mitigation of Youth Unemployment) Amendment Bill. This bill will provide for differing levels of minimum wages for youth and other workers. National will be opposing this bill. We do not feel that it is helpful in keeping the focus on growth and growing the economy, which is needed to create jobs, and which this Government has made a top priority for this year. That will be crucial going forward. Getting the economy right is absolutely fundamental and the rest will follow. I agree with the Hon Trevor Mallard's argument that we need to be a high-wage economy. Importantly, this Government is focused on keeping youth in education or training, and we have introduced a number of measures to achieve the same. This Government is committed to giving youth every opportunity to achieve and meet their potential. We value our young people.

We know that not every young person is suited to mainstream education, and that is why the Government is committed to opening trade academies. These are a key part of our Youth Guarantee policy and they will keep more students engaged in learning. They will provide more career choices for 16 and 17-year-olds, and give them greater opportunities to develop their knowledge, skills, and talents through trades and technology programmes. National's Youth Guarantee is about creating thousands of places at tertiary and training institutes across the country to help 16 and 17-year-olds to stay engaged in learning. We know that the longer youth are engaged in learning, the less likely they are to fail in life and the greater the chance that they will be in work and be productive. We want to see every young person succeed and reach his or her full potential.

This Government is committed to giving young people the opportunities they need to succeed. Yes, we know that young people have been hit hard by the recession, and there are a number of reasons why we have a recession. Our Job Ops package has proven to be hugely successful. Job Ops is about backing businesses that create work opportunities for young people. We asked firms to provide up to 4,000 young people with an entry-level job for at least 6 months. The Government paid a $5,000 wage subsidy for each placement. Job Ops is about giving incentives to local businesses that hire low-skilled under-24-year-olds for 6 months. It was such a successful programme that an extra 2,000 places were announced in February this year.

Community Max, another policy, has also been very successful. Community Max is about inviting local councillors, mayors, community groups, and iwi to play a role creating up to 3,000 work opportunities. We wanted community organisations to come to the Government with local projects that could employ young people and engage them in our communities. The Government paid the minimum wage for 30 hours a week for up to 6 months, a training payment, and for one supervisor for every four participants. Those 3,000 places have now been filled. National believes that every young Kiwi should be able to find his or her way on to the path to success. We are concerned that for young people starting out in their working lives, a long period of unemployment could be very damaging. We know we cannot afford to leave young people languishing on a benefit and risk diminishing the potential of an entire generation of Kiwis. That is why the Government has been proactive in keeping our young people in work, education, and training.

National has not seen any evidence to show that young people are losing their jobs because of youth rates. We are not convinced that this bill will reduce youth unemployment. We should be focused on growing the economy and providing opportunities and jobs for young workers. This Government is doing exactly that. Thank you.

DARIEN FENTON (Labour): I am thankful for the opportunity to speak on the first reading of the Minimum Wage (Mitigation of Youth Unemployment) Amendment Bill. I have to say, how the worm turns! I was in the last Parliament, under a Labour-led Government. We had this very same debate about youth minimum wages, and National voted against it. It is really pleasing to know that National has seen the error of its ways, and has actually accepted that what Labour was saying about youth minimum wages being discriminatory and not having any impact on youth employment was accurate. We have seen from the figures that the minimum wage makes no difference to youth employment. We can argue about research—and the member Sir Roger Douglas will argue about that—but the fact simply is that if someone is working, it should not matter whether that person is young, a Māori, a woman, or whatever he or she may be. Someone who is doing a job should be paid a decent wage for what he or she does.

This bill seeks to return young workers to the scrapheap of the youth minimum wage, and, as I said, that is not a new argument to have in Parliament. The arguments that Sir Roger Douglas has put for his legislation are well rehearsed. I know that the member was not here for the last Parliament, but I tell him that we went through them then and they were rejected. They were rejected. We went through a select committee process and we heard from all kinds of people, but the arguments were rejected because there was no evidence that increasing the youth minimum wage or young people's wages has any impact on employment levels, just as there is no evidence that increasing the wages of women has any impact on wages. I think we have seen arguments about that in the past.

I do not want to be disrespectful to the member—I welcome him back to Parliament—but I ask him whether this is really what he came back to Parliament in

order to do. I ask whether this is really what he came back to Parliament to do, because I would be interested to hear a response on that. We had debates on this issue in the last Parliament, but no one can remember what life was like in the 1980s, when that member was in Parliament. No one can remember that, actually.

Hon Trevor Mallard: I can; I can.

DARIEN FENTON: Oh, Mr Mallard can remember that, but many of the young workers who would be affected by the provisions of this bill were not even born then. They were not even born when that member was last in Parliament. I am sure that he is genuinely concerned about youth unemployment, as is everyone, but I think that his economic arguments just do not stack up. I think we have moved past the economic rationalist arguments that we have seen from the Business Roundtable and from his supporters.

We can look at the record of what happened under the previous Labour Government to New Zealand wages when we removed the youth minimum wage. We progressively moved the adult minimum wage upwards. When we came into Government in 1999, the youth minimum wage applied to young people under 20—I mean, many of those people were not only holding a job but had family and other responsibilities—and we progressively moved the minimum wage upwards. There were significant increases to it, but during that period the rate of youth unemployment kept falling, as did the rate of unemployment for all workers. Everybody knows that the previous Labour Government moved the minimum wage significantly.

So we can all come up with research on this issue, but I think we have had enough time now, in this Parliament, to know—and certainly National acknowledges this—that moving the minimum wage does not actually have the impact on young workers that the member suggests. I know that the ACT Party's position is that there should not be any minimum wage, and that wage levels should be left up to the market. The member can correct me if I am wrong. I ask the member to correct me if I am wrong, but that, I understand, is where that party is still at.

For me, the issue comes down to some simple things. If we look back in our history we see there was a time, at the beginning of the last century, when we discriminated against Māori workers. They were paid less than Pākehā workers. And there was a time, up until the early 1970s, when women were paid less than the minimum wage—less than men. Could anyone imagine that we would ever go back to that sort of discrimination? Would we ever do that? We cannot discriminate on the basis of gender or of race, so can we discriminate on the basis of age? Well, the member is proposing that we should. Should we discriminate on the basis of someone being older than other people?

GARETH HUGHES (Green): Kia ora, Mr Speaker. As the youngest member of this House, it was not that long ago that I was pushing supermarket trolleys, delivering pamphlets, and serving up fish and chips, and being paid at a lower wage than the minimum adult wage. Back in the late 1990s when I was a high school student working after school, I, like many Kiwis, was discriminated against by the youth minimum wage, which applied to 16 to 19-year-olds and was set at 60 percent of the adult minimum wage. In my case, I was actually supervising adult workers, yet due to the law I was being paid less.

The Green Party wants to look after Aotearoa New Zealand and all of its people. We believe in a fair go for everyone, young workers included. Everyone deserves a decent living wage, but this bill sets to undo the success that the Green Party, and in particular Sue Bradford in her last term in Parliament, achieved through her Minimum Wage (Abolition of Age Discrimination) Amendment Bill. The Minimum Wage (Mitigation of Youth Unemployment) Amendment Bill, put forward by Roger Douglas, wants to

take New Zealand back to the past. Perhaps we would not go back as far as he would prefer—the 19th century and rampant, unregulated capitalism—but as far back as the 1980s and the 1990s. It would be back to the bad old days of the previous National-led Government and its neo-liberal Labour predecessor, in which Sir Roger himself was a key player.

This bill seeks to reinstate a discriminatory youth minimum wage. It is discriminatory. Why should young people who are doing the same work get different pay? In a fair society we are not paid depending on our gender, our sexual preferences, or the colour of our skin. As The Standard points out, as a parody, the word "youth" could be replaced with "Māori" in this bill. The point is that we would not discriminate based on ethnicity, so why should we on age? Ever since the Equal Pay Act back in 1972, discrimination in rates of pay based on gender has been unlawful, yet the one piece of legislation where discrimination should not be setting guidelines, the Human Rights Act, condones setting up discriminatory wages. Members may have noticed my first member's bill, on youth human rights, which proposes repealing section 30(2) of the Human Rights Act to make this type of age-based discrimination unlawful.

The bill we are debating is misnamed. It is called the Minimum Wage (Mitigation of Youth Unemployment) Amendment Bill, but that is just a front, a Trojan Horse for the real issue. ACT's buddies in big business want to pay young workers low wages, to keep wages down in general and profits for a few up. The Green Party wants to give everyone a fair go, and thinks it is a tragedy that near to 30 percent of the unemployed are aged 15 to 19. Youth unemployment is rising, but that is because of the recession, not because businesses cannot discriminate based on age. A Treasury report from 2004 said that there had been no negative impact on youth employment from the 2001 changes. In fact, youth were more employed and working longer hours. This bill has nothing to do with lowering youth unemployment; it is about lower wages for workers and higher profits for shareholders and owners. It is tragic that this Government is making moves to make further tertiary studies harder to access and more expensive for our young people. From raising fees to cutting 40 to 45 percent of New Zealand tertiary courses and reducing student loan access, this Government is making it tougher, not easier, for unemployed young Kiwis to train, to get skilled, and to contribute to an innovative, prosperous, and growing economy.

In summary, the nation's young are beset on all sides. Our young people are growing up in an increasingly unequal society, an increasingly uncaring society, and an increasingly dangerous one. Those with jobs are threatened by work conditions that breed mistrust, fear, and conflict between workers and employees. The 90-day fire-at-will bill, miserable minimum wage increases, and looming GST rises send all workers, but our youngest and most vulnerable workers in particular, a strong message: this ACT-led, John Key - led Government is standing up for private profit, not for a fair go for all. Last month National somewhat slowed Sir Roger Douglas's dreams of returning New Zealand to the 1990s, then to Victorian England, when it announced that it will not support this bill. It is a rare piece of good news out of the Beehive, but let us face it: the bill was a bad idea to begin with.

The Green Party believes in a fair go for all, not in discriminating and setting pay based on age, or on any of the other prohibited grounds of discrimination under the Human Rights Act. The Green Party believes in finding real solutions for unemployed young people, like supporting upskilling and increasing access to tertiary education. That is why the Green Party is opposing this bill.

RAHUI KATENE (Māori Party—Te Tai Tonga): The Māori Party has a longstanding concern about the specific issue of youth unemployment. In particular, we have been devastated by the grinding consistency of the rate of Māori unemployment,

which tends to be approximately 2.3 times the non-Māori rate, and by the fact that Māori have lower labour-force participation rates than non-Māori. But we take great heart from the strength of our people, who never give up, and who remind us of the need to keep fighting the fight to ensure that the potential of our young people is enabled and that they are empowered to thrive.

It was for that reason that the Māori Party duly recognised the significance of our co-leader, Tariana Turia, being delegated responsibility for Māori and Pasifika employment, a challenge that she has taken on at full steam. It is within this context that Minister Turia has pioneered the Community Max programme, which has been immensely successful in its short duration. In fact, at last count some 3,200 positions had been filled, and, of those, approximately 1,900 were taken up by young Māori. That has been an incredible endorsement of the success of the programme. It is an endorsement that we see and hear about right throughout our electorates.

There have been two ground-breaking media releases in the last 10 days that give us room for hope, although they have received very little media attention. Two days ago Minister Bennett announced there was an overall increase of 9.5 percent in job vacancies between January and March of this year. In the previous week, we learnt that the number of New Zealanders receiving an unemployment benefit dropped by almost 4,000 in the last month. Most significant of all, in our mind, was that 2,500 Māori cancelled their benefits in March because they had found employment, as did 546 people from Pasifika communities. That is great news, and we hope to hear and see more of the same.

We come to this bill with some cynicism about the allegation that 20,000 young people have lost their jobs as a result of introducing minimum wages for young people. The explanatory note of the bill paints a grim picture that implies that because the youth wage rates were abolished and aligned with the minimum wage for adults, mass unemployment would occur. It goes further and suggests that equitable pay for youth workers at the minimum wage for adults is detrimental to their employment prospects. Our concern is that we simply have no evidence or analysis to suggest that such spurious claims have any factual basis. The more likely reason is the global economic downturn that has ravaged the employment sector generally.

I want to make it absolutely clear that the situation of job seekers is of immense concern to us in the Māori Party, and it was in this context that we absolutely supported Community Max. The challenge for the Government, however, is to determine what the next step of engagement will be to ensure that those young people do not enter or return to unemployment. I know that every member of this House and every electorate has seen incredible progress in connecting young people to the positive work already going on in our communities through the Community Max scheme. The reason the programme was so successful is that, along with receiving the minimum wage for 30 hours' work a week, those Community Max graduates achieved a great sense of self-satisfaction.

The answer does not lie in short-changing our young people by giving youth a few extra dollars on an hourly basis, when that amount does not even match the rate of inflation. We want solutions, not bills that create more problems. The Māori Party will not be supporting this bill.

JACINDA ARDERN (Labour): I am somewhat bemused to be in the Chamber again debating another bill introduced by the member the Hon Sir Roger Douglas that, I think, fundamentally attacks the rights of young people. I find it bizarre, also, to be agreeing with some of the contributions made by the Government. But I still find it a bit rich for the Government to claim that it is against the Minimum Wage (Mitigation of

Youth Unemployment) Amendment Bill because it values the young, and because it is interested in youth unemployment as an issue.

The Government's scorecard on youth issues is dismal. I was reflecting on those issues as I was preparing my contribution to the House today. The list looks something like this: failed boot camps for young offenders; treating child offenders as adults; targeting students who are struggling to pay loans after completing tertiary education; capping enrolments in polytechs and universities, and turning away 8,000 young people; trashing youth health centres; and cutting funding to the youth workers association. If the Government goes ahead and supports voluntary student union membership, I will be adding that to the list of lost services also. But I also have something to say about the absence of the Government's action on some critical issues, and I add youth unemployment to that list.

This bill, naively I think, purports to address the issue of youth unemployment. It is an antiquated and discredited argument to claim that if youth are paid less, that will fix the issue, rather than simply perhaps shifting unemployment around. We have an evidence base from within New Zealand to discredit that argument with. Labour increased the youth minimum wage by 126 percent and 81 percent for the two different age groups. At the very same time, youth unemployment in New Zealand fell to 11.8 percent—one of the lowest levels that we have seen. No one in this House is denying that youth unemployment now is high, and is a significant issue that we should all be concerned about. In fact, it is an issue that the entire OECD is struggling with, but only nine countries have looked at lower youth minimum wage rates as a potential way of addressing it.

The member raised the significant youth unemployment numbers we face. When was the last time that youth unemployment was as high as it is now? It was in the 1990s, when the youth minimum wage was in full swing. I have spoken to people who work in the New Zealand labour market at an academic level. They tell me that moving around minimum wage rates for young people is simply not the answer, from an evidence-based perspective. What will fix the situation? There is no point saying that these young people would have jobs if we simply paid them less, if the jobs are not available in the first place. Job creation in New Zealand is a significant issue. Skills training for our young people is a significant issue, as is making sure that they are educated in areas where we have gaps in New Zealand. Did I hear anyone say that the Skills Strategy may have contributed to answering that? But the Government decided it was best suited to the shelves. All of that would have contributed to fixing our youth unemployment issue.

Instead, the only response that we hear on this from one party in Parliament, through Sir Roger Douglas, is that we should simply pay young people less. In fact, one of his arguments was that, somehow, paying young people equal pay for equal work—paying them equitably across the board with peers doing the same job—would contribute to their choosing to join youth gangs. That is a completely abhorrent argument to make, that somehow we are sending a message to young people that we do not value them. It was certainly the message that I took when as a young person I was paid less for a job I was doing that was exactly the same as the job of an older peer—that I was not valued as a young person. That was the message I received.

I have asked young people their view of this bill. I have asked young people about it. One young person told me that he agrees with this member's bill. When I asked him whether he felt that having a different minimum wage would give him a decent wage to survive on, he said yes. I asked him how he would pay the rent, and he pointed out that his mum and dad covered it for him. I do not believe that this is a realistic bill that addresses the significant issues that young people are facing. I hope that we come back to this House and debate the real issues around youth unemployment.

Hon TAU HENARE (National): I read in the *New Zealand Herald* this morning "Apathy towards jobless issue does us no credit", and that 38 percent of Māori aged between 15 and 19 are unemployed. I do not totally pooh-pooh Sir Roger Douglas' idea, although we will not be supporting his move.

I want us to cast our minds back to the last time we had such a scandal in terms of unemployment. I do not lay the blame at anybody's doorstep. Unemployment is what it is: unemployment. But I find it abhorrent that we would pay somebody the dole to do nothing. I find it abhorrent that we would pay anybody anything to sit at home and to do nothing. I think there are better ways, and this country has seen better ways, of dealing with unemployment, especially in those high unemployment zones, as I like to call them. They are basically the north, the East Coast, and pockets of the suburbs.

One of the things that I think we should be seriously looking at, along with what we are doing with Community Max and our other programmes, like Job Ops, is putting all of our energies—

Hon Trevor Mallard: When was the last time anyone went into one of those?

Hon TAU HENARE: Well, the member should just listen and stop being captured by the old-style dogma that he likes to talk about but does not really believe in. He wants to—

Hon Trevor Mallard: Come on, "Bottler".

Hon TAU HENARE: I have given up those days, I say to Mr Mallard. I have given up those days. I am not like that member, who lives in the past all the time, trying to live off past glories. The only thing that the member does right these days is to ride a bike, and that is all he is famous for.

But, anyway, let us talk about those zones that I was talking about. Why are we not saying to ourselves right across this House that we should designate the East Coast and the north as special economic zones, where we get in there, boots and all, and help? Some of the things that Sir Roger Douglas says speak the truth, such as that it should be a national scandal that 38 percent of Māori aged between 15 and 19 are unemployed. I ask why we are not jumping up and down. As the article in the *New Zealand Herald* said this morning, it is most probably because when 95 percent are employed, nobody gives a toss about the other 5 percent. But if we break that down, we will see some horrible statistics.

I am saying that maybe we should be thinking outside the box. Maybe we should be designating places like the East Coast and the north as special economic zones. This is not just for Māori; this is for everybody in those areas. One unemployed Pākehā and one unemployed Māori are the same, because they do not contribute to the region's economy.

I do not want to get up and say that I support the reintroduction of work schemes, but I will tell members about work schemes. The great thing about work schemes was little communities—

Hon Trevor Mallard: The member's on a west Auckland work scheme.

Hon TAU HENARE: Oh, no. Little work schemes were great for places like the Hokianga and Ruatōria. I know that the member really does not give a toss.

But at the end of the day, we can talk to any people who served their time on a work scheme, whether it was a Project Employment Programme scheme, a Temporary Employment Programme scheme, a JOVTP scheme, or a TOPTT scheme, and they will tell us that what they got out of it was a bit of pride and a bit of money in the bank, and the little community of, say, the Hokianga would have been a special zone to them. John, Mary, Frank, and whoever else who was on the scheme—it might have been only 30 people—would have been able to get that community cracking. Although I am not advocating a return to the Project Employment Programme schemes, I say that it is time

we used our initiative and the forces we have to look at this matter more seriously than just getting rid of minimum youth rates.

Hon Sir ROGER DOUGLAS (ACT): It was an interesting debate: not one solution to the unemployment rate amongst young people was put up by any speaker. The fact is that National has already conceded the principles of my Minimum Wage (Mitigation of Youth Unemployment) Amendment Bill. It did that when it said that the abolition of the youth minimum wage has led to unemployment. That is why the National Government has implemented the Job Ops scheme, giving businesses $5,000 to hire someone between the ages of 15 and 24. It has done that because it knows full well that the businesses could not afford to hire those young people without that subsidy. Instead of facing the truth and reversing this silly policy, the Government's solution is to spend more taxpayer dollars trying to restore to youth the ability to get a job that was taken away by the Government in the first place.

The whole thing is absolutely ridiculous. Whether or not we want to deny it—and everyone in this House was denying it tonight—there is one economic reality that we cannot overcome, and it is that wages will always reflect the productivity of the worker. Regrettably, thousands of young people do not have a productive value of $510 a week, and to those young people who do not have a productive value of $510 a week, we have said that we will put them on the scrap heap. We have said we will throw them on the scrap heap. In my area a decile 6 school had a test for young people coming into that school. One of the questions asked if we have 36 apples and we eat 27, how many we have left. Guess how many people got it wrong. It was 23 percent. One in four got it wrong. The school system has failed these young people, and what this House is doing is making damned sure that the labour market will fail them, as well.

What we are doing—the National Party, the Labour Party, the Green Party, and the Māori Party—is saying to young Māori people of 16 years of age that they cannot accept the job. Even if they are offered one at $400, they cannot actually take it. We say that by law they cannot take that job. They cannot go into that job and develop the skills they did not get at school. They cannot get that work experience. They cannot get their foot on the ladder. We fail them in the education system and we are failing them in the labour market. We are saying to those young people that we will not help them. They could get $400 in the workforce, and guess what we say to them? We say they cannot have $400, they cannot earn $400. They have to go on the dole and we will give them $160. We would prefer them to be $240 worse off than they could otherwise be, and somehow we are claiming we care for these young people. Do not talk rubbish. We should be ashamed of ourselves, and, frankly, that is why New Zealand is in the cart. It is because we in this House do not have the courage to do what is right. We do what we think is best politically, and that disgusts me.

A party vote was called for on the question that the Minimum Wage (Mitigation of Youth Unemployment) Amendment Bill be now read a first time.

Hon TREVOR MALLARD (Labour—Hutt South): I raise a point of order, Mr Speaker. The rules of this House are very clear that members have to vote in the first instance before they can call a division. No one said Aye for this bill.

Mr SPEAKER: I accept that no one whom the member might have heard said Aye, but we cannot be sure who might have whispered, or what have you. When a member calls for a party vote, as Speaker I have to respect that the member wants to exercise his or her right to see a vote taken.

A party vote was called for on the question, *That the Minimum Wage (Mitigation of Youth Unemployment) Amendment Bill be now read a first time.*

Ayes 5

ACT New Zealand 5.

Noes 117

New Zealand National 58; New Zealand Labour 43; Green Party 9; Māori Party 5; Progressive 1; United Future 1.

Motion not agreed to.

HEAD OF STATE REFERENDA BILL

First Reading

KEITH LOCKE (Green): I move, *That the Head of State Referenda Bill be now read a first time.* At the appropriate time I intend to move that the bill be considered by the Justice and Electoral Committee. This is an important moment in our constitutional history. It is the first time that Parliament has had before it a bill that would enable the people of New Zealand to decide whether to continue to have a member of the British Royal family as head of State, or move to having a New Zealand head of State selected by democratic process.

The bill provides for a referenda process where, in the first ballot, New Zealanders would choose between three options: the present system, with the monarch remaining as our head of State; a New Zealand head of State determined by a 75 percent majority vote in Parliament; or a New Zealand head of State directly elected by the people via the single transferable vote preferential system, where the successful candidate would be the first to reach 50 percent of the votes as the preferences are distributed. I have put all three options in the first ballot so that New Zealanders can have a full discussion of them and make an informed choice. If none of the three options gets 50 percent in the first referendum, there would be a run-off referendum between the two leading options. The two alternatives to the monarchy in my bill are the two main types of non-executive President that we see around the world. The German President, for example, is selected by a committee from the Houses of Parliament, whereas the Irish President is directly elected.

I want to make it clear that a change from the monarchy would not, under my bill, result in a change in the technical powers of our head of State. That said, a head of State selected by a democratic process might feel that little bit more independent of the Government of the day than the Governor-General, who is both appointed by the incumbent Government and can, in effect, be sacked by that very same Government. You could call my bill a minimal change bill; we would not end up with an executive President like the American President. Some people have said "Well, why bother?" if any change from a monarch would be minimal in its constitutional input. The answer is that I am responding to a significant body of New Zealand opinion, particularly among those favouring a republic, that we should get on with a referenda process. They do not want us to simply tail the Aussies and wait until they have another referendum.

The main argument for a republic in both New Zealand and Australia is one of national identity. The question many New Zealanders ask is why we should have a head of State living on the other side of the world who is not a citizen of our country. There is also concern about whether our head of State should remain a monarch—that is, somebody who inherits the job, rather than gets it through a democratic process. The rules of inheritance for the monarch in Britain are also controversial. At present, the succession rules discriminate against female heirs and Catholics in a way that is

contrary to New Zealand's human rights legislation. At present, no one can ascend to the throne and become Queen or King of New Zealand if he or she is Catholic or even married to a Catholic.

I stress that this debate is not about whether we like or dislike the Queen or any member of the Royal family. The present Queen has been competent in the performance of her duties, and she turns 84 this very day. I wish her a happy birthday.

However, the Queen is in a difficult position as head of New Zealand. Firstly, there is an inherent conflict of interest in the Queen being the head of State of two independent countries, Britain and New Zealand, that do not share the same foreign policy. For example, when Britain sent troops into Iraq, the Queen, as Queen of Great Britain, went down to the barracks in military dress to support the soldiers. That was in conflict with her role as Queen of New Zealand, a country that opposed that same war.

Secondly, it is very difficult for the Queen to keep tabs on developments in a country on the other side of the world that she is not able to visit very often. Sure, her representative, the Governor-General, lives here and is more hands-on. But the Governor-General is not fully independent, because he or she is appointed by the Government of the day and can be sacked by that same Government via a Government recommendation to that effect, which the Queen is in no position to refuse. Governors-General taking the Government's side can be a problem, as in Canada where, 2 years ago, the Governor-General suspended Parliament for a time when the Conservative Government was facing a no-confidence motion. Having a head of State who can operate with true independence is particularly important in our multiparty MMP system, with its constitutional complexities.

There is nervousness among some New Zealanders about changing from the present system. That is natural, but let me allay some of the fears. The first fear is that a change might affect our commitment to the Treaty of Waitangi. I do not believe that is the case. Long ago, the responsibility for upholding the Crown commitments to the Treaty was devolved to the Parliament and Government of New Zealand. The King or Queen of New Zealand is part of the mix, but since 1947 that position has been constitutionally independent from the position of King or Queen of Great Britain. The Queen, as Queen of New Zealand, takes advice solely from the Government of New Zealand. The agency that signed the Treaty of Waitangi in 1840, the British Crown, no longer constitutionally has any influence whatsoever on the domestic affairs of New Zealand, including commitments to the Treaty of Waitangi.

Another fear that people sometimes have is that if our head of State is the subject of direct election, we might end up with a pop star, a celebrity, or a political hack. I believe that we should trust Kiwis to vote responsibly for such an important position. This is what happens overseas. Ireland has a directly elected President with minimal powers, like those proposed in my bill, and the Irish people have elected appropriate heads of State, like the internationally renowned Mary Robinson, who went on to become the United Nations Commissioner for Human Rights.

Members may have noticed that the Attorney-General has issued a report that my bill offends the New Zealand Bill of Rights Act in one respect: by keeping the same electoral role for the first head of State referendum and the run-off referendum, my bill discriminates against those people who turn 18 in the 6 months between the two referenda. I will propose to the select committee an amendment to correct that infringement.

I appeal to those MPs who are not sure right now whether they support such a referenda process to at least allow consideration of it by the Justice and Electoral Committee. Even though the bill is a conscience vote in the Green caucus, and we do not all see the issues in the same way, all of the Green MPs will support this bill being

referred to the select committee to allow both MPs and the public to fully debate the important constitutional issues embodied in the bill.

I do not see this as a left or right issue. People across the political spectrum and across the community have formally endorsed my bill. They include Sir Robert Jones, Dr Ranginui Walker, Peta Mathias, C K Stead, Rob Hamill, and Terence O'Brien. Whatever the fate of the bill tonight, the issues we are debating will not go away. The momentum for change and the momentum for a referendum on our head of State are building every year. It would be a tribute to this House if it faced up to the reality now and allowed this bill to go to the Justice and Electoral Committee.

Finally, I pay tribute to the many people in the community who are keeping this debate alive, from the Republican Movement of Aotearoa New Zealand, to Monarchy New Zealand, to many concerned citizens and legal experts. I will continue to work with them on these issues, whatever the result of the vote tonight. Thank you.

SIMON BRIDGES (National—Tauranga): Monarchism and republicanism can stir strong feelings in people. I can understand why that is so. In centuries gone by, people could be murdered for being one or the other. Today in New Zealand I accept that there are Kiwis who have strong views on the institution of our head of State, but I also suspect that many New Zealanders feel the way that I do. To the extent that they think about the issue, they are agnostic.

I, for example, accept in theory that an appointment on the basis of who one's parents are is an anachronism. But I also, in practice, have respect for the Queen. I was chuffed, like I think many New Zealanders were, to see Prince William, who seemed like a good bloke, having a beer and a barbie with our Prime Minister. In truth, I do not concern myself much with the question of our head of State.

This nation has so many more pressing and real issues to grapple with, such as Government deficits in an age of ubiquitous entitlements; funding issues for schools, hospitals, fire stations, and libraries; job creation in the face of unemployment; safer communities—we have taxi drivers being killed for a few dollars, dairy owners being robbed for a packet of ciggies, and an elderly woman being badly assaulted in broad daylight for seemingly no reason at all—and a nation that deserves to be more prosperous than it is. Over time, New Zealand may look more seriously at becoming a republic, but many New Zealanders will share my view that now is not the time. Today our nation has so many pressing and, frankly, real issues to grapple with that a head of State debate may well be a divisive distraction.

I want members to be in no doubt that a distraction is what it would be. Becoming a republic is necessarily a far more complex issue than replacing a figurehead with a crown with one without a crown. A debate on a different head of State will almost necessarily involve the need to examine our broader constitutional arrangements, including issues such as the place of the Treaty of Waitangi and tangata whenua within our system of Government. National is not averse to these debates, but they need to be taken carefully and responsibly.

In addition, we would need to think through what the referendum questions would mean in practice. In moving to a different head of State, would we be moving by stealth from our Westminster parliamentary system to something much more presidential? Even if what we move to is not entirely like the American set-up, it may be that, as I think Keith Locke has acknowledged, a head of State elected in whatever way would feel more independent, and the dynamics of our entire system would subtly, but potentially substantially, change.

I do not raise these questions to pretend that I have the solutions but to demonstrate that this issue is not an easy swap between a head of State with a crown and one without. It will throw up bigger issues and complexities. Through this bill Keith Locke

raises an interesting debate, but not one, I think, to be resolved by a member's bill that goes to a select committee one day and becomes law the next. In conclusion, when there are more pressing issues let us not get caught up in the spur of moment in a divisive and potentially wide-ranging distraction. If we are to change our head of State, let us do it more carefully and responsibly than the member's bill process allows.

CHARLES CHAUVEL (Labour): I begin by congratulating Keith Locke on bringing the issue of the republic before this House, and to say right at the outset that Labour will be voting in favour of the Head of State Referenda Bill. We think the bill should go the Justice and Electoral Committee so New Zealanders can have a say on the important issues that it raises.

It is high time for the debate. There is no reason why the debate should be divisive or acrimonious, as the member who has just resumed his seat, Simon Bridges, suggested he fears. There is no reason why a civilised and intelligent debate should not happen on this question. That debate ought to raise many important questions, some of which will need to be addressed immediately, and others of which will require longer-term thought. Some of the immediate questions include whether, when, and how to have a resident head of State; the method by which he or she is appointed; and that person's tenure, titles, and powers. There are wider, longer-term questions about our symbols of nationhood and our relationship with the rest of the world that ought to be part of the debate. They all involve careful thought about our unique identity and values as an independent, vibrant, diverse, prosperous, stable, egalitarian, Pacific nation.

The bill also needs to go to a select committee so that the sole inconsistency with the New Zealand Bill of Rights Act 1990, identified by the report of the Attorney-General, can be rectified. The inconsistency is minor, and the bill's sponsor has already indicated that he intends to move an amendment to remedy it, if he is given the chance. The inconsistency is that clause 32 provides for the same electoral roll to be used in both the referenda contemplated by the bill, which would inadvertently exclude those who come onto the roll as new voters in the period between the two referenda. Accordingly, the electoral rights of young people who become eligible to vote in the intervening period would be prejudiced without demonstrable legal justification in a free and democratic society. That is an erroneous provision. It should go, and it will, if we give the bill the chance to go to select committee. But it is noteworthy that, in a bill as substantial as the one that we are now considering, it is the only inconsistency identified.

On a personal basis, I am committed to seeing New Zealand become a republic. We should have a resident for president. The bill would need only one or two National or ACT members to vote for it in order for us to start down that path tonight. I still hope that we will see that happen, although the last speech and some of the interjections from members opposite give me little hope as far as National goes. I hope this is our opportunity and that there will be a mature debate that is not marked by spurious claims. If we follow the course mapped by the bill we can remain a member of the Commonwealth. We can and we will continue to honour our traditions, including on days like Waitangi Day, Dominion Day, and Anzac Day. The State will retain all the obligations that have been inherited by the Sovereign in right of New Zealand concerning the Treaty of Waitangi, and otherwise. We will remain a democracy, and, in fact, democracy will be strengthened because we will be required to take responsibility for the final and perhaps the most important aspect of it, the choice of our head of State.

If, as I fear, having heard the speeches so far, tonight does not mark the occasion on which we begin the republican journey, the reality is that the day surely does not lie far away. Speed that day, so that we can take the final logical step towards repatriating the New Zealand constitution.

KANWALJIT SINGH BAKSHI (National): National will be opposing the Head of State Referenda Bill. Within our communities, there are people who hold strong views both for and against New Zealand becoming a republic.

The present system is working very well. The head of State is the British monarch and the Governor-General is appointed on the advice of the Prime Minister. There seems to be not much public support for New Zealand becoming a republic. At another time New Zealand may look more seriously at becoming a republic. A referendum is a very expensive exercise, and holding such a referendum during such hard times does not seem to be sensible. There are more critical issues before the country that need to be focused on, like creating jobs, economic growth, and creating safer communities for New Zealanders.

This bill provides for the holding of two referendums to reconsider the matter of New Zealand's head of State. If the majority of the votes in the referendum are for the proposal to retain the present head of the State, there will be no further referendum. If not, the two options receiving the highest number of votes will be subject to a final binding referendum. I oppose this bill.

PHIL TWYFORD (Labour): I rise to speak in support of Keith Locke's Head of State Referenda Bill. As my colleague Charles Chauvel said, Labour supports the bill going to the Justice and Electoral Committee. We believe that it is time that as a nation we have the conversation about becoming a republic. There are some very important issues to be discussed, and this is not the kind of issue that any Government or party would want to advance by stealth. It must be discussed openly so that New Zealanders can form a view and forge a consensus about our constitutional future. Sending this bill to a select committee would be an excellent way to begin that conversation.

I will not repeat the explanation that members have already given about the basic mechanism set out in Keith Locke's bill, but I will say that it takes a minimalist approach to constitutional change. It simply sets up a democratic decision-making process for determining how we select our head of State. It does not address the myriad other issues that usually come up when republicanism is discussed. This is no technical bill. How we choose our head of State cuts to the heart of our constitutional status: constitutional monarchy or parliamentary republic. The head of State is the most powerful symbol of our nation we have. These are huge issues that deserve to be taken seriously. The late Bruce Jesson said that republicanism was not merely about making a nominal change to the head of State, but about reviving and extending the concepts of citizenship and democracy, and combining the issues of national identity, egalitarianism, and democracy. If we take those issues seriously, we must surely recognise that how we choose our head of State is important.

To me, it is an anachronism for the Queen of England to be our head of State, for the living embodiment of our nation to be a hereditary position. That is the opposite of democracy. The living symbol of our nation is someone the people never get to choose. Our head of State can never be a New Zealand citizen; he or she lives 12,000 miles away, and he or she represents the British Crown, not us. It was noticed, as Keith Locke said, that the British royal family did not send anyone to attend the funeral of Sir Ed Hillary, the greatest New Zealander of our time. It was noticed that our head of State farewelled British troops when they went off to take part in the illegal invasion of Iraq, an invasion that this country declined to take part in.

To those of us who ask what does it matter, I say that symbols are important. What does it say about our nation's values when our head of State cannot be a Catholic—in fact, the head of State would be relieved of the role if he or she were to marry a Catholic—and the male heirs to the throne always take precedence over their female siblings? The process of choosing our head of State is an archaic, feudal institution that

is rooted in a land on the other side of the globe. It says nothing of the vibrant, diverse South Pacific democracy that we have become. Symbols are important. They denote values and values inform debate. I say that because the themes of egalitarianism, democracy, and nationhood underpin almost every debate that we have in this House.

There is a view that it would be a mistake to change the way we choose our head of State without also addressing all other constitutional issues that touch on it. Former Prime Minister Mike Moore argues for a constitutional convention. I am not persuaded that we cannot move ahead in changing the way we choose our head of State without also addressing all those other issues. I think our constitution is most likely to evolve in a piecemeal way. If we tried to solve all the issues at once, I fear it would mean that none would be resolved.

It is often commented that New Zealand will inevitably become a republic one day, but not tomorrow. I call it the Simon Bridges argument. Many people who say they support a republic quickly add that we do not need to rush the process because there are many more important issues. I like to think that as a nation we are capable of dealing with more than one issue at a time.

Others say that we are already a de facto republic and that we already choose our Governor-General, who is selected by the Government of the day. That argument overlooks the importance of symbolism. The Governor-General is not the head of State; he or she is merely the Sovereign's local representative.

RAHUI KATENE (Māori Party—Te Tai Tonga): If the Standing Orders were relaxed for this one night, I would have had the perfect T-shirt to wear to this debate on the Head of State Referenda Bill. I am thinking of the T-shirt that says "Honour the Treaty". Honouring the Treaty means a great deal to this nation. It means for our indigenous people that we will, as we did before the signing, be able to exercise our sovereignty, our mana motuhake, over all things that are ours. However, to draw on the wisdom of Sir Edward Taihākūrei Durie, the Treaty is not just a Bill of Rights for tangata whenua but also a Bill of Rights for those who belong to the land by right of that Treaty—tangata Tiriti. Despite the policy and legislative changes that have taken place to better recognise the Treaty of Waitangi, shortfalls remain that adversely affect the lives of whānau, hapū, and iwi, and they compromise our potential as a nation.

The Waitangi Tribunal's June 1988 report on the Muriwhenua fishing claim of June 1988 expressed this concern most clearly when talking of the issues around the practical application of the Treaty for the modern world. The report stated "Any impracticality today results not from the Treaty but from our failure to heed its terms." The important point is that there was, and still is, room for an agreement to be made. These shortfalls also affect the quality of cross-cultural relationships and the operations of society more generally. Despite those limitations, the answer does not lie in disregarding the Treaty and embarking on a debate to establish a process by which the House of Representatives appoints the head of State.

The sole purpose of this bill is to provide for the holding of two referenda on proposals to reconsider the matter of New Zealand's head of State. The key concern for us in the Māori Party is that the proposal is not grounded in the Treaty of Waitangi, but is separate from it. As such, we believe that the bill has the potential to make the Māori-Crown relationship obsolete, which would be a major concern for all iwi. It is our utmost belief that enhancing respect for, and giving better effect to, the Treaty of Waitangi will enhance the quality of life for all. The ratification of Te Tiriti o Waitangi is the ideal that has come through the words and actions of generations of Māori leaders. It was written into the Kohimārama Covenant, agreed to by some 200 chiefs in 1860. Indeed, every iwi has their leaders and their legacy bound up in the commitment to enshrining the Treaty in law. We believe that the time is right to entrench Te Tiriti o

Waitangi in all legislation so that decision making on matters concerning Māori, and Māori and the Crown together, is shared with us all.

As an example, the Resource Management Act and the Local Government Act would be redrafted to reflect articles 1 and 2, which guarantee our mana and rangatiratanga, and the ability to exercise power-sharing on all issues that affect us as tangata whenua. Therefore, the Māori Party has a major concern around embarking on a process of debate about the head of State in terms of its potential to create vulnerability around the status of the Treaty.

The Māori Party is the only political party where the Treaty underpins our actions through kaupapa tuku iho. The Māori Party is calling for open and informed debate on constitutional change. It was part of our manifesto that we would establish a constitutional commission to begin a constitutional review aimed at, among other things, drafting arrangements to give effect to the Treaty of Waitangi. It was also a key policy objective of ours to appoint a Parliamentary Commissioner for the Treaty of Waitangi. Accordingly, as part of the confidence and supply agreement between National and the Māori Party, both parties agreed to the establishment of a group to consider constitutional issues, including Māori representation.

There has been much talk about documents of aspiration in the last 24 hours. What better precedent do we have for understanding aspiration than the promise articulated in Te Tiriti o Waitangi for a new relationship between Pākehā and Māori? It articulated a relationship wherein the rangatiratanga of Māori would be enhanced and our respective cultures and autonomy would remain intact. It is an aspiration that we will continue to uphold, and it is in that context that we must vote against this bill. Thank you.

GARETH HUGHES (Green): Kia ora, Mr Deputy Speaker. Ngā mihi nui ki a koutou kia ora. I welcome the chance to start the conversation on our head of State. I believe that it is time for New Zealand to have the conversation. Changing demographic trends, the monarchy's growing clash with our culture and sense of egalitarianism, and our cherished democratic principles all mean that constitutional change is inevitable. Tonight we have maybe a once-in-a-lifetime chance, and what do we gain from putting off the inevitable debate?

The Green MPs will tonight be voting in support of Keith Locke's Head of State Referenda Bill, which will give Kiwis the chance to vote on whether we should investigate changing our constitution. I pay tribute to Keith in what has been a 7-year journey up to this evening. A few months back I was sworn in as an MP and recited an oath pledging allegiance to the Queen and her heirs. It was so jarring as a Kiwi to pledge loyalty to a foreign lady, albeit a nice, grandmotherly one, who lives on the other side of the world. I have never met her, never seen her, and never voted for her, yet because of a quirk of history she is our head of State and I had to declare allegiance to her if I wanted to take my seat in this honourable House. For years we have avoided the conversation. Let us have an informed discussion at the select committee now that we have the chance.

New Zealand with the Queen as our head of State is like the stereotypical adult still living at home with his or her parents. We are like those grown-up adults who talk about maybe getting their own place, who maybe concede that it is one day inevitable that they will move out. Those stereotypical stay-at-home adults, even if their mates who left the nest earlier laugh at them and say they are not independent, argue: "Hey, it's all pretty cruisy being at home; it doesn't mean much.", or as Simon Bridges said: "It's not really that pressing to be leaving right now."

Like those stereotypical stay-at-home adults, New Zealanders have their independence in practice. We can stay out as late as we want, do our own washing, even bring our partner home, but, hey, it is embarrassing to bring her home to the place

where we are under our parent's roof and where their rules rule. New Zealand's situation is just like that. New Zealand is not regarded as a fully independent nation that is independent of the United Kingdom. It is time we start that conversation. Do we stay or do we pluck up the courage to step out on our own, get a flat, get some furniture, and be master of our own house, or do we want to stay with granny? It is time to have the debate; it is inevitable. I am sure that most members in this House would agree with former Prime Minister Jim Bolger that it is inevitable. All the trends point towards constitutional change one day. Why avoid talking about it now?

Our current head of State clashes with our sense of place in the world. We are no longer the Britain of the South Seas. Our links to Britain are in decline. Britain has not been our largest trading partner since 1973. At the last census 879,000 people, or just 22 percent of our total population, were not born in New Zealand. We are an independent, multicultural nation in practice. We should have a debate as to whether we should be that in theory. Our current head of State clashes with our young people's vision of the future.

A new generation is growing up that sees New Zealand as a proud, independent country that is more Pacific than European. My generation has grown up with Britain in the EU, with New Zealand out of ANZUS, and with our biggest trading partner now being China. Research from 2008 shows support for the monarchy was lowest in those aged 15 to 39, and strongest in those aged over 60. That means that constitutional change is inevitable.

Lastly, our current head of State arrangements clash with our culture and egalitarianism. Our head of State institution is discriminatory. Since only recently, and with provisos, could Catholics and women become a head of State. It goes against the Human Rights Act that protects against discrimination on the basis of sex, age, religion, and ethnicity.

Let us ask the people whether they want a head of State 1,600 miles away who has been here only 10 times since 1954 and who leads a very different life from anyone in this country. Let us have the debate on how this will impact Te Tiriti o Waitangi. Let us be open that the Queen has devolved all responsibility to the New Zealand Government but that a special relationship exists between the Crown and iwi. Let us have the discussion and be sure that there is no risk that Governments could use republicanism to evade Treaty responsibilities. We can delay this important debate for another few years or decades, but why? I urge members opposite to pluck up the courage and give us the chance to have this important debate at a select committee.

In summary, this is an important debate about who we are as a nation. We are a democratic nation and we should be emphasising that power should come from the people, from tangata whenua, not governed by a foreigner 1,600 miles away. I will vote for Keith Locke's bill and support opening the discussion. It is time for Kiwis to decide. Let us have that debate.

PAUL QUINN (National): I think it is appropriate that all of us recognise that people hold different views on republicanism, and I think we should respect that. I have been disappointed in listening to the debate so far from the Labour benches. Charles Chauvel's view is that, if people are not republican they are wrong, full stop. Phil Twyford talks about this matter progressing under stealth. Who is progressing matters under stealth?

Hon Trevor Mallard: Show some spine!

PAUL QUINN: I am happy to go into a rugby game against you, Trevor. Gareth Hughes talked about plucking up the courage.

I back my spine against the member's any day he wants on the rugby paddock or anywhere. The member should not worry about that. My own view on this is driven by

the issues raised by the Māori Party member's contribution—[*Interruption*] I raise a point of order, Mr Speaker. I understand that interjections are allowed but a constant barrage of yelling and screaming is against Standing Orders.

Hon Trevor Mallard: If the member responds as he did, then the rules are very clear that members can respond. If the member had ignored it, he may have had a point, and if he was in his own seat, he would have another one.

Mr DEPUTY SPEAKER: Thank you. I remind the member interjecting not to use the word "lies". He mentioned it a couple of times. I ask members to keep the noise down. Interjections are fine, but continual barracking is not. If I cannot hear, then the level is too high.

PAUL QUINN: In respect of my own view, first and foremost—

Hon Trevor Mallard: You've got a very good view from Roseneath.

PAUL QUINN: If the member listened he might hear it. First and foremost, I personally believe that there is not an urgent and pressing desire by the community at large and the public at large to have this debate right now. Therefore, I am not persuaded that we should do it just for the sake of it. But, more specifically, I do not proclaim to be an expert on tikanga Māori. My contribution to progressing and advancing Māori causes—my skill sets—are in other areas, and I do not profess to be an expert in tikanga. What I can say is that my koroua and my kuia hold very dear the fact that the Treaty of Waitangi that their ancestors signed was a pact between them and the Crown. It is their wish to hold the Crown to account in respect of the Treaty of Waitangi. I take my guidance from that. I pay my respect to my father, to his father, and to his father before that; because they are the people who have been responsible for trying to advance in partnership with the Crown the cause of Māori. For that reason alone I will uphold that desire of theirs. Thank you.

CLARE CURRAN (Labour—Dunedin South): I am a staunch and proud republican. I believe New Zealand must, and will, one day have a New Zealander as its head of State. I thank Keith Locke for his work on the Head of State Referenda Bill, and I congratulate him on having it finally drawn from the ballot after 7 years. The Labour Party, as we have heard tonight, supports this bill being referred to the Justice and Electoral Committee.

Politics is about timing, and the time for New Zealand to have a New Zealand head of State may not be now, but it is time to start a discussion about it. It is important to respect everybody's views on this issue, and I do. I think also it is important to stand up for what one believes in. In principle, we believe that New Zealand should eventually become a republic, but there are many issues that we need to work through first as a country. Those issues include whether we believe that the head of State should be elected by the people or appointed by Parliament, and how the Treaty of Waitangi will fit with a new set-up.

The time is right, as we have heard a number of times tonight, for a public conversation about this important issue. If anything comes out of this debate tonight, that will be the most important thing. As members may already know, I have a strong view in favour of New Zealand becoming a republic with an independent head of State, which will allow us to become a truly independent nation. I believe that it represents New Zealand growing up as a nation. My views have been public on this issue from day one; I talked about it in my maiden speech in Parliament. In January this year I somewhat controversially stood alongside the Republican Movement of Aotearoa New Zealand at the opening of the Supreme Court building.

Labour leader Phil Goff has expressed the view that we will and should have a New Zealander as our head of State one day. Members of other political parties have expressed similar views, including the Prime Minister. In order for that to occur, we

should have a public debate, and now is a good time to start that. I would like New Zealanders to start to honestly debate the issues that need to be discussed, because I have always taken the view that talking about issues is a lot better than not talking about them.

My friend and colleague Charles Chauvel recently reminded me that Labour has a proud tradition in the gradual move towards independence. Peter Fraser caused the adoption of the Statute of Westminster to be proposed from the Speech from the Throne in 1944. In 1946 he was responsible for the appointment of the first Governor-General to have spent most of his life in New Zealand, Bernard Freyberg. Norman Kirk amended the 1852 Constitution Act in 1974 to make it clear that Parliament could legislate extraterritorially and to ensure that the Queen's titles were updated to reflect her role as Sovereign of New Zealand. Geoffrey Palmer repatriated the constitution, reformed parliamentary procedure, and introduced the New Zealand Bill of Rights Act. Helen Clark abolished appeals to the English Privy Council, New Zealand membership of that body, and the awarding of titles to New Zealanders.

There is a pressing need to confront the question of a resident head of State—a resident for president, as my colleague Charles Chauvel said—because the reign of the present Sovereign is approaching an end. The Australian republic referendum in the mid-1990s demonstrated the need to have a viable alternative model that embodies democratic principles and that will garner public support. New Zealand deserves a head of State who is a New Zealander—someone who lives here and somebody who reflects New Zealand values. New Zealand should have a head of State who reflects New Zealand's position as an independent nation.

There are many more pressing issues at this time and there always will be, but the head of State should be a unifying symbol of our nation, because symbols do matter. New Zealand's head of State should be democratically accountable. The idea of a monarchy clashes with our sense of egalitarianism, especially given that no New Zealander can ever become head of State, no matter how much ability they have. New Zealand does not need to rewrite its history in becoming a republic; we can retain our flag, the Treaty can be honoured, and we can remain part of the Commonwealth. These are the reasons that Labour supports this bill being referred to select committee.

SUE KEDGLEY (Green): I happen to be a huge fan of Prince Charles. I could even say he is one of my heroes, and why would he not be? He is against genetic engineering—passionately against it—he is in favour of organic farming, he is in favour of using natural therapies, and he is opposed to ugly architecture. I could go on and on. I am a huge fan of Prince Charles, but I am not in the least a fan of having him as our head of State if one day he becomes the King.

It is ludicrous that we in New Zealand are seriously submitting ourselves—as we will be if the Head of State Referenda Bill is defeated tonight—to for ever having a faraway hereditary head of State. It is completely ludicrous. I believe that Prince Charles is embarrassed at the concept of being the head of State of New Zealand—he has said as much. It is ridiculous. Every now and then, the head of State comes to New Zealand, pays us a little visit, and rather awkwardly wanders around New Zealand. The head of State feels as uncomfortable as we do about having an ancient, hereditary monarchy as head of State of New Zealand. It is completely ludicrous.

I realise that there are issues that need to be worked through, particularly with tangata whenua and the relationship between the Crown and Māori. But I find it rather depressing to hear the Māori Party say that it will oppose even debating this issue because of its relationship with the Crown. Does that mean that we as New Zealanders are forever doomed to have a hereditary, faraway monarch living on the other side of the Earth as our head of State because of the Treaty relationship? Keith Locke has

addressed that issue. Those sorts of issues should be being debated in a select committee.

I find it tragic that National is vetoing even having a debate on this issue. Frankly, the National members' interventions were half-hearted and completely lacking in conviction. Most of them did not take a call. One member spoke for about 30 seconds; the other, Simon Bridges, clearly did not believe in it. His heart was not in it. He was given orders by his leader to oppose the bill. We know that many National members support having a republic, but they are simply forced like cannon fodder to vote against the bill, because, for some reason, the Government is afraid of this debate. Why is the House afraid of debating these issues? What is there to be afraid of? Frankly, the refusal to debate this issue is a tragic reflection of New Zealand's lack of genuine independence. How can our nation be proudly independent if a faraway monarch on the other side of the Earth is our head of State? It is completely ridiculous. I find it offensive, and a growing number of New Zealanders do, too. They will find it offensive that this Parliament will not allow even a debate on this important issue. The House is shutting down debate. What is the House afraid of? Where is the free speech in this country?

Mr DEPUTY SPEAKER: The member has 5 minutes in reply.

KEITH LOCKE (Green): This debate has been a good discussion. I think that people have dealt with the issues in a range of ways, which shows that a debate on this question around my Head of State Referenda Bill, particularly if that bill went to a select committee, would not be divisive. People have been listening to each other and expressing a wide range of views.

There are different sections of society with regard to the issue of our head of State. There is the 30 or 40 percent of people in the polls who regularly support a republic; the number goes up and down a bit. Then there is the category that Simon Bridges represents. He described himself as being an agnostic who is not quite satisfied with the present situation. He said it is a bit of an anachronism that the head of State should be there because of who his or her parents are. Those two blocks together, the agnostic, dissatisfied people and the republicans, make up the majority of our community. The people who are monarchists are a very small proportion of society. If we are not satisfied with the present situation—and most people in this House are not—why should we not have a discussion on my bill in a select committee?

As for the idea that somehow the bill is a distraction, I say we discuss a range of bills in this House, and we do not get people standing up and saying this bill or that bill is a distraction. We discuss a bill on its merits and go forward. As for the issue of whether the bill is minor or not very important, I say this afternoon in this House we had a bill, which we all supported referring to a select committee, on whether there should be compulsory secret ballots for unions that are engaging in industrial action. The unions said they already conduct secret ballots. Was that a minor bill or a major bill? We could say it was quite minor if nobody could see much reason for it, but we supported the referral of that bill to a select committee for discussion there. Why should we not do that for my bill?

The question of the Treaty of Waitangi is a sort of a contradiction. Simon Bridges said he did not want this bill to go through to a select committee because it might bring up issues related to the Treaty of Waitangi. I understand that the National Party and the Māori Party are setting up a body to discuss the constitutional nature of the Treaty of Waitangi. That will happen fairly soon. I ask why we should not refer this bill to a select committee. What is the Māori Party scared of? I ask how the provisions of this bill would undermine the Treaty of Waitangi, and why the Māori Party will not respond to my point, which I have made very directly, that since 1947 there has been zero—and I

repeat the word "zero"—constitutional relationship between the Queen or King of Great Britain and the Treaty of Waitangi. That was severed in 1947, so how can discussing this issue undermine a relationship with the Treaty?

Yes, the Crown is important, but the Crown is in this room. The Parliament and the Government are the Crown, and that determines the relationship between Māori and the Crown. It is a relationship between Māori and what is represented in this room, which is Parliament and the Government. If the Māori Party refuses to accept that reality—and it seems that the Māori Party is, strangely, refusing to accept that—it is actually undermining the Treaty, because it is not directing its relationship towards the people who are responsible. The Queen of New Zealand is completely separate, constitutionally, from the Queen of Great Britain. They are totally separate. The Queen of New Zealand has to obey the advice of the Government of New Zealand; the Queen of Great Britain plays absolutely no part in that constitutional relationship. The Māori Party is misleading Parliament by saying that the Treaty is in any way in danger. In fact, it is misdirecting people over the nature of the relationship between Māori and the Crown.

As for Simon Bridges' fear that the new head of State might be more of an executive President, that is a pretty weak one, really. Clearly, although there might be slightly more independence shown by an independently elected, New Zealand - based President, the powers in my bill do not allow that person to override Parliament whatsoever.

The real question is one of national identity. We are an independent, bicultural, multicultural nation in the South Pacific, not off the shores of Great Britain. We need to have an independent, New Zealand - based head of State who is selected by a democratic process. It is tragic that so many MPs in this House do not accept that, and it is tragic that parties like the National Party, the Māori Party, and the ACT Party, in spite of the fact that all of them have in their ranks people who support this bill, have whipped those people into opposing it. There is a majority in support of my bill in this House. It has been denied by the party whips and by a fear of really facing up to the issue. I think that is quite disgraceful.

A party vote was called for on the question, *That the Head of State Referenda Bill be now read a first time.*

Ayes 53

New Zealand Labour 43; Green Party 9; United Future 1.

Noes 68

New Zealand National 58; ACT New Zealand 5; Māori Party 4; Progressive 1.

Motion not agreed to.

REPORTS

Investigation into Securities Amendment Act 2002 Commencement Order 2009 (SR 2009/10)—Consideration of Report of Regulations Review Committee

John Boscawen: Mr Speaker—

Mr DEPUTY SPEAKER: I am sorry. The only person who can move a motion on this matter is the chair of the Regulations Review Committee, who is present in the House, or, in his absence, another member of the committee. I refer the member to Standing Order 247.

No member having risen, members' order of the day No. 5 for consideration of the report of the Regulations Review Committee on the investigation into the Securities Amendment Act 2002 Commencement Order 2009 (SR 2009/10) was discharged.

Briefing on the Tamil People in Sri Lanka—Consideration of Report of Foreign Affairs, Defence and Trade Committee

No member having risen, members' order of the day No. 6 for consideration of the report of the Foreign Affairs, Defence and Trade Committee on the briefing on the Tamil people in Sri Lanka was discharged.

Investigation into the Copyright (New Technologies) Amendment Act 2008 Commencement Amendment Order (No 2) 2009 (SR 2009/51)—Consideration of Report of Regulations Review Committee

No member having risen, members' order of the day No. 7 for consideration of the report of the Regulations Review Committee on the investigation into the Copyright (New Technologies) Amendment Act 2008 Commencement Amendment Order (No 2) 2009 (SR 2009/51) was discharged.

Report by the New Zealand Delegation to the Australia - New Zealand Scrutiny of Legislation Conference: Scrutiny and Accountability in the 21st Century—Consideration of Report of Regulations Review Committee

No member having risen, members' order of the day No. 8 for consideration of the report of the Regulations Review Committee on the report by the New Zealand delegation to the Australia - New Zealand Scrutiny of Legislation Conference: Scrutiny and Accountability in the 21st Century was discharged.

Activities of the Regulations Review Committee in 2009—Consideration of Report of Regulations Review Committee

No member having risen, members' order of the day No. 9 for consideration of the report of the Regulations Review Committee on the activities of the Regulations Review Committee in 2009 was discharged.

Briefing from the Rt Hon Helen Clark, Administrator of the United Nations Development Fund—Consideration of Report of Foreign Affairs, Defence and Trade Committee

No member having risen, members' order of the day No. 10 for consideration of the report of the Foreign Affairs, Defence and Trade Committee on the briefing from the Rt Hon Helen Clark, Administrator of the United Nations Development Fund, was discharged.

Briefing on Bariatric Surgery and Its Benefits for Māori—Consideration of Report of Māori Affairs Committee

No member having risen, members' order of the day No. 11 for consideration of the report of the Māori Affairs Committee on the briefing on bariatric surgery and its benefits for Māori was discharged.

INTERNATIONAL TREATY EXAMINATIONS

Agreement Between the Government of New Zealand and the Government of the United States of America on Science and Technology Cooperation Contributing to Domestic and External Security Capabilities—Consideration of Report of Foreign Affairs, Defence and Trade Committee

No member having risen, members' order of the day No. 12 for consideration of the report of the Foreign Affairs, Defence and Trade Committee on the international treaty

examination of the agreement between the Government of New Zealand and the Government of the United States of America on science and technology cooperation contributing to domestic and external security capabilities was discharged.

REPORTS

Report from the Controller and Auditor-General on *Central Government: Results of the 2008/09 Audits*—Consideration of Report of Finance and Expenditure Committee

No member having risen, members' order of the day No. 13 for consideration of the report of the Finance and Expenditure Committee on the report from the Controller and Auditor-General on *Central government: Results of the 2008/09 Audits* was discharged.

Reserve Bank of New Zealand's Monetary Policy Statement, March 2010—Consideration of Report of Finance and Expenditure Committee

No member having risen, members' order of the day No. 14 for consideration of the report of the Finance and Expenditure Committee on the Reserve Bank of New Zealand's Monetary Policy Statement, March 2010 was discharged.

POINTS OF ORDER

Sittings of the House—Leave to Rise Early

JO GOODHEW (Junior Whip—National): I raise a point of order, Mr Speaker. I seek leave of the House, since we have made such fantastic progress this afternoon, for the House to rise early for the day.

Mr DEPUTY SPEAKER: Leave is sought for that purpose. Is there any objection? There is objection.

JOHN BOSCAWEN (ACT): I raise a point of order, Mr Speaker. Can I speak to the report on the Reserve Bank's Monetary Policy Statement?

Mr DEPUTY SPEAKER: No, I have already dealt with that. We are now on members' order of the day No. 15.

INTERNATIONAL TREATY EXAMINATIONS

Agreement Between the Government of New Zealand and the Government of the Republic of Singapore for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income—Consideration of Report of Finance and Expenditure Committee

No member having risen, members' order of the day No. 15 for consideration of the report of the Finance and Expenditure Committee on the international treaty examination of the agreement between the Government of New Zealand and the Government of the Republic of Singapore for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was discharged.

REPORTS

Alterations to the 2009/10 Appropriations for Vote Audit, Vote Ombudsmen, and Vote Parliamentary Commissioner for the Environment and 2010/11 Draft Budgets for the Office of the Controller and Auditor-General, the Office of the Ombudsmen, and the Office of the Parliamentary Commissioner for the Environment—Consideration of Report of Officers of Parliament Committee

No member having risen, members' order of the day No. 16 for consideration of the report of the Officers of Parliament Committee on the alterations to the 2009/10

appropriations for Vote Audit, Vote Ombudsmen, and Vote Parliamentary Commissioner for the Environment and 2010/11 draft budgets for the Office of the Controller and Auditor-General, the Office of the Ombudsmen, and the Office of the Parliamentary Commissioner for the Environment was discharged.

SITTINGS OF THE HOUSE

JO GOODHEW (Junior Whip—National): We have made even more progress now, and I again seek leave of the House for us to adjourn for the day.

Mr DEPUTY SPEAKER: Leave is sought for that purpose. Is there any objection? There is no objection.

The House adjourned at 9.30 p.m.

THURSDAY, 22 APRIL 2010

Mr Speaker took the Chair at 2 p.m.
Prayers.

BUSINESS STATEMENT

Hon GERRY BROWNLEE (Leader of the House): It is the Government's intention when the House resumes next week to advance the Committee stage of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, the Education Amendment Bill, and other bills on the Order Paper. It is expected that there may be other introductions during the week.

Hon DARREN HUGHES (Senior Whip—Labour): Could the Leader of the House advise the House whether any of the legislation for introduction he referred to falls out of the Government's decision to accede to the United Nations Declaration on the Rights of Indigenous Peoples, and whether there will be any new Government legislation as a result of signing up to that declaration?

Hon GERRY BROWNLEE (Leader of the House): Despite the Opposition's wanting to scratch at the bottom of a barrel to find some interesting aspect to that particular decision by the Government, the answer is that all legislation introduced into this House by this Government is for the betterment of all people in New Zealand.

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

UN Declaration on the Rights of Indigenous Peoples—Government Support

1. Hon ANNETTE KING (Deputy Leader—Labour) to the **Prime Minister**: On what date did Cabinet decide to support the Declaration on the Rights of Indigenous Peoples, and what did Cabinet believe the impact of such a decision would be?

Hon BILL ENGLISH (Acting Prime Minister): Cabinet made the decision to support the declaration on 22 March. The statements made to this House and to the UN accurately reflect Cabinet's view that this is a non-binding, aspirational document. The Government has affirmed that New Zealand's existing legal and constitutional frameworks will define the bounds of the influence of the declaration.

Hon Annette King: If Cabinet agreed to ratify the UN declaration on 22 March, was it open and transparent of him to tell media in Canada on 14 April, when asked whether New Zealand would sign the declaration: "I think you're a little bit ahead of yourself. From the New Zealand perspective, it's true we've been looking and working on ways that we might adopt the declaration, but we haven't made an announcement, and at least or until we do, wouldn't necessarily count your chickens."?

Hon BILL ENGLISH: I make two points—[*Interruption*] Yeah—a funky question. The Government has been quite open about the fact that it has been considering affirming the declaration. In fact, the Prime Minister has been talking about it since April 2009, and he correctly said no announcement had been made.

Hon Annette King: If the declaration, which New Zealand has now ratified, is symbolic and will not result in a lot of change, as he has claimed, was Sir Eddie Durie, who is a former Waitangi Tribunal chairman and High Court judge and a man considered to be a high-powered legal expert, wrong when he stated yesterday that it had important implications for the Office of Treaty Settlements, the Crown Forestry Rental Trust, and the Waitangi Tribunal, and that "Important statements of principle established through international negotiation … filter into the law in time"?

Hon BILL ENGLISH: Eddie Durie is known for the vein of his opinions on these matters.

Hon Annette King: Vagaries?

Hon BILL ENGLISH: Well, the general direction of his opinion is always pretty predictable. What he said today on the radio was "… it is not legally binding, it's not going to tie us up", and he is absolutely correct about that.

Chris Tremain: Has the Prime Minister seen any contradictory reports on the declaration?

Hon BILL ENGLISH: Yes, I have. The Hon Phil Goff has said "This is a declaration that says you have to restore all land that was once owned by indigenous people." The Hon Trevor Mallard said on the same day "there is nothing in it at all for Maori." But, of course, what really matters is what the Hon David Cunliffe thinks, and we have not heard from him yet.

Hon Annette King: If the ratification of the declaration is aspirational and symbolic, as the Prime Minister has repeatedly stated, why, 2 days later, has the first claim to the UN under article 32 of the declaration been lodged by the hapū from the Ngāpuhi tribe, seeking the return of 2,490 acres of land known as the Treaty grounds at the Bay of Islands, and does he agree with the tribal leader who says that if the land is not returned, the New Zealand Government will be exposed in front of the international community and lose credibility?

Hon BILL ENGLISH: The Labour Party thinks so much of Mr David Rankin, who lodged that claim, that it would not go near Waitangi for years.

Mr SPEAKER: The member asked a question, and the answer has nothing to do with the Labour Party.

Hon BILL ENGLISH: Yes, it does.

Mr SPEAKER: The Minister should answer the question before he makes any comment about the Labour Party, if at all.

Hon BILL ENGLISH: Part of the answer to the question—

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I would like to draw your attention to something. I know you were looking in the direction of the Government as you were speaking to it, but as you were directing the Acting Prime Minister and saying that matter had nothing to do with the Labour Party, he said "Yes, it does." If we did that, we would be ordered out of here.

Mr SPEAKER: I apologise to the member that I did not particularly note that, but I remind members that when I am on my feet, members will not comment, interject, or say anything.

Hon BILL ENGLISH: The so-called claim by Mr David Rankin, who I think is well known to all of us, cannot be a claim. It is completely irrelevant, and I would advise him not to waste the price of a postage stamp on it.

Hon Annette King: Does he concur with the Attorney-General, who said today that Māori who make claims about the impact of the ratification of the declaration are "fantasists and bush lawyers", and are Eddie Durie, a former High Court judge, Tūhoe leader Tāmati Kruger, and former Māori Language Commission commissioner Haami Piripi to be counted in this group?

Hon BILL ENGLISH: If they believed that making a claim under the declaration was some kind of useful exercise, then the Attorney-General is absolutely correct. I say to claimants that it is a total waste of time to imagine that they can make some kind of claim under this declaration. The Government has a framework in place for dealing with Treaty of Waitangi claims, and we are dealing with them much more successfully than the previous Labour Government ever did.

Hon Annette King: Who met the expenses of Te Ururoa Flavell, a backbench member of the Māori Party, to be at the ratification of the declaration in New York on Tuesday?

Hon BILL ENGLISH: The member is quite entitled to ask detailed questions about those expenses. As I understand it, they were met by the Māori Party.

Budget 2010—Value for Taxpayers and Better Public Services

2. PESETA SAM LOTU-IIGA (National—Maungakiekie) to the **Minister of Finance**: How will the Budget next month ensure Government spending delivers value for taxpayers and better public services for New Zealanders?

Hon BILL ENGLISH (Minister of Finance): The Budget next month will continue to undo the damage done by the previous Government to public finances, when it squandered the benefits of a growing economy on ineffective services and a bloated Public Service. We plan to redirect another $1.8 billion of lower-quality Government spending between now and 2014 into higher-priority initiatives and better front-line services. We are taking a significant sum of money from existing unnecessary and ineffective services so we can have better health-care and better education, and keep New Zealanders safe.

Peseta Sam Lotu-Iiga: How will the Government ensure that it continues to manage its finances in a responsible way on behalf of taxpayers?

Hon BILL ENGLISH: The Government signalled last year that there would be a $1.1 billion new operating allowance for Budget 2010. I am pleased to say that the Government services have come to the task with some readiness, and we will be able to announce a Budget that lives within the $1.1 billion annual operating surplus. This will help us return to Budget surpluses as quickly as possible.

Hon David Cunliffe: Does his definition of low-quality spending include thousands of elderly in his own electorate who cannot get home help? Does it include dying patients in the Manawatū losing intensive rehabilitation services? Does it include $2 million cut from mental health services in Nelson? Does it include front-line biosecurity jobs, or police cars to get cops to crime? Or does he mean tax cuts for his rich mates, and housing allowances for politicians?

Hon BILL ENGLISH: That is the kind of exaggeration and false outrage that propelled Government spending under Labour to record high levels of funding for record low levels of service. I might say to that member that his party leader yesterday used an example of an individual in this House that completely misrepresented the facts. That party should be careful before it exploits older people whose situation is not how it was described in this House.

Peseta Sam Lotu-Iiga: What implications does his responsible approach have for Government agencies?

Hon BILL ENGLISH: Most Government agencies will receive no Budget increases over the next 3 or 4 years, as the Government moves to get back into surplus as soon as possible. This will remain the case in this Budget. We have been surprised at just how much low-value spending the last Government put in place, because it has enabled Government agencies now for 2 years in a row to reprioritise billions of dollars over the next 3 or 4 years.

Stuart Nash: How will slashing $1.8 billion of Government spending, and cutting taxes for the 8 percent of Kiwis on the top tax rate, while delivering little if anything for the 75 percent of Kiwis earning below the average wage, deliver growth-enhancing change for every New Zealander?

Hon BILL ENGLISH: That illustrates neatly the reasons why the electorate threw out the Labour Government, because its members cannot tell the difference between wasting—

Hon David Cunliffe: I raise a point of order, Mr Speaker. In response to my colleague's question about National policy, the Minister has once again attempted to portray the question as being about Labour policy. In response to my earlier question about policy decisions made in this term of this Government, he again referred all in his answer to Labour. He will either address the question on the basis of a grown-up approach to his own responsibilities—

Mr SPEAKER: The member was on reasonable ground until that point. But his objection to the answer, I think, was reasonably well founded. I say to the Minister that the question asked by Stuart Nash was a fair question—[*Interruption*] I warn the Minister of Finance that he may differ in view but while I am on my feet he is not to question me. As far as I am concerned, it was a fair question and does not deserve an answer that seeks to ridicule the Labour Party. The question deserves an answer and, as we all know in this place, some political shots are perfectly normal and acceptable, but to start an answer with saying that the question demonstrates that the member's party does not understand something, is not a reasonable way to start answering a question. It was a reasonable question.

Hon Gerry Brownlee: I raise a point of order, Mr Speaker. That raises the question as to how someone who is a Minister is supposed to answer a question that is as hypothetically proposed as the member's question was. It is not the policy of this Government, as he is claiming, because those announcements, if they are to be made, have not been made—

Mr SPEAKER: I have heard sufficient. The Hon Gerry Brownlee has given a very good answer: all a Minister needs to do is to say that decisions have not been made, and therefore it is a hypothetical situation.

Hon BILL ENGLISH: The decisions have not been made, and that is a hypothetical situation. But I can tell the member that this Government does not believe what the previous Labour Government believed, which was that if a dollar was spent, that was the point. We actually want to provide effective services for people, not just crank up Government spending at the expense of taxpayers.

Hon David Cunliffe: I raise a point of order, Mr Speaker. I imagine you already know what the point of order is. The Minister just clearly cannot help himself, can he?

Mr SPEAKER: I think I made the point sufficiently clear in requiring the Minister to answer the question asked, and I think we should leave the matter at that point.

Rahui Katene: How will the Budget enable low-income New Zealanders to cope with the exorbitant price increases in basic foods such as butter, cheese, and milk, with butter having risen more than 30 percent in price, cheese being 9.2 percent more expensive than it was at the end of last year, and milk having a 6.3 percent increase in price?

Hon BILL ENGLISH: The Budget will include the allocation of many hundreds of millions of dollars for the adjustments in income support to lower-income New Zealanders who are dependent on that support. The consumer price index takes into account all of the price changes they face, and increases their income accordingly.

Peseta Sam Lotu-Iiga: What alternative approaches to managing the Government's finance is the Minister aware of?

Hon BILL ENGLISH: We want to avoid the dangerously lopsided approach of the previous 5 years, where Government spending grew by 50 percent at a time when the economy grew by 25 percent. We simply cannot continue growing Government

spending at twice the rate of the growth in the economy. It is just not feasible; it does not matter how much Labour members want to believe it.

Rahui Katene: Will the Minister support my bill on removing GST from healthy food, which was pulled from the ballot today, and which is about getting families ahead and helping them to eat healthily?

Hon BILL ENGLISH: The Government has made its position clear about GST: it does not intend to provide exemptions either now or in the tax package.

Health Services—Minister's Statements

3. Hon RUTH DYSON (Labour—Port Hills) to the **Minister of Health**: Does he stand by all his statements on health services?

Hon TONY RYALL (Minister of Health): Yes, including the fact that the Labour Government left district health boards delivering over $150 million of unfunded health services, including the MidCentral District Health Board providing around $10 million in services that her Government did not fund.

Hon Ruth Dyson: What explanation can he offer to the Greater Auckland Integrated Health Network, which has now quit the planned integrated family health centres, saying that despite their being central to the National Government's restructuring of primary health care, it has totally given up on creating them because his Government is offering no money to help set them up?

Hon TONY RYALL: The member is well aware that the Government believes that integrated family health centres will be developed by the private sector.

Hon Ruth Dyson: How do his statements tally with the *Wanganui Chronicle* report that half the people in Wanganui who are waiting to have ultrasound scans have now been told to look elsewhere as the health board tries to clear a log-jammed waiting list?

Hon TONY RYALL: There is an issue in Wanganui, resulting from the district health board's difficulty in recruiting an additional sonographer. Some weeks ago I rang both the chair and the chief executive officer, and I was advised that of the referrals, all urgent and maternity cases are being dealt with. Those cases that fall outside the thresholds are being reviewed to see whether there is an alternative diagnostic approach or whether they still need such an assessment. This is not unusual, and happened under the previous Government.

Hon Darren Hughes: Why will Horowhenua and Ōtaki residents face a cut to the access they had to assessment, treatment, and rehabilitation beds at the Horowhenua Health Centre before the change of Government?

Hon TONY RYALL: Only days ago members opposite were telling the people in that community that all the beds would be closed. In fact, the proposal from the district health board is to maintain the same number of beds providing service for patients in Horowhenua. The challenges of the MidCentral District Health Board do not stem from any cuts to funding by the new Government. We have given the district health board an increase of $26 million this year, or 7 percent, which is one of the largest increases in the country, and there will be a significant increase again in the Budget. The board's challenge arises from Labour's legacy of mismanagement, leaving up to $10 million of unfunded services that the board is working hard to fill.

Dr Paul Hutchison: How is the Government filling the gap of over $150 million of unfunded services that it inherited from the previous Government?

Hon TONY RYALL: The Government is working hard with district health boards to deal with the legacy that we inherited, of $150 million of unfunded services. This year the Government invested an extra $536 million in district health boards up and down the country, and funding next year will put health on a record unprecedented by the failed crowd opposite.

Iain Lees-Galloway: How is allowing MidCentral District Health Board to cut overnight—[*Interruption*]

Mr SPEAKER: I apologise to the member, but I ask his front-bench colleagues—more than one of them—to please show some courtesy to their own colleague.

Iain Lees-Galloway: How is allowing MidCentral District Health Board to cut overnight district nursing services better for people who are dying and wish to pass away with dignity in their own home?

Hon TONY RYALL: In relation to the overnight district nursing service, I have spoken to the chair and senior management at MidCentral District Health Board, and they assure me that alternative treatment plans will be put in place and people will be looked after. The service will also continue to work with the local Arohanui Hospice, which received an increase of around $300,000 extra this financial year. The district health board's challenges do not stem from any reduction in funding by the new Government. We have given the district health board an extra $26 million this year.

Hon Ruth Dyson: Does Bill English's comment to Grey Power that he knew their pain about home support cuts because his wife forced him to clean their bathroom reflect his view of cuts to home support for the elderly as well?

Hon TONY RYALL: Of course there will be difficult cases throughout this process, but I say to the member that if there are cases she would like me to look at as a result of these changes, I ask her to please forward them. I am advised that to date we have not received any advice from Ms Dyson on any of the cases she has raised in Parliament on this issue.

Hon Darren Hughes: I seek leave to table a document from the MidCentral District Health Board that outlines a proposal to cut 24 assessment, treatment, and rehabilitation beds in response to a lack of funding from the National Government.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Hon Trevor Mallard: I seek leave to table a document asking for further financial support on behalf of Bill English for the cleaning of his house.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is objection.

Broadband Roll-out—Rural Initiative Progress

4. JOHN HAYES (National—Wairarapa) to the **Minister for Communications and Information Technology**: What progress has the Government made on the Rural Broadband Initiative?

Hon STEVEN JOYCE (Minister for Communications and Information Technology): I am pleased to announce that today the Government has commenced its tender process for the $300 million Rural Broadband Initiative, which will boost Internet connectivity and growth in rural areas. It is unacceptable in the 21st century that around half of rural households are still coping with dial-up speeds. The calls for expressions of interest released today will assist the prioritisation of regions and the development of minimum open-access requirements and service levels ahead of the request for proposal stage, which begins in a few months' time.

John Hayes: What improvements will rural communities see in their broadband connection as a result of the Government's initiative?

Hon STEVEN JOYCE: Rural communities, businesses, and schools will see a significant improvement over the next 6 years. Ninety-three percent of rural schools will receive fibre enabling speeds of at least 100 megabits per second, with the remainder to

get speeds of at least 10 megabits per second. Over 80 percent of rural households will have access to broadband with speeds of at least 5 megabits per second, with the remainder to have speeds of at least 1 megabit per second. This will allow rural people to access content and to use online services at the meaningful speeds currently enjoyed by their urban counterparts.

Clare Curran: How does he respond to claims made by rural organisations that rural broadband is the poor cousin of urban broadband, given that a just-released KPMG report notes that only 1.6 percent of the new money that the Government initially proposed to put into broadband and fibre networks was targeted towards the 13.8 percent of the population that lives in rural communities—approximately 585,000 people—who between them grow, process, and export 66 percent of New Zealand's merchandise exports?

Hon STEVEN JOYCE: I am not sure how the member gets to that percentage level with $300 million worth of subsidies for rural areas versus $1.35 billion worth of investment in urban areas, but I would make the following points. The different approaches of the urban and rural initiatives reflect the differing population densities of those communities and the different economics of supply. Therefore, the urban programme is an investment whereas rural areas receive grants, the urban programme will take longer, and the urban and rural networks—thanks to the previous Government—are starting from different points. Many rural households are unfortunately still struggling on dial-up. This measure is an important step forward in developing rural broadband, which was, sadly, neglected for a very long time under the previous Government.

Clare Curran: I seek leave to table the report *KPMG Agribusiness Agenda: The big opportunities and challenges facing New Zealand agriculture*.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Liquor Industry Representatives—Meetings with Associate Minister of Health

5. Hon JIM ANDERTON (Leader—Progressive) to the **Associate Minister of Health**: How many times in 2009 did he meet with representatives of the liquor industry and what were the dates of these meetings?

Hon PETER DUNNE (Associate Minister of Health): During 2009 I met with representatives of the liquor industry four times: on 5 May, on 27 May, on 5 August, and on 7 September. I also attended three functions sponsored by representatives of the wider liquor and hospitality industries. In contrast, I met with officials and non-industry-related groups on a mere 41 occasions.

Hon Jim Anderton: Did he have any concerns as the Associate Minister of Health in charge of the Government's alcohol policy that there could be a perception that he was overindulgent to the liquor lobby by meeting with them four times in 4 months and being hosted by them on a further three occasions over 6 months?

Hon PETER DUNNE: I would have thought, on the basis of the figures I gave, that the concern that could be expressed was that I was paying less attention than I should to their interests.

Hon Jim Anderton: When his private health secretary wrote to Professor Doug Sellman, Professor of Psychiatry and Addiction Medicine, Director of the National Addiction Centre, and expert psychiatrist on the Expert Advisory Committee on Drugs that he would not agree to meet with Professor Sellman because "he was aware of his

thoughts on alcohol", is he seriously suggesting that he was not aware of the thoughts of the alcohol industry when he met with them on seven occasions at the same time?

Hon PETER DUNNE: I am well aware of Professor Sellman's views—indeed, they were stated on television last night—that alcohol should be treated as a class B drug and that people should not drink at weddings. I meet with a lot of people on alcohol-related matters over a range of issues. I have met with people from the United Nations drug and alcohol programme and the World Health Organization's global alcohol strategy. I have visited various treatment facilities up and down this country. I have actually worked in this field for over 30 years.

Hon Jim Anderton: If the Minister understands Professor Sellman's thoughts on alcohol so well, could he comment on Professor Sellman's 5+ Solution and on the speech entitled "Ten things the Alcohol Industry won't tell you about Alcohol", which was recently presented in 38 public meetings held throughout New Zealand?

Hon PETER DUNNE: I am well aware of the 5+ Solution. I cannot recall the precise details of the ten things that he alleges the industry will not tell people, but the presentations are widely available. I have read them frequently.

Hon Lianne Dalziel: Is it correct as reported that he was "amused" by the doctors' and nurses' support for the 5+ Solution; if so, what is funny about 1,000 alcohol related deaths each year, or is he underplaying it because the statement identifies that the tactics being employed by the liquor industry are the same as those used by the tobacco industry?

Hon PETER DUNNE: I am not underplaying in any way the social and economic consequences of the misuse of alcohol. Indeed, I spent last Saturday evening out with the Wellington Central police and at the Wellington Regional Hospital emergency department, viewing those very things.

Hon Lianne Dalziel: I seek leave to table *An historic opportunity to change New Zealand's heavy drinking culture: A public statement by the Doctors and Nurses of New Zealand*, supporting the 5+ Solution.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is none.

Document, by leave, laid on the Table of the House.

Hon Jim Anderton: I seek leave to table *Ten Things the Alcohol Industry Won't Tell You about Alcohol* and the 5+ Solution, prepared by Professor Sellman.

Mr SPEAKER: Leave is sought to table those documents. Is there any objection? There is none.

Documents, by leave, laid on the Table of the House.

Burma—Officials Studying in New Zealand

6. KEITH LOCKE (Green) to the **Minister of Foreign Affairs**: What are the job titles of the three Burmese Government officials sponsored via the Minister of Foreign Affairs to study in New Zealand, and what checks were made by the ministry to ensure that the officials had not held "controversial roles" in the Burmese regime?

Hon MURRAY McCULLY (Minister of Foreign Affairs): All three Burmese officials taking part in the English Language Training for Officials programme are from the most junior of the six ranks of officials in the Burmese Public Service. The first official is an attaché from the planning and administrative department of the Ministry of Foreign Affairs, the second official is a staff officer from the general administration department of the Office of the Government, and the third official is a staff officer of the office administration of the Ministry of Home Affairs. The English Language

Training for Officials programme for ASEAN nations has provided English language training for over 750 officials in the 18 years it has been in operation; 35 of those officials have been from Burma. All Burmese nationals applying for entry are assessed by the immigration profiling group. Applicants considered to pose any risk to New Zealand are not granted a visa.

Keith Locke: What are we doing training Burmese Ministry of Foreign Affairs officials, whose job is to present the regime in the best possible light, using, after their training here, very good English?

Hon MURRAY McCULLY: First of all, I say that it is generally felt that exposure to the principles of human rights, the rule of law, and democracy in New Zealand is generally regarded as a beneficial education for officials, in addition to the English language that they acquire in this country. Also, there have been 35 Burmese officials trained under the English Language Training for Officials scheme; there has never been a decision to suspend the scheme at any stage. The whole scheme was suspended pending a review in 2008, and there were no applicants from Burma in the first intake after it was reinstituted. In 2010 there were applicants from Burma. The Ministry of Foreign Affairs and Trade sought my concurrence to allow those applicants to be selected according to the long-established criteria.

Keith Locke: Using the same principles the Minister has just outlined, do we offer training through the Ministry of Foreign Affairs and Trade to any officials from the Fiji regime in order to assist Fiji's return to democracy?

Hon MURRAY McCULLY: As I indicated in my primary answer, the English Language Training for Officials scheme is designed for the ASEAN nations, and, when I last inspected a map, Fiji was not located in South-east Asia.

Keith Locke: Will he give an assurance that Government officials from Burma, while in New Zealand, will not monitor the efforts here of anti-regime refugees?

Hon MURRAY McCULLY: I give the member an assurance that junior officials are selected for those programmes, and those who undertake the selection process give full consideration to the sorts of issues that the member has just outlined. This is an ASEAN-wide programme, which is intended to have a constructive influence. In addition to introducing English language, it also exposes those officials to good standards of governance, and to principles of democracy, human rights, and the rule of law. Those are regarded widely as beneficial matters. I say to the member that we have talked widely to our partners around the world about engagement with Burma. That member will be aware that the United States, under the Obama administration, made a decision to re-engage with Burma at a lower level. I took the opportunity personally to talk to Assistant Secretary of State for East Asian and Pacific Affairs, Kurt Campbell, and also to the chairman of the United States Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, Senator Jim Webb. They went to Burma to look at precisely how we can best contribute to that process through schemes of the sort that we operate.

Keith Locke: Does he accept that even the most junior officials will be allowed to come here only if they are totally supportive and loyal to the regime, and does he accept that it is possible that those officials will report back to the regime on the activities of Burmese anti-Government activists who live in New Zealand?

Hon MURRAY McCULLY: I hope that the officials who come to New Zealand on the scheme will report back to Burma on the excellent standards of governance, adherence to the rule of law, and respect for human rights that they have found in New Zealand. That is the sort of report I hope that they will convey to Burma. But I emphasise to the member that we do take seriously the concerns he raises. He does not need to convince me, or I am sure many other members of the House, that the standards

of governance in Burma have been appalling. Anyone who saw the bloody repression of Burmese monks on our television screens would have some firm and not very supportive things to say about the regime. However, we are part of an international community that has decided that this year we will try to assist Burma to find a constructive way forward. The English Language Training for Officials scheme will make a minor contribution to that process, and we are mindful of the risks the member outlines in following that course.

Keith Locke: Does he not agree, though, that right now, when the Government of Burma has not freed Aung San Suu Kyi, is shutting the National League for Democracy out of the elections, and is clamping down on the Burmese people, is not the time to give points by taking those people from a regime that he, a couple of years ago, described as the "butchers of Burma"?

Hon MURRAY McCULLY: I will not resile from any of the harsh things I have said about that regime in the past. I believe that it attracts the very strongest criticism for the steps that have been taken there to repress Burmese monks, in particular. I will say that since the middle of last year there has been a general international consensus that there should be some lower level of engagement with Burma in an attempt to try to encourage those elements in their society who do support moves towards democracy and respect for human rights to make some progress. I agree with the member that the features the member described in relation to the election this year are highly regrettable. New Zealand's view on that is being expressed very firmly to the Burmese Government, as are, I am sure, the views of other communities around the world.

Keith Locke: Speaking of international work and cooperation, will New Zealand be joining with Australia and the United Kingdom, which are supporting the United Nations special rapporteur's call for a UN commission to address human rights in Burma; if not, why not?

Hon MURRAY McCULLY: We have not made any statement on that as yet. I will say that, generally, we try to work with our friends in like-minded countries around the world in pursuit of the principles of good governance, democracy, and respect for human rights.

Keith Locke: I seek leave to table a public document of the Refugee Status Appeals Authority decision, dated 29 June 2001, on the way in which Burmese refugees and their families are persecuted by the Burmese regime.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is none.

Document, by leave, laid on the Table of the House.

Agriculture Industry—Position in Global Market Place

7. Hon DAMIEN O'CONNOR (Labour) to the **Minister of Agriculture**: What reports, if any, has he recently received on the position of New Zealand's agricultural industry in the global market place?

Hon NATHAN GUY (Minister of Internal Affairs) on behalf of the **Minister of Agriculture**: The Minister receives numerous reports every day on the position of New Zealand's agricultural industry in the global market.

Hon Damien O'Connor: Given his Government's abolition of the research and development tax credits and the Fast Forward fund, does he agree with the recently released KPMG agribusiness report that says: "Despite much talk about the importance of improving the productivity of the New Zealand economy, the track record to date of the National-led government has suggested they are not fully committed to a view that science is a high priority driver of productivity …"; if not, why not?

Hon NATHAN GUY: The Fast Forward fund is a fantasy in the minds of Opposition members. The Government replaced it with the Primary Growth Partnership fund, which actually has some money and is investing in science. The Fast Forward fund had no money, and had not bought any science. Let us get the facts out there.

Hon Darren Hughes: I raise a point of order, Mr Speaker. If Mr O'Connor had asked for an explanation of what the Fast Forward fund was, then that answer would have addressed it from the Government's perspective. But he was asked whether the Minister agreed with a quote from KPMG—

Mr SPEAKER: Had the member asked just that, he might have received a different answer, but the member will recollect that the Hon Damien O'Connor said "Given" that the Government had done certain things, including abolishing the Fast Forward Fund. We cannot blame the Minister for picking up on that part of the question. The remedy lies in the hands of the—

Hon Damien O'Connor: Is it reasonable for me to expect an answer from the Minister or not?

Mr SPEAKER: Where the member adds superfluous information to a question, and the Minister chooses to comment on that question or challenge that information, I tell members not to ask me to assist in getting an answer. The remedy lies in the hands of questioners to ask tight, disciplined questions.

Hon Damien O'Connor: Given the Minister's answer, how much of his Primary Growth Partnership money allocated to agricultural research has been given so far?

Hon NATHAN GUY: This is a very exciting initiative. We are working with the industry to ensure that it will work very, very well, unlike the failed policies of the last Government. I am unable to produce the figure at the moment, but I can say that this Government in Budget 2009 invested $30 million per annum, there will be $40 million in the next year's Budget, $50 million in the Budget after that, and in the Budget after that, $70 million.

Hon Damien O'Connor: I raise a point of order, Mr Speaker. I know it was a little noisy and I may have missed the answer if it was indeed there, but how much of the money has been given out so far?

Mr SPEAKER: If members want to hear clear answers, the remedy again lies in the hands of members to be a little less rowdy with interjections.

Hon Ruth Dyson: He didn't know the answer.

Mr SPEAKER: No one is to make further comment now. The member did ask a very direct question. Unfortunately, though, the primary question asked was such that one could not necessarily expect the Minister to have that detailed information. The Minister indicated in his answer that he did not have that detailed information on him now, and that is a perfectly proper answer.

Hon Damien O'Connor: I do not want to trifle with the House but I seek leave to support the tabling of the KPMG report tabled by my colleague just a few minutes ago.

Mr SPEAKER: That is not a point of order. The member will resume his seat. I fail to see how that has anything to do with order in the House. As I understand it, leave was sought to table the document and that has been granted. The Standing Orders do not provide for members to get to their feet on a point of order and support the tabling of a document that has already been tabled.

David Shearer: Given that the KPMG report argues for the investment of leading-edge science in the wool and meat industries, how does he believe that this will occur with the loss of 36 top scientists and technicians from AgResearch, and what is his Government doing about it?

Hon NATHAN GUY: A Ministry of Agriculture and Forestry report was commissioned in 2009 to do with the meat, sheep, and beef industries. The Minister has

said publicly on numerous occasions that if there was going to be any drive and rationalisation to do with these industries, then it needs to come from the industries themselves. We are also investing in research and development, which is a big part of the focus of this Government and of the Minister of Agriculture.

Hon Darren Hughes: Can the Minister confirm that the KPMG report received from the Government confirms that not one dollar has been allocated or spent on the Government's programme, which he has been lauding in the House this afternoon?

Hon NATHAN GUY: I have not been able to get through the entire document, but as I said before to the previous member for Ōtaki, this Government has a real focus on this initiative. The member should wait for the announcement in the Budget on 20 May.

Fishing, Recreational—Research

8. TIM MACINDOE (National—Hamilton West) to the **Minister of Fisheries and Aquaculture**: What announcements has he recently made regarding research into recreational fishing?

Hon PHIL HEATLEY (Minister of Fisheries and Aquaculture): Yesterday I announced the largest study of recreational fishing in a decade. It will commence this year, it will cost about $5 million over a number of years, and the results will greatly improve our understanding of how many people are fishing, diving, and gathering shellfish, where they fish, and how much they are catching. It will give information that will enable me to set better catch limits.

Tim Macindoe: What other research on recreational fishing is planned?

Hon PHIL HEATLEY: From 1 October this year recreational charter fishing-boat operators will also start reporting how often they go fishing and how much of a particular high-value species of fish their clients are catching. These research and reporting projects will combine to give us the most comprehensive picture of recreational fishing in New Zealand that we have ever had.

Truck Driver Safety—Changes to Vehicle Dimensions and Mass

9. DARIEN FENTON (Labour) to the **Minister of Transport**: What advice, if any, did he receive about truck driver safety before amending the land transport rule for vehicle dimensions and mass to allow heavier trucks on our roads?

Hon STEVEN JOYCE (Minister of Transport): I received advice from officials following the consultation phase of the rule development and prior to my report to Cabinet. The advice concluded that the vast majority of high-productivity vehicles will be existing vehicles that are designed to operate at heavier weights. They will not be wider or taller, and they are required to meet all existing safety requirements and standards. Road controlling authorities will also have the ability to impose any reasonable additional safety requirements and improve driver training, as recommended. These are all consistent with the objectives of Safer Journeys.

Darien Fenton: Did he receive any advice about how allowing heavier trucks on our roads will exacerbate the safety risks for truck drivers, who routinely drive up to 100 hours a week, who are not taking any breaks, and who are scrimping on maintenance, before he amended the rule?

Hon STEVEN JOYCE: No, and it stands to reason that if the heavier-productivity vehicles are on the roads, they will reduce the number of vehicle movements required for the same freight task. That would reduce the safety risk of those said vehicles.

Darien Fenton: Does he stand by his statement on Radio New Zealand earlier this week that the *Sunday Star-Times* article that revealed it is common for truck drivers to work well beyond the legal number of hours just so that they can earn enough to make

ends meet was the first time that he had heard of these problems; if so, how many truck drivers has he spoken with since he became the Minister of Transport?

Hon STEVEN JOYCE: I have spoken to a number of truck drivers since I became the Minister of Transport, and none have raised that issue with me. I have received two items of correspondence in relation to work and logbook rules. I note that the *Sunday Star-Times* article raised an issue in relation to only one driver. If the member has concerns about the flouting of work, logbook, and time rules, then I strongly suggest that she contact the police or the New Zealand Transport Agency and get them to investigate those concerns.

Darien Fenton: Does he agree that there should be an investigation into any link that there may be between road safety and low rates of pay for truck drivers; if not, why not?

Hon STEVEN JOYCE: No; I do not believe that an investigation is necessary unless there is a systematic abuse of the system. If the member has evidence of such abuse, then she should present that evidence either to me or to the New Zealand Transport Agency and to the police, because generally in this country if somebody is breaking the law, we have an enforcement agency called the police, and in transport we have another one called the New Zealand Transport Agency. That is what they are there for, so she should pass the information on to them.

Māori Affairs, Minister—Visit to UN

10. DAVID GARRETT (ACT) to the **Minister of Māori Affairs**: Did the Government inform Māori Television that he was flying to New York to speak to the UN; if so, on what date?

Hon TARIANA TURIA (Minister for the Community and Voluntary Sector) on behalf of the **Minister of Māori Affairs**: Māori Television was briefed in confidence on Friday, 9 April 2010, to enable it to send a reporter and a camera operator to New York in time for the announcement.

David Garrett: Did the Prime Minister advise him before his trip to New York that the United Nations Declaration on the Rights of Indigenous Peoples would have "no effect whatsoever"; if so, how does he justify the secrecy and expense of the trip?

Hon TARIANA TURIA: It was very clear what the parameters of the declaration were. There was no secrecy to the Minister's going to New York. The Prime Minister signalled very early last year that this matter would be on the agenda this year. There has been no secrecy.

David Garrett: I raise a point of order, Mr Speaker. The question was quite specific: did the Prime Minister advise him that the declaration would have "no effect whatsoever", which was a direct quote from the Prime Minister. It was not about the contents of the document, which was the subject of the answer given on the Minister's behalf.

Mr SPEAKER: If I recollect correctly, that was not the question the member asked, at all. I seem to recollect there was another hunk to the question, and that was what Minister Turia chose to focus on in her answer. That is the thing: if members want a particular point to be covered in an answer, they must not add more, because that enables the Minister to latch on to the bit they did not particularly want to be focused on. I believe that the Minister adequately answered the question.

David Garrett: Will he be advising Tūhoe that, as the Prime Minister stated, the declaration he signed in New York will have "no effect whatsoever", and that they—Tūhoe—are mistaken in citing the declaration in their claim to ownership of Te Urewera National Park?

Hon TARIANA TURIA: It is very clear that this declaration must fall within the parameters of New Zealand law and within the Treaty obligations that have been agreed

between the Crown and Māori people, and that is also how the Tūhoe decision will be made.

Kelvin Davis: Was it his intention to travel all the way to New York to, as the Māori Party says, sign the declaration, or was he, as the National Government says, going over there just to affirm it, and which of these affirmations or declarations will help the most to reduce Māori prison numbers and unemployment, and increase Māori educational achievement?

Hon TARIANA TURIA: It was appropriate for the Government to make its first statement publicly to the UN Permanent Forum on Indigenous Issues as it was the setting in which much of the declaration was negotiated.

Question No. 11 to Minister

SUE MORONEY (Labour): I seek leave to have my question held over until a day when the Minister of Education is present in the Chamber.

Mr SPEAKER: Leave is sought to have question No. 11 in the name of Sue Moroney held over to another day. Is there any objection to that course of action? There is objection.

Early Childhood Education—Priority for Government

11. SUE MORONEY (Labour) to the **Minister of Education**: Does she stand by her statement to the House on 1 April 2009 that "quality early childhood education and care is a high priority for the Government"?

Hon BILL ENGLISH (Deputy Prime Minister) on behalf of the **Minister of Education**: Yes.

Sue Moroney: What did she mean, then, when she told the Early Education Federation at a meeting on 25 March that the Government has to address the increasing costs of early childhood education and there are some tough decisions to be made?

Hon BILL ENGLISH: Government spending on early childhood education has increased from $428 million in 2004-05 to $1,120 million this last year, so it has almost trebled in 5 years. This Government wants to make sure that the taxpayer is getting good value for three times the expenditure on early childhood education, so we are looking at where the expenditure is less effective, so that we can move it to where it is more effective.

Sue Moroney: Will the Minister guarantee to continue the funding that early childhood services with 80 to 100 percent qualified staff receive?

Hon BILL ENGLISH: The member will just have to wait until the Budget to find out about the measures that the Government has taken, but I think that any sensible person who was looking at this sector would say that when expenditure has gone up by 300 percent, the Government should have a pretty good look at whether that is actually working. I might say it is a much faster rise in expenditure than the previous Labour Government ever budgeted for.

Sue Moroney: Why has the Minister decided to shelve National's election promise of 2008 to improve staff ratios for under-2-year-olds by deferring that for another 3 years, as she informed the Early Education Federation at that March meeting?

Hon BILL ENGLISH: As I have already said, this is an area where Government spending has gone up by 300 percent, which is much faster than the previous Government had budgeted for when it made changes to the system. It imagined the spending would go up a bit, but it has gone up by 300 percent, so the Government is looking at all aspects of early childhood education, to ensure that we are getting value for money. The most important issue is that despite that large rise in expenditure, the

children who most need early childhood education still are not receiving it, and the Government is determined to fix that problem.

Sue Moroney: I seek leave to table a document titled "Meeting with the Hon. Anne Tolley, Minister of Education—25 March 2010".

Mr SPEAKER: What is the source of the document?

Sue Moroney: It is the minutes of a meeting that the Early Education Federation had with the Minister.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Aquaculture—Government Support

12. SHANE ARDERN (National—Taranaki - King Country) to the **Minister for Economic Development**: What support is the Government giving to encourage the development of the aquaculture industry in New Zealand?

Hon GERRY BROWNLEE (Minister for Economic Development): Last week I announced that the Government is contributing $1.69 million to develop a shared research facility for seafood and aquaculture innovation, which is likely to result in substantial national economic benefits. The facility will allow greater collaboration between research organisations, education providers, and industry. The aquaculture industry will benefit from the world-class science undertaken at the Cawthron Institute's new $5.73 million facility in Nelson.

Shane Ardern: There must be more. What other support is the Government giving to encourage the development of the aquaculture industry in New Zealand?

Hon GERRY BROWNLEE: Quite apart from the fact that the aquaculture industry in New Zealand finds it a refreshing change to deal with the current Government, my colleague the Hon Phil Heatley is advancing new legislation to provide a better framework for the industry. We have also supported the development of new markets for New Zealand aquacultural product through the aquaculture market development contestable fund, and in January of this year I announced a further $500,000 to help New Zealand aquaculture companies to take advantage of emerging markets offshore. We expect the activity generated by new projects will build on the five projects that are already under way for two of aquaculture's flagship species: greenshell mussels and king salmon. Along with Pacific oysters, these species are major contributors to the growth of aquacultural production in New Zealand. The industry is working hard to establish its brand in international markets, although I must say it does not appear to be putting itself through the same contortions that the Labour Party is over its brand.

Question No. 3 to Minister

Hon TREVOR MALLARD (Labour—Hutt South): I raise a point of order, Mr Speaker. Earlier in question time I sought leave to table a document. The leave was declined because, according to members opposite, it had been previously tabled. I have had an inquiry from Grey Power, which wants to publish it. I have been on to the website but I cannot find that document; that might be due to my computer skills. I wonder whether the website is working well, or whether those documents are not put up there.

Mr SPEAKER: Is the member talking about the parliamentary website and documents tabled? I am advised that documents tabled by leave are not placed on the website; they are placed on the Table here by the end of the day.

ELECTORAL REFERENDUM BILL

First Reading

Hon SIMON POWER (Minister of Justice): I move, *That the Electoral Referendum Bill be now read a first time.* At the appropriate time I intend to move that the bill be referred for consideration to the Electoral Legislation Committee. This bill will fulfil the Government's pre-election commitment to hold a binding referendum on MMP. In 1993 New Zealand voted to change to the mixed-member proportional representation, or MMP, voting system. For most of the previous 140 years, as members are aware, elections were held under the first-past-the-post system. Since the change, five elections have been held under MMP, making it timely to consider how the voting system is working and whether New Zealanders wish to retain MMP. Many New Zealanders understood that they would have the opportunity to revisit their decision through a later referendum; this bill provides New Zealanders with that opportunity.

After weighing the options, the Government decided to take a two-stage approach to the referendum, similar to the process followed in 1992 and 1993. As far as practicable, the Government has been keen to replicate the processes adopted in 1992 and 1993, to give New Zealanders a genuine opportunity to have another say on the electoral system. The first referendum will be held in conjunction with the 2011 general election, and it requires legislation to be passed through the House. The bill provides that the referendum questions will first ask voters whether they wish to retain the present MMP voting system. Voters will then be asked, regardless of their answer to the first question, which alternative voting system they would prefer from a list of alternatives: first past the post, preferential voting, a single transferable vote, and the supplementary-member representation system. The bill includes a brief description of each of these alternative voting systems, but essentially the menu of options is the same as that put to voters in the 1992 referendum.

Two aspects will remain consistent across the electoral system options. First, each system is to be considered on the basis that it will be used to elect a House of 120 seats. Second, each system will retain the current provisions for the Māori seats. The alternative voting systems should be considered on their fundamental features, and not on other elements of the electoral system. In addition, the confidence and supply agreement with the Māori Party states that this referendum will not include a question about the Māori seats. The bill also includes the form of the voting paper, with the questions to be put to voters. The Chief Electoral Officer will determine the order of the voting systems on the voting paper by lot, to avoid any perception of bias in the order in which the voting systems are listed.

When we first announced the two-stage process for the referenda, the feedback we received, including that from the Hon Lianne Dalziel, was that we needed to incorporate an option for those who wanted to see modifications made to MMP rather than an entirely new electoral system adopted or the status quo retained. However, in the time available it would be difficult for the Government to put up a modified version in the 2011 referendum that meets those expectations, without being seen to have skewed the result. As was the case in 1992 and 1993, this referendum process is about allowing the public to make fundamental choices between different types of system. Having said that, the bill provides that if 50 percent or more of the participants vote to retain MMP in the first referendum, then the Electoral Commission will undertake a review of aspects of the way in which MMP works.

If a majority votes for a change from MMP, this Government is committed to holding a second, binding referendum in conjunction with the 2014 general election. This will be a run-off between MMP and the most preferred alternative voting system

from the first referendum. If voters prefer the alternative voting system, the 2017 general election will be held under that new system. I acknowledge that this process is lengthy, but the future of our voting system should not be rushed. Cabinet was faced with a range of options that would have truncated the timing, including the use of stand-alone and postal referenda. But, by holding each referendum in conjunction with a general election, we could maximise the voter turn-out on such an important constitutional matter. The process allows for a full 6 months' consideration of the bill at the Electoral Legislation Committee, as well as ample time for a public information campaign prior to the referendum to be undertaken by the Electoral Commission.

The bill also regulates advertising in respect of the 2011 referendum. Anyone who is advertising for or against any of the referendum options will need to include his or her name and address with the advertisement. If advertisers spend over $12,000 during the regulated period, they will need to register with the Electoral Commission, which will publish a list of advertisers. Advertisers will not be required to provide returns of their expenses or funding sources to the Electoral Commission, nor will they be subject to spending limits. These rules are intended to provide transparency without restricting the advertisers' freedom of expression, and they are consistent with the regulation of parallel campaigning in the upcoming electoral finance reform legislation. I note, though, that this bill goes further than the rules surrounding advertising for the Government referenda held in 1992, 1993, and 1997, and that no Government referendum in the post-war period has limited spending by third-party campaigners. Members will be aware that these same issues arise in the context of the Government's proposed reform to the electoral finance rules. It is also my intention to refer the upcoming electoral finance legislation to the Electoral Legislation Committee, so that the committee's consideration of these issues—in particular, the regulation of parliamentary spending—can be consistent.

Finally, I add that I am pleased to have had the opportunity to meet on a number of occasions with all parties in the House to discuss the Government's proposals, and I value their willing and constructive approach to these issues. That cooperation has been in keeping with the constitutional significance of this legislation, which should not be underestimated. In New Zealand the triennial election of representatives to this House is arguably the most significant constitutional check on executive power. The decision as to how those votes are translated into seats is rightly one for the people of New Zealand to make. I commend this bill to the House.

Hon LIANNE DALZIEL (Labour—Christchurch East): Labour will support the Electoral Referendum Bill being referred to the Electoral Legislation Committee. Obviously, some additional work needs to be done on the bill, but I acknowledge the Minister of Justice for having the discussions that he has had, not only with our party but with all parties in the House.

I think that the Minister's approach has been a worthwhile one, as he has identified one of the concerns that I originally raised. I was concerned about the unfairness of the original proposal, which did not acknowledge the many, many New Zealanders who want to stay with MMP but who do not like some of the practices that have been allowed to develop under it. The opportunity to review some aspects of MMP, should the decision be made to stick with it, will enable those issues to be addressed. I think that that is a major response. The Government has proposed what I have described as a second track post the ballot on whether we wish to stay with MMP. If MMP survives that decision—if it is the No. 1 choice on the ballot paper at the forthcoming general election—then voters will have the opportunity to look at the content of the MMP provisions themselves.

I want to comment on how good it is that that second track is in the bill. My preference was to fix the MMP system first. I have always been of the view that certain elements of the MMP system should be reviewed after a period of time, because a lot of people made the original decision to change to MMP because they were very angry with two Governments: a National Government and a Labour Government. It was a case of a plague on both your houses. Voters chose the option that neither of the leaders of the National Party and the Labour Party at the time wanted at all. Both the National leader, the then Prime Minister, the Rt Hon Jim Bolger, and the Leader of the Opposition, the Rt Hon Helen Clark, were very opposed to the MMP option, and both were strong advocates for first past the post. I think that that is what is good about the debate about issues like electoral reform: because of the checks and balances in our system, it is the people who decide the way that they vote their representatives into Parliament. I was giving a speech in Parliament yesterday on another matter that was not quite as positive as this one, but I made the point that there is not just a right to vote; there is a duty for citizens to participate in our democratic process. I believe that this referendum process is one that truly brings to the fore the fact that voters will decide, that it is their electoral system—it is our electoral system—and it is something that will be determined by way of a referendum.

I have made no secret of my position on how I will vote. I will be voting to retain MMP, just as I voted for MMP originally. Not every political party had a uniform view on this issue, and that was because it was down to the people to decide. I am a strong supporter of MMP. I am a supporter of MMP because it is the only system of proportional representation that is on the ballot paper—the only one. I think people will have to remember that, and I hope as part of the education campaign to be undertaken that people are given a very clear explanation that even if the other electoral systems look like or sound like proportional representation, in actual fact they are not. None of the other systems provide a proportional result in the way that MMP does.

I hope that the people of New Zealand will consider very carefully the scope of the matters that have been set out in the bill for review, and will make submissions to the select committee, because they are not the same. There are different issues within the scope of this review that I think people should think about very carefully.

The first one is the threshold for list seats; the requirement that in order for parties to be eligible for any list seats, they have to achieve either 5 percent of the total vote or a candidate has to be elected to an electorate seat. I know that there is a lot of disquiet about that, and I will use the example of two political parties—one that is in Parliament at the moment, and one that is not. Rodney Hide, representing the ACT Party, won the seat of Epsom and was able to bring in the balance of the 3.7 percent of the vote that his party had won, and New Zealand First with 4.2 percent of the party vote failed to win an electorate seat, and was unable to be represented in Parliament at all.

The question of the 5 percent threshold and whether a single candidate winning an electorate seat is sufficient to be a threshold in itself should be the subject of debate. I was on the select committee that considered that issue, and I know that it was a trade-off. The proposal of the Royal Commission on the Electoral System was to have a 4 percent threshold, and the select committee decided to lift it to a 5 percent threshold. The trade-off was that one electorate seat would enable a party to bring in a smaller number than the 5 percent threshold allowed; it would not have to meet that threshold. In retrospect, I personally do not think it should have been a trade-off, and I personally do not agree with the coat-tails provision, as I now describe it, because it is simply not fair on a party that is very close to reaching the threshold but is unable to get any representation in Parliament, whereas the other party is overrepresented relative to the proportion of the vote that it was able to attract.

The overhang issue does not cause me any particular bother at all. It sits at two at the moment, and it has sat at one. I am not uncomfortable with the concept of an overhang. It does not produce proportionality—I suppose it offends against the principle of proportionality—but it is quite a good way of ensuring that parties that win constituency seats are able to take up those seats in Parliament without losing that entitlement, and without over-increasing the size of Parliament.

I have a really strong view about dual candidacy, and it is not the view that is implied by this bill. I think people ought to be able to stand for an electorate seat, and stand for a list seat as well. The reason is that the list is the mechanism by which we fill the number of seats that are left over, as it were, by the proportionality that is applied to the number of party votes that parties win and the number of electorate seats that they win. To say that a person who stands in a safe National seat should not be allowed to come into Parliament because he or she was not able to win that seat as a Labour candidate is an absolute nonsense. It would deprive this House of Paul Quinn and Aaron Gilmore. It would not be fair on Parliament if we were deprived of either of those two individuals. I could go on.

I hope that during the select committee hearing we have a lot of discussion about the scope of the review, because there are other things that I think should be in the scope of the review that are not. There is another issue about the size of seats. I do not think that we need this fixation on an equal number of list seats versus constituency seats, and I think we could do something a little better there, as well.

The final thing I want to talk about is advertising. I think it is slightly rich of the Minister to pretend that New Zealand is the same environment that it was in the last decade. We did not know about the work of the Exclusive Brethren until the 2005 general election campaign. What we saw then was the effect of unparalleled spending in order to sway the vote against the Labour Party and against the Green Party in particular. Although we ended up knowing who ran that campaign, to have no campaign expenditure limits is a breach of democracy, and Labour will fight that every step of the way.

AMY ADAMS (National—Selwyn): It is a great privilege to have the opportunity to take a call in this first reading debate on the Electoral Referendum Bill. I will take just a moment at the outset of my contribution to run through the history behind where we find ourselves with our current electoral system. No matter in our democracy can be more important than our electoral system, and I think that is fairly well accepted by all. Our current system is MMP. I am certainly old enough to remember the previous system, although it is amazing—

Hon Simon Power: Surely not!

AMY ADAMS: I know it is hard to believe, but in fact I am. It is amazing how many people I and other members speak to who have absolutely no understanding, knowledge, or even awareness of our previous electoral system, first past the post. MMP, of course, first came about through the 1986 Royal Commission on the Electoral System. That royal commission led to the first indicative referendum in September 1992. At that time New Zealand voted for a change to its electoral system. The significant referendum was held along with the 1993 general election, and in 1996 we had our first MMP election. As the Minister of Justice has already noted in his contribution, since that time five Governments have been elected under our MMP system.

It is worth mentioning that when MMP was first adopted, by a 54:46 split of the population, there was a common perception among many New Zealanders—not those in the beltway—that there would be a second referendum and that they would have another chance to express their view, having had the opportunity to kick the tyres for a

while. They were not right in that perception. That was never what the law said, but it was certainly a commonly held view on the streets of New Zealand. The reality, of course, is that that opportunity would only ever happen if this House had voted to make it so. Instead we had a review in 2001. In 2001 this House undertook a comprehensive review of MMP, and I acknowledge Peter Dunne, who was the deputy chair of the committee. The committee members were instructed by this House to work towards unanimous decisions, or at least towards decisions that came as close to unanimity as they could. Although the committee members agreed on a number of matters, one thing that they could not agree on was whether there should be a second referendum on MMP. At that time public opinion suggested that the majority of people who did not support having a referendum were of that view because they felt, in 2001, that we had not had enough time. We were not ready at that time to assess where MMP was at and whether it was the appropriate system. It is certainly the view of the National Party, and it was part of our election promise to New Zealand, that it was time for New Zealand to have a referendum on MMP. I am very proud to be part of a Government that will give New Zealand a chance to have that say.

As we have already heard in the contributions this afternoon, this bill is not about which system we should have in this country. It is not a bill where we argue which is the better system. I think it is important to make the point clear for anyone listening to this debate that this bill is simply about getting the process right so that we can ask New Zealanders which system we should have. That is important, because even though Parliament is ultimately sovereign and can make decisions as it thinks fit, it is my view that some issues are simply too important and too fundamental for this House to exercise its power on unless we have a very clear and specific mandate from New Zealanders. I think that there can be no better example of that than our electoral system.

In this bill there is a process by which the people of New Zealand will be given the opportunity to say whether they want to keep the system we have. That is the first question in the referenda ballot, and it is the most important question. If they vote to keep the system we have now, then the remaining issues relating to types of system, second referendums, and the like become null and void. As Ms Dalziel has pointed out, a vote to keep MMP will trigger a review of the MMP system; we have one system of MMP, but it can certainly be adjusted. However, if there is a vote for change, then the second question in this referendum will become all-important. That is the question where New Zealanders can indicate their preference with regard to an alternative system. So it is very important legislation not because of what is in it but because it sets up a process by which New Zealanders can make that very important decision.

I end by commenting on the timing. I know that there has been discussion about the fact that this could potentially be a drawn-out process if there is a vote for change, a further referendum, and then a further period for the election. I comment on one thing in closing. When we had those referendums in 1992 and 1993, the first time around—

Hon Trevor Mallard: Referenda.

AMY ADAMS: —referenda; I thank Mr Mallard. The 1992 referenda, which was not held with a general election, attracted only just over a 50 percent turnout. The 1993 referenda—

Hon Trevor Mallard: No, no—referendum.

AMY ADAMS: —referendum, which was held with a general election, attracted well over 80 percent. As Ms Dalziel commented, these are important issues that we need New Zealand to engage with. This is important and New Zealanders must engage. It must be undertaken with a good degree of understanding. That is why having it at the time of a general election is important to make sure that we really engage New Zealand in this very important process. Thank you.

Hon PETE HODGSON (Labour—Dunedin North): Just to reaffirm: Labour will support this legislation's referral to a select committee. I reiterate the comments of my colleague the Hon Lianne Dalziel in respect of the Government's approach to this legislation, and I say to the Minister of Justice that his conduct and approach to this process has, I think, been good. We thank him. We hope that it will continue, and I think the Minister ought to be commended for the way in which he has approached this. My personal view of this legislation is that it is good enough. In fact, I would go a little further and say that it is really rather good. It is less than perfect, for reasons I will come to in a minute, but it is rather good legislation. Given that it has to be legislation that is supported, I hope, by every party in the House, then getting to the state of it being rather good at the point of its introduction is probably as good as one could hope for. So that is great.

The next thing I will say, for the record, is that I will be voting for MMP, and I think MMP should win in the first of the referenda. Not only that, it is clear to me that MMP will win. That is my judgment. Of course, I could be wrong. I think it will win for the reason that it won last time, which is that it has allowed for a much more diverse Parliament than we have had. Since the advent of MMP, we have had a Rastafarian, a transsexual, and any number of people who describe themselves as being various forms of gay. To my left is the first Samoan woman, I think, in the New Zealand Parliament, and to my right is a part-Tahitian, and so on. And so it is around the Chamber. We have now a much, much more diverse and reflective Parliament. [*Interruption*] We even have a veterinarian!

Needless to say, a number of these people were elected from electorates, not because of the list, but none the less the advent of MMP has allowed that diversity to arise to an extent that is greater than it would have done. I look across at Sir Roger Douglas, and I would hazard the guess that Sir Roger Douglas would not have been able to make it back into this Parliament had first past the post been in place. I dare say he would agree. But the point is that that sort of diversity has been occasioned by the advent of MMP.

The second thing is that although we have had instances of tails wagging dogs, including arguably earlier this week, it has not been a dominant feature of our Parliament. This is not the Israeli Knesset. Some things have been difficult to settle because of MMP. I do not think our approach to macroeconomic policy has gone well under MMP, I do not think our approach to climate change has been brilliant under MMP, and there are one or two other examples. But for the most part, the Government of the day continues to be able to run the ship, and to run the ship more or less. Nearly always, it is a minority Government, whereas before MMP there was an assumption that there would be a coalition majority, but tradition seems to be a minority Government. And we have rewritten, a little bit, the constitutionality of the Westminster system. The previous Labour Government started it 4½ years ago; the present Government continued it 1½ years ago.

The timing is long, but I think it is tolerable. The reasons for the timing are, first of all, that we have this legislation because National made an election pledge and wants to keep to it. That is understood. The second reason is that should MMP win in the first ballot, then we have to have an opportunity to do some tweaking before the election in 2014. In the event that MMP did not win the ballot, of course, there would need to be a big build-up and a great hoo-ha-ha, not unlike the 1992-93 period.

That means some people are already thinking ahead, because they are presuming an MMP victory, to the importance of Part 4. I simply make a couple of comments about Part 4. The first is a confession: I was on the select committee that drew up MMP in the first instance, and I moved that the threshold be 5 percent. For better or worse, it was voted in, I think unanimously, I cannot remember; but we went back and forth between

4 percent and 5 percent, and between 100, 120, or 140 total members, because the royal commission had suggested 140. I suggested 120 members. We were just trying to get some momentum going. Whether it should be 4 percent or 5 percent is still moot; it always was and always will be. It is just a figure.

Hon Lianne Dalziel: German.

Hon PETE HODGSON: It is not German; it was occasioned—it does not matter why it was occasioned. It was a long-ago history. The point is that there is one thing that is missing. I am not particularly worried that it is missing, but I am not sure whether the Minister is aware of the fact that in the 1993-95 period we had a big debate about whether lists should be open or closed, and whether they should be regional or national. In other words, there was a two-by-two box. We do not have a two-by-two box in this law; we have a two-by-one box. I do not mind that, but I am letting the Minister know. I personally think that a national closed list is the way to go, for all sorts of reasons, but the public may have a different view. We would certainly want to hear from them should it come to that.

I want to take the Minister on about his comments on advertising. I agree with him: this is the most transparent referendum we have ever had. The rules on transparency in this law, as long as it passes in this form, will be better than has ever been the case before. But there was a little bit of sophistry in the Minister's argument and I feel the need to fill him out a little bit on that. That is to say, something happened in the 2005 election that should never have happened, I hope never happens again, and arguably changes the construct of the way we approach electoral law. It is an important question, because speaker after speaker has said that electoral law really matters, that it is very central, and I will go a little further and say that it is one of the cornerstones, perhaps the cornerstone, of our unwritten constitution. But if we are going to settle for transparency in this referendum and not for transparency plus expenditure caps, whatever those caps are, we may run into that problem again somehow, sometime, even with an organisation that does not meet the support of anyone in this House. We really just do not know what extraneous force might come on in an electoral process. If an electoral process is to be free and fair, and if we are to go for a plebiscite that is as universal and as untainted as possible, then it seems to be inevitable that we will have to reconsider the role of expenditure caps, whatever they may be. It is simply too vulnerable to leave it untouched. I just say that to the Minister. He may or may not agree with me, I am not sure, but that, in any case, concludes my remarks.

METIRIA TUREI (Co-Leader—Green): The Green Party has long campaigned for a fair and democratic electoral process that favours all New Zealanders, not just the wealthy few. I want to pay my respects in homage to the late Rod Donald for his work on this exact issue. He long campaigned for MMP and for a fair electoral process so New Zealanders are represented in their own Parliament. After all, this is supposedly a House of Representatives, and the more representatives the better.

It is certainly true that the influence of money on politics is one of the greatest threats to freedom and democracy. We know that in Aotearoa, wealthy non - political party actors can intervene in the election process by buying advertising and distorting the process to favour their own agenda. For that reason, modern democracies all around the world have introduced rules to try to limit the influence of money on politics. The Greens believe that our democracy thrives on ideas and not on fat wallets. Our electoral process is the central mechanism by which we are able to ensure that ideas are of greater value than bank balances. Our system is not perfect, and it never will be, but democracy should never be static. It should always be an evolving process that is ready to meet the challenges of the 21st century. The Electoral Referendum Bill is an important step in confirming New Zealand voters' choice of electoral system. It establishes a two-stage

referenda on our electoral system, and voters will, quite rightly, make up their own minds as to the kind of electoral system that is best for our country. It is one of the responsibilities of citizenship that in a matter like the electoral systems, citizens consider the needs of the country as a whole.

We in the Greens do not hesitate in affirming our support for MMP. MMP has meant that more New Zealanders are represented in Parliament and in Government. Under the current MMP system, everyone's vote counts equally. MMP has enhanced the representation of women, Māori, Pasifika, and Asian people in this House and in our society, not just in population sectors. MMP enables different ideas, ideologies, values, and solutions to be represented in Parliament and in Government. The advent of new parties has gifted this House with a creativity and innovation that was absent during the long reign of the duopoly of Labour and National. It has increased the breadth of Parliament so that it better reflects the country as a whole. As I said, if we are to have a House of Representatives, then surely a system that increases the representation of New Zealanders is the goal. I know that women MPs in this House, and National Party women MPs in particular, must be very proud of the number of seats that they command in this Chamber because of MMP. MMP has delivered real gains for our community, such as Kiwibank, paid parental leave, and home insulation. It has been a success.

As to the process, given the constitutional nation of this bill, the legislative process and the substance must be objective, un-biased, even-handed, and scrupulous. We called for a process that was independent of the Government. We looked for a process of public input into the design of the questions in the process, and, looking at the substantive process that is laid out in the bill, we believe that some effort has been made to avoid bias and political interference. I commend Simon Power's efforts in that regard. Having said that, there is a glaring omission in the legislation that has the potential to seriously undermine its objectivity, to foment bias, and to challenge the even-handedness of the process. I will turn to that gap in a moment.

The bill provides for a referendum to take place in 2011 and potentially in 2014. Both are designed to coincide with the general elections. There will a ballot paper with two questions, one asking voters whether they wish to retain MMP and another giving a choice of electoral systems. The systems are the same as those discussed in the report of the Royal Commission on the Electoral System. Following the referendum in 2011, if MMP is retained by the voters, then a review of MMP will take place. Certainly, we welcome that review. This House last considered the issue of a referendum on MMP in August 2001, which is less than 10 years ago. The majority of parties at that time were very cautious in rushing constitutional matters of this nature, which we think was wise. I will quote from the review of MMP, which stated: "The ACT party considered that, on constitutional matters, prudent societies are conservative. People can look to constitutional changes to fix perceived ills instead of searching for the true causes. Political patterns take time to adjust to changes. Constant changes make it harder to distinguish the causes of problems from the symptoms of change." We have found that in the last 14 years, which is not very long for an electoral system to be in place, MMP provides stable Government and robust Parliaments, and there are no concerns about New Zealand functioning during a change process under MMP.

I will now return to the glaring gap of the anomalous position of parallel campaigners, especially those who, if history repeats itself, want to spend up large. The Electoral Act 1993 has provisions for the registration of political parties, and this legislation makes provision for registering promoters—non - political party actors—who wish to publish advertising during the period up to the referendum. We have no issue with the registration of promoters. We must know who is behind any campaign,

but registration alone would not have prevented the outrage that Nicky Hager exposed in his book *The Hollow Men: A study in the politics of deception* when the Exclusive Brethren and the horse racing lobby provided apparently independent pro-National advertising. We remain extremely concerned that there is no spending limit on a referendum, which has the most serious implications for our representative democracy. There are very few decisions a country can make that are more significant than how the country elects its more senior political figures. It is not a process that should be trifled with and it is not a process that should be left to the market to decide.

We know that the 1986 report of the Royal Commission on the Electoral System stated that it is not "fair if some in the community use their relative wealth to exercise disproportionate influence in determining who is to govern and what policies are to be pursued." That comment was in relation to campaigning in an election. But I argue this referendum is an even more constitutionally serious decision because not only are we deciding how we elect our Government, but also that decision is binding. It is one of the few mechanisms in New Zealand to constrain a Government. If less significant democratic decisions—for example, citizens initiated referenda—have a spending cap to protect the level playing field, why would we not have a spending cap to protect the level playing field for, arguably, the single most important constitutional decision that electors can make? Why would we not ensure that this decision is made with the utmost fairness, with the greatest protections, and with a level playing field that gives New Zealanders the same opportunities to campaign on these issues? Why should the wealthy be privileged? The Government has argued that it did not include a spending cap because it thought that the citizens initiated referenda spending limit was too low at $50,000. The answer to that is very simple: put it up and make it more. That is fine. The principle remains the same, and we make it more. It is not rocket science. It is not difficult. It should have been done before this legislation came before this House.

This is not about freedom of expression, although some will argue that. It is ironic that freedom of expression masquerades as a debate about the right of the wealthy and the privileged to spend as they choose. The fact is there is an inequality in this country that is suffered by the community across the board. That inequality makes a mockery of those who might rally behind the expression "freedom of expression" as a defence to allow the wealthy to continue to manipulate the process because they have the resources to do it. That is not a fair system for choosing an electoral system that has such constitutional significance.

The Minister of Justice, Simon Power argued for a good process for the referenda on a sound basis and on good principle, but then he dismissed out of hand the option of limiting expenditure. I accept that he is genuine in his concern, and we hope that New Zealanders are able to make substantive submissions on this issue and tell the Government that a spending cap is necessary. Our democracy should not be a battle of wallets, but a battle of ideas. Our democracy must not be sold on the market place. Thank you.

RAHUI KATENE (Māori Party—Te Tai Tonga): This week we have been proud to place on record the significance of sitting at the decision-making table. It has been a week to treasure the role that the Māori Party can play as the credible Māori voice in Parliament. That Māori voice is a voice that comes from a basis of strength—a voice that resonates with the words of all those who fought the good fight to enable our issues to be heard. Our current electoral system enables those voices to come in through the hallowed halls of Parliament. I think of some of those people who are now being given due honour and recognition through the Māori Party's position of being able to advance the signing of the Declaration on the Rights of Indigenous Peoples.

I chose to begin my contribution to the Electoral Referendum Bill by acknowledging the impact of many individuals and the whānau, hapū, and iwi to which they belong. In recalling those who paved the way to the United Nations, I seek to remind the House of the role that the Māori Party holds as the natural partner of the Government—the Māori partner that provides the means by which tangata whenua may be heard in this Chamber. The issue of Māori representation is so vital to our constitution and, indeed, to our nation that we have written into the terms of the relationship and the confidence and supply agreement between National and the Māori Party that there will not be a question about the future of the Māori seats in the referendum on MMP. I stand in this debate to respond to the legislation relating to the referendum on the electoral system with my feet firmly planted in the context that is our constitutional framework, Te Tiriti o Waitangi. That is the strong legal basis and constitutional framework that the Prime Minister referred to this week in relation to the historic decision to support the declaration.

How does this new bill on electoral reform, the Electoral Referendum Bill, relate to this constitutional context? I refer the House to the Ngāi Tahu Waitangi Tribunal report of 1991, in which this statement was made, "it is clear that the exercise of tino rangatiratanga, like kawanatanga, cannot be unfettered; the one must be reconciled with the other". The Treaty provides us with the knowledge that, as partners to the Treaty, Māori should at least be guaranteed representation in the organs of kāwanatanga. The Treaty is a document of duel accountabilities between two Treaty partners. In itself, it is about the reconciliation of kāwanatanga and rangatiratanga.

The 1986 Royal Commission on the Electoral System expressed this view with great clarity: "Under the terms of the Treaty the Crown formally expressed the existing rights of Maori and undertook to protect them. It is in this sense that Maori people have a special constitutional status." That report went on to note the failure of successive Governments to recognise and give effect to the Treaty as the basis of constitutional government in New Zealand. The report went further and made the important observation: "Although they were not set up for this purpose, the Maori seats have nevertheless come to be regarded by Maori as an important concession to, and the principal expression of, their constitutional position under the Treaty of Waitangi."

I set out this context—a Treaty context—before we embark on the process of a referendum on the electoral system because I want to explain why we do not want to have the constitutional status of the Māori seats mixed up with all the issues that will be discussed in the review of MMP. Those issues of constitutional significance are not ones that can be dealt with in a quick and slick study or two, or, indeed, in an electoral referendum.

However, there will be every opportunity to consider our constitutional framework within the context of the constitutional review that is also part of our relationship agreement with the National Government. The Māori Party brought to the negotiating table a policy goal to establish a constitutional commission in order to begin a constitutional review aimed, among other things, at the drafting arrangements that give effect to the Treaty of Waitangi. Te Tiriti o Waitangi is the foundation of our electoral system A Treaty-based constitution that recognises tangata whenua might encourage Māori to participate in elections, but let us leave that for the broader discussion, the longer conversation, that the constitutional review will enable.

I am proud to be a member of the committee that has been established to consider the legislation arising out of the referendum and the reform of the electoral finance regime. Of particular interest to the Māori Party is the citizenship right of all New Zealanders to take up their democratic rights to vote and to contribute to the shaping of a new Parliament.

I was interested in a presentation made by Colin James at the Official Statistics Forum 2010, which was held last month. He reminded participants of the need to focus on article 3 rights—the citizenship article—and, in particular, on full participation in society and the economy. It is his view that appropriate recognition of article 3 might imply State-guaranteed action to reduce inequalities of opportunity and to ensure that assistance works. In turn, this might imply sensitivity to cultural and other differences, including understanding and working with different world views. It was extremely timely to read this analysis, and to think about the opportunities for Māori citizens to be full and contributing participants in the electoral system that we have today.

As we all know, the Māori turnout in general elections is much lower than the turnout for the general population. The number of votes cast in the Māori electorates in national elections is roughly 58 percent of the number of votes cast in general electorates. A focus on citizenship rights would inevitably force the question of why the electoral system is doing so badly, and why it is failing to lift the Māori vote.

This question is not a new one. In 1994 I was the instructing solicitor for a Waitangi Tribunal claim brought by Hare Puke and supported by the National Māori Congress, the New Zealand Māori Council, and the Māori Women's Welfare League. Within the essence of that claim was the argument that the Crown has an obligation under the Treaty of Waitangi to protect the right of Māori to be represented in Parliament, and that there are special needs in promoting Māori enrolment and education on this option. That claim is just as relevant 16 years on. How do we ensure that Māori representation is protected and that Māori citizens take up every opportunity to enrol to vote, to vote, to stand for Parliament, and to be represented?

Finally, that claim has also gained traction through the status of the United Nations Declaration on the Rights of Indigenous Peoples. The declaration states that indigenous peoples have the right to participate fully, if they so choose, at all levels of decision making in matters that may affect their rights, lives, and destinies. We want to see an increase in Māori electoral participation, and as part of that, we expect that there may need to be new legal and administrative responsibilities for Government and electoral-related agencies in order to increase that participation rate. Maybe this could be done through improving the accuracy of the Māori roll, improving measures to ensure that Māori enrol to vote, or introducing an electoral education campaign to emphasise the importance and significance of voting. It may be that what is required is a focus on cultural awareness and responsiveness in the electoral administration system.

We look forward to close analysis as the legislation relating to the referendum on the electoral system and the reform of the electoral finance regime unfolds. Certainly, we are pleased to be part of such a significant opportunity to undertake electoral reform, and to that end we support this bill.

CHRIS TREMAIN (National—Napier): It is indeed a privilege as a member of Parliament to be involved in setting the direction and the laws of one's country. In that regard, it is a privilege to be a member of the newly constituted Electoral Legislation Committee, which has been appointed to deal with two bills that will go before it over the course of this year.

The first bill that will go before the committee is the bill before us this afternoon, the Electoral Referendum Bill. The purpose of this legislation is to provide for an indicative referendum to be held in conjunction with the first general election after the commencement of the Act in order to provide electors with the opportunity to express an opinion on the preferred system of voting for election to the House of Representatives in New Zealand. The second bill that will go before the select committee is yet to be given a specific name, but it will be an electoral finance bill to deal with the wider issues of electoral finance, which have been discussed by a range of

members in the House today. Both of those bills are part of a commitment by National at the election. They honour and meet a commitment given by National. I am proud to stand and say it is one of many commitments that National gave to the wider electorate. It is part of our commitment to building trust with the electorate and following through on the things we said we would do.

Speaking about this bill gives one cause to reflect on the history of MMP and on one's own voting record. It is interesting that when we are out in the electorate and people bemoan the parts of MMP that they dislike, they often say: "Well, who actually voted for MMP?". Obviously a majority of the electorate did vote for it, and I was one who did vote for MMP at the time. I reflected on why I voted in that way back then. I looked back at the elections that took place in 1981 and 1984. The 1981 election was an interesting election. A party by the name of Social Credit got 20.65 percent of the wider vote. The Labour Party at the time got 39.01 percent of the vote, and National got 38.78 percent. Despite those votes, National ended up being the Government of the day with 47 seats. Labour had 43 seats, and Social Credit had two. That aside, when I looked at that result, as a young 18-year-old voting at the 1984 election—

Hon Simon Power: The member doesn't look that old!

CHRIS TREMAIN: Yes, I was an 18-year-old in 1984. The fact that Social Credit obtained only two seats at that election gave me cause to ponder whether that was fair. Twenty percent of the electorate had voted for a particular set of values and a particular set of policies, yet received only two members of Parliament out of nearly 100 members. The second point I thought I would reflect on was the 1984 election, which was the first election in which I voted, and one can look back in hindsight on one's political values and the way in which one voted at that time. Members may remember a political party that went by the name of the New Zealand Party. The party was headed by Sir Robert Jones. At that time, voting at my first election, I had cause to give my vote to the New Zealand Party.

Hon Maurice Williamson: What?

CHRIS TREMAIN: Yes, but it is interesting that that party achieved 12 percent of the vote. As I say, one reflects on these positions in hindsight and one grows in one's political thinking. At that 1984 election the New Zealand Party got 12 percent of the vote but did not get one member of Parliament, which gave me cause for reflection.

When we got to the two-stage referendum—in 1992 and 1993, as Simon Power has pointed out—I voted for a change to MMP. That brought us the first MMP election in 1996. MMP has been with us for five terms now, and it is fair to say that a big chunk of the electorate still does not clearly understand it. People understand the constituency vote, but if we go out into the street and ask people, we find that many members of the public do not understand MMP fully. Many people thought that there would be a referendum on it. In fact, a review of MMP was undertaken in August 2001, chaired by the Rt Hon Jonathan Hunt. That review found at the time that despite some concerns, we should stay with the MMP system largely unchanged. That aside, there are still a number of concerns for the public. Some members of the public, when we are out there talking to them, say they are concerned that sometimes the tail wags the dog—the smaller parties have a wider involvement in the political say. The other concern that we hear is that the major parties, after the election, water down the policies that they were elected on when they go into a coalition agreement. That is a concern for members of the main parties; I know that.

I know that one of the big concerns out there is the debate about whether a person who stands as a constituency MP and is elected as a constituency MP, but who subsequently loses an election as a constituency MP, should be allowed to be elected as a list MP. That is one thing that I know a large number of people in the electorate

struggle with. Despite the political fortunes and the tides going in and out, if I have stood as a constituency MP and been elected by the people, but then subsequently the people said: "Tremain, you're on your bike." Should I stay on the list? That is the question I ask. It happened in Napier with someone I stood against back in 2005. He had been elected as a constituency MP, the public decided that he was not going to be their MP, and I was fortunate enough to win that election. But for 3 years after that they struggled with the fact that that MP stayed in Napier, fighting the campaign. It is an interesting issue.

Those are the issues and wider changes that the committee will deal with. But for now this is a referendum whose time has come. It honours a commitment that was given by this National-led Government in association with ACT. It is something that we will be following through on. I am proud to say I will be part of that in the select committee that hears submissions on this bill.

CHARLES CHAUVEL (Labour): The Electoral Referendum Bill enables the referendum that the Government seeks to hold on the future of the MMP system. I think it is obvious already from the speeches on this side of the House that Labour regards a referendum as premature. We have had only five MMP elections. There is significant evidence that the electorate is honing its skills to use MMP to find and achieve the sorts of outcomes it wants. The so-called wasted vote—the vote that goes to those parties that do not achieve the 5 percent threshold or otherwise do not have their votes counted under the system—got down as far as 1.3 percent in 2005. The process of starting to reduce the number of political parties represented in this House was begun in earnest by the people at the last election. Looking at the trends, Colin James has predicted that by 2014 probably four parties, or five at the most, will be represented in this House if the trends continue. So people are working out how most effectively to use MMP. Our view is that they should be allowed to continue to do that for some time before we look at potentially throwing out the baby with the bathwater.

As other speakers have said, moving to MMP was a good thing. Chris Tremain has just reflected on the anomalies that were produced by the previous electoral system. He mentioned the position of Social Credit, which on one occasion received a large chunk of the votes but had only two members. Under first past the post between 1935 and 1993 the National Party scored a higher ratio of seats to votes than Labour did, and in 1978 and 1981 it won office with fewer numbers of the popular vote than the Labour Party. That system is unfair by any measure. As Metiria Turei said in her contribution, since the introduction of MMP we have seen the House become much more diverse. Pete Hodgson made that observation as well. The entry of smaller parties has ensured that the views of the electorate are better represented in this House, and that the views expressed in speeches, questions, and otherwise are less monolithic.

I am not saying that MMP is perfect or that a small number of sensible changes should not be made so as to increase its fairness and its effectiveness. Lianne Dalziel spoke about some of the potential changes. One is to eliminate the waiver under which a party that wins one electorate seat does not need to get 5 percent of the party vote for proportionality. Without the waiver, ACT would now have one seat, not five, and Winston Peters would have been a lone MP in 1999. There are other possibly desirable changes to the system around the threshold, and around the proportionality of electorate versus list seats, although personally I am less convinced on those questions.

Although we on this side of the House take the view that I have outlined, we will support sending the legislation to a select committee. But that select committee will have to consider one important question. There is another bill that will deal with the future electoral finance rules around third-party advertising. The point at which that bill and this one coincide, and where serious questions arise, is the decision to hold an

electoral referendum at the same time as a general election. Interest groups will be able to run parallel campaigns, advertising in both the election campaign and the referendum campaign. If they intend to spend more than $12,000 they will have to register. But as far as the State is concerned, the proposed limitation of registration is where all issues would end. From that point on, people or groups can spend what they like.

The Minister of Justice has said that the registration rules that I have just described go further than the advertising restrictions placed on the 1992, 1993, and 1997 referenda, where there was no cap on spending and, at that point, not even a need to register with the Electoral Commission. All that was needed then was a promoter statement. As Lianne Dalziel pointed out, that was before the Exclusive Brethren showed what unlimited spending could deliver. It is important that all members of the House do not underestimate the enduring fear and disquiet that the conduct of the Exclusive Brethren and others caused when they sought to subvert our electoral laws.

Hon Tau Henare: What about the hundreds of thousands of dollars taken off union members to pay for a Labour campaign?

CHARLES CHAUVEL: Mr Henare might think it is not a matter for concern. He thinks we should not concern ourselves with it, but members on this side of the House are always concerned when anybody tries to buy our electoral system. We should never permit it, and any member who thinks to the contrary is not participating in this debate in good faith.

Hon Tau Henare: What about $400,000 taken from union members and given to the party?

CHARLES CHAUVEL: Mr Henare's interjections just remind us that what the Exclusive Brethren did was done in cooperation with his political party; that is not easily forgotten on this side of the House. The conduct that I am talking about, cooperated with by the National Party, did enduring damage. If the damage is to be repaired, the need for appropriate, continuing transparency in our electoral law needs to be properly respected.

In the United States there is a constitutional guarantee of freedom of expression. It is found primarily in the First Amendment to the Constitution. But even in the United States, that temple to free expression, it is recognised that there is a public interest in limiting the amounts that wealthy individuals or groups can spend to disproportionately influence the result of elections, and that the guarantees contained in the First Amendment are not absolute. It has been interesting this year to watch, in particular, the struggles that have occurred on this question. These struggles have occurred since the 1970s, when Congress and the President first started to attempt to regulate campaign finance.

The latest developments have included the Bipartisan Campaign Reform Act of 2002, commonly known as the McCain-Feingold legislation. At the point when that legislation was signed into law by the second President Bush in 2002 it was thought that, finally, a bipartisan and satisfactory compromise had been reached on the question of campaign finance. Unfortunately, that ignores the regrettable ultimate success of attempts over many years to stack the United States Supreme Court with extreme right-wing jurists from one particular philosophical direction. Earlier this year, significant parts of the McCain-Feingold legislation were struck down. That decision, *Citizens United v Federal Electoral Commission*, is widely reviled. It has been rejected by commentators and learned academics, but also by some 80 percent of Americans, who think it is wrong. They know that it will lead to an avalanche of soft money from wealthy corporate interests to skew the mid-term election results, which are due in November. People who want to see the United States make good progress on legislation—for example, to allow it to impose emissions limits on greenhouse gases—

know that this decision, striking down the soft money provisions of the McCain-Feingold legislation, will make that prospect much, much more remote.

There is a clear analogy with the parallel campaigning loophole that appears in this bill. We in this House all know that big business in New Zealand does not like MMP and would like to see the back of it, because it does not allow for the imposition of its will, as the previous system did and many alternative systems would. Many have assumed that this dislike is what lies behind the National Party's decision to promote this referendum, which is why so many of us have been impressed by the way that the Minister has none the less largely managed to come up with what looks like a fair process. But we should be concerned that the Minister appears, on this issue, to have been forced to sacrifice true and complete transparency for the participants in the referendum process by allowing for parallel campaigning and by failing to provide for spending caps.

I end by making it clear that the interests of democracy require us to remedy this defect as the bill proceeds. If it is not fixed, the bill will fail to retain the widespread support across the House that good electoral reform needs to attract.

DAVID GARRETT (ACT): I was not planning to speak in this debate on the Electoral Referendum Bill, but I am still green enough to be greatly gratified when I come down to the House and hear sensible speeches from all sides.

Todd McClay: Catherine Delahunty shuddered when you said you were green.

DAVID GARRETT: Oh, perhaps the Greens have not spoken yet. I came in when Mr Tremain was speaking, and he reminded me of my own experiences, politically. I think I will also promote a chortle from members opposite by confessing that my father was an ardent Social Crediter—perhaps that explains it all, some would say— and he was hugely frustrated by the fact that Social Credit got 20-odd percent of the vote on occasion, and, as Mr Tremain said, only ever got two MPs. Under no stretch of definition can that be called democracy. They were, perhaps, odd individuals. I witnessed a few at the house in Stout Street, but nevertheless, that was their view, and they were citizens of this country. Likewise I remember very well the New Zealand Party in 1981, which I think was the first symptom of disquiet among the population about the skewed results that first past the post produced, to the benefit of both of the major parties.

Of course, the MMP parties, as we have come to be called, did not exist then, because that was damned near impossible. When we think about it, we realise it was rather heroic of the Social Crediters to manage, against all odds, to get even two MPs, given that the system was against them.

The New Zealand Party was the first sign, I think, and the Muldoon domination prior to the 1984 Lange Government again promoted disquiet and upset. I personally marched in the streets against Mr Muldoon, as he was then known, bringing nuclear ships in during the winter. He always did it in the winter, because it was hard to protest then. He did it in June and July, and I recall standing in the rain down by the railway station there, in protests for a couple of years running. He delighted in replying to letters and, no matter how much thought we put into them, even if it was only a page and a half, we would get back one line from the secretary, reading: "Your concern is noted. R.D. Muldoon." So we ended up with an MMP system, which, as Mr Chauvel has said, is not perfect. Ms Dalziel's contribution was quite valid, as well.

Our party's position is very simple, and it is that the people should decide. We believe in democracy. As Mr Henare said when interjecting on Mr Chauvel, we find this obsession with big business quite amusing, especially since the ACT helicopters have long since been sold, and none of us received our Mercedes, although I was hoping and asking for a powder-blue one when I was chosen for the honour of being No. 5 on the

list. The idea that big business backs us, and that our fat-cat mates are writing us out cheques for $1 million every couple of weeks—oh, that it were true!

We are very happy to let the people decide. I disagree with Mr Chauvel that it is premature; I think it is probably about the right time for the people to have a say. As he has said, the number of fringe parties or MMP parties—whatever people like to call them—is reducing. Mr Anderton is off to contest the Christchurch mayoralty, although he has not announced it, and I think the coiffed fellow who normally sits in front of me will probably go to his well-earned retirement next year. That will leave a spectrum from National on one side, to the Māoris, us, the Greens, and Labour, which probably reflects the bell curve of New Zealand opinion on many issues. Of course, there are cross-party issues as well. As the Hon Pete Hodgson also said very correctly, the spectre of the Knesset—I believe the "k" is actually pronounced—with 30 parties and elections every 3 months, has never happened here because of the MMP system.

We are happy to put the system to the vote. It is probably no great surprise to the House to hear that individual members of our party differ on what they prefer. It may surprise the House to hear, though, that a number of our party are in favour of first past the post, which would almost certainly mean our electoral oblivion. But the principle that the people should decide is more important than that, so we will certainly be supporting this bill being referred to the select committee, and almost certainly beyond that. Thank you.

PAUL QUINN (National): I start by saying that for me it is indeed a humbling privilege to be able to serve as a member of Parliament in this House, and it is a further privilege—and one that I treat with great honour and care—to have been appointed to the Electoral Legislation Committee. However, although I hope to contribute fully to the discussion and decision-making process on the Electoral Referendum Bill, I may not be able to say—as one speaker from the other side, Pete Hodgson, said—that I was responsible for this and that. Even if I could say that, I guarantee that I will not be able to stand here and say that when any further bill is reviewed.

I next congratulate the Minister of Justice, who I think has done an outstanding job in maintaining an even hand across Parliament and bringing this bill before us with the support of all the parties, in terms of the consultation he has undertaken and the support he has obtained thus far for the process that we have embarked upon. The commitment that he has led is to be held—I say this because Chris Finlayson would not let me get away with not saying it—in stark contrast to what happened over the previous change to the electoral finance legislation. I assure the Opposition that the Minister will ensure that the same consultation and even-handedness that we have seen so far will carry on.

Obviously I think, unlike the previous speaker from Labour, that it is timely that this review takes place. When MMP came in, many—in fact, I think, the vast majority—of the populace were of the view and understanding that a review would be held sooner rather than later. Clearly, as time passed, people agitated for that review to be held. National made a commitment to do so in its election promises; I think it might have been the last promise that we made when we went to the people at the 2008 election. So it is good that the review is to take place.

The only other comment that I really want to make is that the most important thing in a democracy is to have freedom of expression and freedom of speech. We have heard comments about a spending cap. I say what is important is that people are able to express themselves freely and frankly in any form that they choose. Whether that is a contribution by way of money or by way of labour—by putting themselves forward as volunteers to deliver pamphlets—so be it. People should not be restricted from being able to contribute in the way that they choose. We sit here and criticise people who choose to spend money as a way of contributing. For me, if we are to talk about a cap,

then it must be called a value cap, and everything must be valued—not just the dollars. Let us talk about a value cap, because everything needs to be balanced. As far as I am concerned, we should not run down people who contribute by way of donations. If that means costing volunteer hours, then so be it. If we are to put caps on, we should put caps on everything. With those few words, I say I look forward to deliberating and receiving submissions on the bill in the select committee. Thank you.

PHIL TWYFORD (Labour): A number of colleagues have prefaced their comments this afternoon by saying what a privilege it is to be contributing to this debate about our democracy. I want to add my name to that list; it is a privilege. It seems that we have been talking about democracy a lot in recent times. We have been discussing, for the last year, really, in a kind of running battle, the future of Auckland's democracy. I am very, very aware of how strongly people in my city feel about the changes that are being made to their democracy.

Hon Dr Jonathan Coleman: Is that North Shore, Waitakere, or Auckland?

PHIL TWYFORD: To Auckland City. We have also been debating the plight of Environment Canterbury, where elections have been suspended for 3½ years. Feelings are running high in Canterbury right now.

Looking further back from this debate, I think that the consideration of the Electoral Referendum Bill really comes against the backdrop of the 2005 election and the chain of events that a number of colleagues have already referred to, which saw the "hollow men", as we have come to know them, and particularly the Exclusive Brethren, spend upwards of a million dollars trying to buy the result of an election campaign. Since then, there has been the rather unhappy progress of the Electoral Finance Act, and to my mind the really unfortunate failure of this House to build a lasting consensus about the need to limit the influence of big money in our political system.

So that is the backdrop. My colleague Charles Chauvel has already commented on Labour's view that this review is perhaps premature, but I will nevertheless add my voice to those who recognise that the Minister of Justice has been responsible for running the process that has led to the bill this far, a process that has been fair, reasonable, inclusive, and transparent. I think that the credit that Simon Power has had in this House and from commentators outside is well deserved; the process, I think, is good.

As we know, the bill sets out a process for two referenda. The first referendum will be held in conjunction with the 2011 general election, and will offer voters the opportunity for change. It will ask them whether they want to continue with MMP or whether they would like to choose one of a number of alternative electoral systems—and those are the systems that were dealt with by the royal commission. If MMP wins the 50 percent or more that it needs, it will be retained, and that would then trigger an independent review by the Electoral Commission. If the change option wins a majority, then we will see a second referendum, to be held in conjunction with the 2014 general election. I think that that gives people plenty of time to debate the issues and to try to build a consensus. As I said, I am of the view that that is a fair process.

I particularly want to recognise that out of the debate and out of the consultation, we have a second track in this bill that will allow a review of MMP. On this side of the House, members felt that that was extremely important, and I acknowledge the fact that that review has been built into this bill. I also cut my teeth politically during the Muldoon years, as did a number of colleagues. David Garrett, Chris Tremain, and others have said they were influenced by the Muldoon years, and often felt that New Zealand was living under a kind of dictatorship during the 1980s that went on for ever and ever.

I think that in many ways, for many of our generation, it was that experience that whetted the appetite for electoral reform. There is no doubt that the actions of

Governments in the 1980s and 1990s sharpened the hunger of New Zealanders for electoral reform that would deliver a more consultative, democratic, and representative system. In the years after the MMP system was introduced, it was often difficult to find anybody in New Zealand who would actually admit to having voted for MMP. Those initial years after MMP came in were quite rocky, and we had to wonder at times whether the system would last, because the level of public disenchantment was so high. But I, as an MMP supporter, am glad that successive Governments and Parliaments have got much better at managing MMP and have learnt how to make the system work. It is gratifying to me to see that the level of public support—that which is indicated by the polling, anyway—shows that the public feel, I think, pretty good about MMP. Nevertheless, I am sure they will relish the chance to have their say in those referenda.

I think, as others have said before me, that MMP has delivered a much more representative Parliament—a Parliament that looks much more like New Zealand—and I think that that is hugely important. It is also mathematically representative, in that perhaps of all the systems on offer, MMP is truly representative when we do the numbers. That gives it a legitimacy that is important, especially if we are concerned about stemming the downward trend of voter turn-out.

So I think that for all those reasons, I am a fan of MMP. I know that some people feel that it has not delivered the kind of desired consensus politics, the kind of conflict-free cooperation, that some people had misty eyes thinking about, when they thought that that would be delivered by MMP. It has not delivered that, but in spite of some of the more frustrating aspects that we see—the tail wagging the dog, etc.—I still believe that MMP has produced a much more inclusive and negotiated politics that is good for New Zealand.

So I will be supporting MMP in this referendum. Under clause 56 of the bill, we see that when the Electoral Commission does its review, it will examine some of the more irritating aspects that the public often raise—for example, the question of the 5 percent threshold that has allowed ACT to have five MPs in this House, even though it earned 1 percent less of the popular vote than did New Zealand First at the last election; and New Zealand First, as we know, is no longer here. I think that particularly is one of the aspects of MMP that needs review.

I do not have strong views about the overhang or dual candidacy. I think it would be interesting to see a review of a party's ability to determine the order of candidates on the party list. We do not have a fixed view on that, but perhaps it would be more democratic, in the way that a primary election is, to allow the public a say in determining party lists. I think there is quite a lot of interest and support out there for that.

I want to also comment, as Labour and Green colleagues before me have, on the question of advertising rules, and the loophole in this bill that allows third parties, parallel campaigners, to pretty much have a free hand in spending whatever they want to spend in seeking to influence the outcome of this referendum. All that they have to do is to register, if they will be spending more than $12,000. I think that that is simply not good enough. I support Paul Quinn's idea of a value cap; that would be fine. Actually, most people who contribute voluntary labour to an election campaign like this would contribute nothing like the kind of value that big business and wealthy donors are capable of contributing. It is a nonsense to say the issue is simply about freedom of expression. There is a balance to be struck here between freedom of expression and people who will wield undue influence in our democratic process. This bill does not appear to even recognise that there is a balance to be struck. As Charles Chauvel said, even in the United States, which we always reference as the place where big money

corrupts the election process, there have been serious efforts in recent years to regulate and protect freedom of expression.

HEKIA PARATA (National): Tēnā koe, Mr Deputy Speaker. Tēnā tātou e te Whare. It is most appropriate that today we are discussing the first reading of the Electoral Referendum Bill. Many of us in this House today are wearing a red poppy in remembrance of the Anzac soldiers who went overseas to many wars, to fight for the very rights that underpin the notion that this referendum bill is about. It is appropriate that we recall that they made sacrifices. Many of them sacrificed their life, and their families at home anguished and waited for news of whether they would return home. The soldiers went with the notion that they were fighting for things like democracy, like constitutional integrity, and like the right to equality in their homeland. In fact, in the 1930s Sir Apirana Ngata, a former National Minister, wrote a very poignant essay called *The Price of Citizenship*, in which he exhorted the establishment of the Māori Battalion and said that if we wished to have the rights of citizenship in our country, we should also participate in the obligation to fight for the integrity of our system in New Zealand. It is appropriate that we should wear the poppy today, and that we should spend Sunday commemorating not only those people, who are part of every family in New Zealand, but also the particular principle of democracy that their valour and commitment represented.

Today we are also honouring the social contract that many New Zealanders understood to have been entered into when MMP was first passed as an electoral system in the mid-1990s: that they would have the opportunity to review whether this system was serving us well and meeting our expectations. It is appropriate that we should honour, as our party does, the commitment we made at the 2008 election to conduct a referendum to see whether New Zealanders remain satisfied with this system and, if not, which other system they might wish to have in order to protect their democracy and their democratic expression in the new century. It is right that we should honour, as I said, those Anzac soldiers who all put their lives at risk, so that we might maintain a democracy here in New Zealand.

Like previous speakers, I too commend the Minister of Justice, the Hon Simon Power, for the integrity and commitment that he has shown to working across parties on an issue that should not be driven by partisanship, but should be driven by our combined and unified interest in providing for our country a system in which all New Zealanders can enjoy confidence. Therefore, I commend this bill to the House. Kia ora.

Bill read a first time.

Bill referred to the Electoral Legislation Committee.

COPYRIGHT (INFRINGING FILE SHARING) AMENDMENT BILL

First Reading

Hon SIMON POWER (Minister of Justice): I move, *That the Copyright (Infringing File Sharing) Amendment Bill be now read a first time.* At the appropriate time I intend to move that the bill be referred to the Commerce Committee for consideration.

This bill repeals section 92A of the Copyright Act 1994 and amends Part 6 of the Act to provide a fair and effective regime for the enforcement of copyright against illegal file sharers. The Copyright Act facilitates the earning of revenue from creative works, in turn encouraging the investment of that revenue into the production of more creative content. Copyright owners are granted exclusive rights to exploit their creative works for a limited period of time. Ensuring strong legal frameworks for intellectual property rights contributes to achieving this Government's goals of fostering economic growth

and encouraging our creative industries to provide new and innovative products to New Zealand consumers and abroad. However, copyright owners currently lack an effective enforcement measure against illegal file-sharing.

File-sharing technologies link together Internet users who have access to copyright works, and they facilitate the quick and easy transfer of a copy of a work such as music, films, and software to many other users. A 2009 study commissioned by the Recording Industry Association of New Zealand identified an average of 5,000 potential infringements a day, using a limited list of sound recordings. The Copyright Act provides that the communication of a work and the copying of a work without the authorisation of the copyright owner is a breach of copyright. Many file sharers communicate or copy a work without seeking permission from or paying the copyright owner. This sort of activity can, therefore, constitute a breach of copyright under the Act.

As I am sure that everybody in the House this afternoon is aware, New Zealand's creative industries are a significant part of our economy. The advice I have is that in the 2008 financial year the New Zealand screen industry recorded gross revenue of $2.7 billion. However, the creative industries have experienced significant declines in revenue, as file sharing has become more prevalent. This Government wants to ensure that our creative industries can derive maximum economic benefit from the investment they put into the production of new copyright works. Current enforcement measures in the Copyright Act are ineffective at remedying the problem, as the cost of legal proceedings outweighs the amount a copyright owner may be awarded by a court for file-sharing infringements. Court proceedings are further complicated by the requirement for copyright owners to obtain an order requiring the file sharer's Internet service provider—or ISP—to release the file sharer's contact details to the copyright owner before being able to take court action.

In 2008 the previous Government amended the Copyright Act to include measures to address repeat copyright infringement over the Internet. The Copyright (New Technologies) Amendment Act inserted section 92A into the principal Act. It required Internet service providers to adopt and reasonably implement a policy to terminate the accounts of repeat infringers. In March 2009 this Government ordered a review of section 92A, as it became clear that that section would not be workable. This bill proposes amending the Copyright Act to provide a fairer and more effective means for copyright owners to enforce their rights against file sharers.

The bill provides that Internet account holders who are matched with evidence of alleged copyright infringement must receive a detection notice from their Internet service provider. After a second alleged infringement, a warning notice is sent to the account holder. A third alleged infringement will result in an enforcement notice. It is only at that point that a copyright owner may take enforcement action by seeking a compensation award at the Copyright Tribunal, or by seeking the suspension of an infringer's Internet account for up to 6 months in the District Court. The bill provides time frames between notices to allow Internet account holders a reasonable opportunity to stop the infringing activity. Account holders who ignore warnings and continue infringing between notices will be liable for those infringements if enforcement action is taken against them at the Copyright Tribunal. There will be opportunities at all stages of the notice regime for an account holder to dispute notices, and there will be an opportunity for a repeat infringer to request a hearing if enforcement action is taken against him or her at the Copyright Tribunal. Notices must also contain information to educate the recipient about illegal file-sharing to deter further infringing activity. The bill ensures that where a copyright owner seeks suspension of an Internet account for up to 6 months in the District Court, an account will be suspended only after the account

holder has received a third notice and in appropriate circumstances. The factors a court must consider when determining whether to order an Internet account suspension include the account holder's reliance on access to the Internet and the seriousness of the infringement.

The bill also includes a separate definition of "Internet service provider" specifically for the new regime. This definition covers only traditional Internet service providers—like Telecom—that are technically capable of performing the evidence-matching and notice-sending requirements in the bill. Universities, libraries, businesses, and providers of transient Internet access, such as Internet cafes, are not considered Internet service providers under the new definition. As account holders, however, they will still be required to address infringing activity occurring on their networks.

The proposals in this bill were formed by the Ministry of Economic Development in consultation with the Ministry of Justice, Treasury, the Ministry of Foreign Affairs and Trade, and the Privacy Commissioner. Stakeholders from the creative and telecommunications industries have also been consulted closely on the new regime, and the public were invited to comment on proposals.

It is fair to say that the impending commencement of the original version of section 92A just over a year ago aroused some very passionate responses, particularly from the Internet community. By taking the time to stop and listen to stakeholders and members of the public and then to act, I am of the view that the Government has arrived at a more broadly acceptable solution. I commend this bill to the House.

CLARE CURRAN (Labour—Dunedin South): I congratulate Minister Simon Power on all the hard work that has gone into the Copyright (Infringing File Sharing) Amendment Bill. It has been quite a journey, and I acknowledge and recognise the genuine commitment that has taken place to get to this point.

Copyright in 2010 has become a brand or code. The prevalence of illegal downloading, both in New Zealand and globally, is a very real and important issue. The balancing act between protecting the rights of the creators of content and allowing and encouraging access to information and material is a delicate and increasingly tricky issue that is currently exercising the minds of parliaments across the world. Who owns intellectual property, who should have access to it, how they should have that access, and what should be the penalties for infringing the rules governing that access are all very live issues that are being hotly debated.

I have three main points to make. Labour supports the referral of this bill to a select committee. It is pretty much a sensible bill that has achieved the difficult task, as the Minister of Justice has said, of gaining support across all of the major stakeholder groups. It does not have their full support, but it has support nevertheless. Labour does not support certain aspects of the bill. We question whether the bill will achieve what it sets out to do; there are bigger issues at stake. What lies at the heart of this debate and is the core reason for the bill is that thing called the Internet. The Internet, the most important social and technological development of the previous two decades, is a global resource linking thousands of millions of users to each other, all sharing information. It is the sharing of information that is the issue here.

Labour supports our local artists, musicians, and creative industries whose successes have shaped the very face of New Zealand internationally. There is a general consensus that repeated copyright infringement of creative works requires a penalty. It is the nature of this penalty that Labour wishes to address, amongst other things, at the select committee.

Estimating the cost for rights holders affected by copyright infringement is not straightforward. Technology is changing quickly, and consumers react to change in ways that some people in the creative industry are struggling to understand and cope

with. When considering this bill, the regulatory impact analysis team considered that although there was a case for intervention, uncertainty about the scale of harm being done by illegal file-sharing meant that the impact analysis did not point to a preferred option. In other words, the case has not clearly been made that sales of music and movies via the Internet are decreasing due to illegal file-sharing.

Labour believes that the Government should be an enabler, not an inhibitor, of creativity and connectedness. The Internet has irreversibly changed our relationship to content; there is no going back. We cannot put that genie back in the bottle. Labour supports the general aim of the bill to enable creativity by placing responsibility on consumers to respect copyright, but without overly inhibiting the rights of citizens in a democratic society to access and participate in the Internet.

So what does this bill do and what will it achieve? It amends the Copyright Act 1994 to provide new enforcement measures against the unauthorised sharing of copyrighted material via the Internet. It repeals section 92A of the Act, which would have required Internet service providers to adopt a policy providing for the termination of a repeat infringer's Internet account. Labour developed section 92A with the best of intentions, and notes that it was supported by National in this Parliament in 2008. However, it must be acknowledged that intense and widespread public reaction to the introduction of section 92A led Labour to conclude early last year that the issue needed to be readdressed. We moved quickly after the election to acknowledge problems with it, and consulted widely with stakeholders. We realised that, despite the good intention of the original Act, the requirement for stakeholders to develop a workable code of practice to terminate Internet accounts on the basis of copyright infringements had some serious flaws. We pressed the Government to address the issue, and supported its decision to take another look at section 92A.

The revised version, this bill, goes some way to addressing the issues of the sharing of copyrighted material via the Internet. This is because it provides for an education and enforcement regime. The bill contains many sensible provisions and we support it, but we are strongly opposed to the provision for suspension of an Internet service provider account, which is, firstly, in principle unacceptable, as it impinges on freedom of speech and freedom of assembly, and, secondly, in practice, is ineffectual as a deterrent and unworkable because the convicted person can just sign up with another Internet service provider.

In France, which has legislated to disconnect Internet accounts for copyright infringement, preliminary findings about the effects of the law have found that it has not been successful in deterring copyright infringement. Researchers at the University of Rennes found that the overall piracy by French Internet users has actually increased. There are a number of matters in this bill left to regulation—in particular, the costs payable per infringement and how those costs will be recovered. Public consultation needs to be undertaken on this. It must be a priority for this Government to clarify the relationship of the Anti-Counterfeiting Trade Agreement to New Zealand's copyright laws. The digital copyright aspects of the agreement risk introducing enforcement practices and restrictions on content that otherwise balance existing copyright via the back door.

Finally, enacting this bill will not address the fundamental issue of copyright infringement and unauthorised file-sharing. The digital age has meant that corporations that have traditionally controlled and managed the distribution of creative content are losing control of that distribution. As I said, we cannot put that genie back in the bottle; it is widespread. I challenge any members of this House to say that they do not have a family member or friend who engages in illegal peer-to-peer file-sharing. Let me give members an example. The Academy Award best picture winner, *The Hurt Locker*, was

released in United States theatres on 26 June last year, and on DVD on 12 January this year. It was nominated for an Oscar, and last month it won the Oscar for Best Picture. This all occurred before the movie was available legally in New Zealand. In fact, it took another month before it was released into cinemas in New Zealand, on 1 April. Surely an industry that claims to be adapting and satisfying consumer demand would have released the movie sooner. Just to illustrate this point, a copy of the movie was released on the underground pirate scene in January 2009. In this digital day and age, what does the industry expect people will do?

The conventional wisdom of traditional rights holders, such as the big distribution companies and the music and movie industries, holds that withdrawing Internet access for persistent copyright infringers will protect the revenue and livelihoods of musicians and artists. Yet the prevalence of illegal file-sharing across the world is the result of the market's inability to control and distribute content, rather than the infringing behaviour of hundreds of thousands of New Zealanders and millions of people across the globe.

However, Labour believes that the ability of copyright holders to protect their rights in the digital age is a fundamental issue that needs to be addressed, given the transformations that have occurred in technology and the inability of the existing laws to respond adequately. The Government should invest in enabling New Zealand content creators to use new technologies to promote and distribute their work to national and international audiences in such a way that allows them to build profitable and sustainable businesses. That means supporting new business models instead of propping up old, outdated ones. One such online business using a different model is www.cdbaby.com, which is the largest indie music producer in the world. I have been advised that in a traditional record or distribution deal, musicians make only about $1 or $2 an album. When selling through www.cdbaby.com, musicians make $6 to $12 per album and get paid weekly. The people really losing out from these advances in technology are the large monopolistic corporations whose business models, based on outdated technology, are being disruptive. A more Draconian law risks locking in those obsolete business models, centralising control in a few corporations, and restricting artists' ability to be entrepreneurial and innovative in how they promote themselves and profit from their work.

Although Labour supports sending this bill to select committee, we do so with some qualifications. We believe that the Government should be an enabler of creativity in this country, not just an inhibitor. We look forward to the debate on these issues.

PESETA SAM LOTU-IIGA (National—Maungakiekie): I rise to support the first reading of the Copyright (Infringing File Sharing) Amendment Bill. I acknowledge the Minister of Justice for bringing the bill to the House, and for taking the time and consideration to consult stakeholders in the industry who are affected. I believe he is bringing in the right type of solution for the issues involved.

As has been stated, the Copyright (Infringing File Sharing) Amendment Bill amends the Copyright Act 1994 to provide new enforcement measures against the unauthorised sharing of copyright material via the Internet. Infringement of copyright, as has already been stated in the House, is facilitated by digital technologies. It is cheap to produce multiple copies that are indistinguishable from the original, and the Internet speeds up distribution. The magnitude of the problem makes it too difficult for some rights-holders to eliminate it, and the phenomenon is increasing despite existing regimes dealing with copyright infringement.

As an example, an average of 200,000 movie and television files are shared each month in this country, according to the New Zealand Federation Against Copyright Theft (NZFACT). A NZFACT survey found that two in five young people have downloaded illegal copies of movies for free, and young men and those aged 15 to 17

are more likely to be the offenders. Another survey, commissioned by TelstraClear of more than 1,000 New Zealand Internet users aged 18 to 70, found that every respondent—every respondent—had downloaded copyrighted material at least once in the year to June 2009.

Many people consider that sharing and downloading is harmless, but my contention is that it impacts on creative industries, the New Zealand economy, and the reputation of our country in foreign countries. The recording industry in New Zealand is obviously one of the creative industries most affected by illegal downloading. It is expected that similar large-scale effects will also damage the screen sector as broadband availability increases due to the Government's programme around broadband.

This bill will repeal section 92A of the principal Act and replaces it with a three-notice regime, which is intended to deter illegal file-sharing. This amendment puts in place a fair and balanced process to deal with online copyright infringements occurring via file sharing. The major feature is the three-notice process, which educates the public about illegal file-sharing and provides effective methods for copyright owners to enforce their copyright. The bill also ensures that file sharers are given adequate warnings that unauthorised sharing of copyright works is illegal. I repeat that unauthorised sharing of copyright works is illegal. The bill also extends the jurisdiction of the Copyright Tribunal, enabling it to hear complaints and award penalties of up to $15,000, based on the amount of damage sustained by the copyright owner.

I look forward to discussing this bill with my colleagues on the Commerce Committee and I support this bill in its first reading. Thank you.

CHARLES CHAUVEL (Labour): The Copyright (Infringing File Sharing) Amendment Bill will repeal section 92A of the Copyright Act, which was introduced in the Copyright (New Technologies) Amendment Act 2008. In so doing, it aims to deter illegal file-sharing, holding individual account holders liable for their actions rather than Internet service providers, and compensating copyright holders for damages caused by illegal file-sharing. At the same time, it aims to educate the public about the problems caused by such copyright infringements.

Labour holds in high regard the right of individuals to have their innovative creations, whether they are in the form of music, films, or other entertainments, protected. Because of the importance that we place on protecting intellectual property, we will do our bit to curb illegal file-sharing by supporting the referral of the bill to the Commerce Committee. But our support for the bill does come with several reservations, particularly around the issue of the suspension of Internet users' access, the amount of detail in the bill that is left to regulation, and the bill's general lack of clarity in certain circumstances.

When Labour was last in Government, we recognised the seriousness of the issue of Internet piracy by implementing section 92A of the current Act, which requires Internet service providers to suspend the accounts of repeat file-sharing offenders. This was done, as I think has been recognised across the House, with the best of intentions, just as I believe that it was supported by the National Party on the same basis. Clearly, after widespread public discussion, the House has come to the realisation that that section is particularly problematic. It was referred to on the Net as the "guilt upon accusation", law because it gave the potential for Internet users to have their access suspended without due process.

This bill seeks to remedy this unjust situation by implementing a "three strikes" system, whereby three notices will be given before an account is suspended.

David Garrett: Very sound!

CHARLES CHAUVEL: Perhaps this is one occasion where "three strikes" might make a tiny iota of sense, although not in any other public policy area, I say to Mr

Garrett. Although this process, hopefully, will give fair time in which to change the behaviour, along with the opportunity for offenders to learn about the damage caused by illegal file-sharing, we still have the issue of suspension, which is problematic. In our view the regime is generally more equitable, and we do look forward to hearing what the public have to say on the provisions at the Commerce Committee.

It is important to note, as I referred to earlier, that Labour sees certain aspects of the bill as being inequitable. A particular example is the suspension of Internet access. The provision in the bill regarding suspension is, as InternetNZ has said, unworkable and unnecessary, as Internet users can simply start new accounts with other Internet providers if they are cut off. It is also arguable that the suspension of Internet access breaches important human rights, such as the freedoms of expression and assembly. It is interesting to note the evolving academic debate on the role of the Internet and the dissemination of information through it in a human rights context. It is important to keep in mind how to protect and uphold such rights in a contemporary context.

Along with the issue of access and the Internet's relationship to human rights, there are several other reasons why Labour supports the bill only as far as its referral to the select committee. These include the loose definitions of Internet service providers and of what suspension would actually entail, and the amount of the bill's detail that would be left to regulation. We hope that the select committee process will be able to bring about some constructive development of these rather vague parts of the legislation, and I am sure that the Minister will welcome careful consideration of these issues at the committee.

The bill affords the House an opportunity to get things right in this increasingly important area. We should seize that opportunity and make every effort to balance in an appropriate manner the competing rights and interests that are at stake. I look forward to the Commerce Committee hearing the evidence and reaching what I hope will be, on this occasion, satisfactory and enduring conclusions.

GARETH HUGHES (Green): Kia ora, Mr Deputy Speaker. I am happy to take a call in the first reading of the Copyright (Infringing File Sharing) Amendment Bill. File sharing is a fact of modern life. Internet service providers say that sometimes at night 90 percent of Internet traffic is illegal file-sharing. The Internet has built connections and increased global communications as significantly, if not more, than the telegraph. It has contributed to more collaborative ways of working. The Internet has revolutionised business and the global economy. The Internet has unleashed fantastic creativity, from the arts to academia and business.

However, in many cases making a business out of creativity is not a viable proposition, because of illegal file-sharing. The Green Party supports this bill at its first reading because although it might not solve the problem, it will play a part in the solution and send a good message that what is happening is illegal and is damaging New Zealand creatives and Internet entrepreneurs. This bill is an affirmation of New Zealand creativity. At the moment, essentially, the only sector making money out of Kiwi musicians' and Kiwi film makers' hard work is Internet service providers. If we want a growing, viable, and exciting Kiwi music and movie industry, we have to protect musicians' and film makers' rights to make a living off their work. A whole generation has grown up not paying for film or music, but this is not sustainable.

The Internet has created a new digital economy. This bill will help entrepreneurs to maximise the Internet as a means of making their living. Other countries that have implemented file-sharing protection along these lines, such as Sweden, have seen legal music services increase dramatically. Companies that once were not viable now are. New technologies like the Internet mean we need laws that allow new business models

to develop and flourish. This bill is a first step in that direction and it will not be the last before this House.

This bill amends the Copyright Act 1994 to provide new enforcement measures against the unauthorised sharing of copyright material via the Internet. It repeals section 92A of the Act, which was not brought into force but would have required Internet service providers to adopt a policy providing for the termination of repeat infringers' Internet accounts. In summary, it cleans up the mess that was made by the previous Government regarding section 92A. This bill goes incredibly far towards the demands set by the Creative Freedom Foundation and others in response to the Draconian section 92A, which was put forward during the last parliamentary term. It repeals the existing section 92A and replaces it with a notice system that copyright holders can then use to go to a tribunal and ask for penalties for repeated copyright infringement. The Green Party was the only party to oppose section 92A at every stage in the House and to offer genuine amendments to fix it. This bill removes the onerous definition of "Internet service provider" and the awkward way they were being made into police, jury, judge, and executioner, and all at their own cost. On balance, our concerns have been conscientiously addressed and the Minister of Justice, Simon Power, is to be congratulated.

We still have some niggles with some of the definitions and with the service cut-off provision, which many think is pointless. There are also issues about how open wireless points can be handled, and the kinds and level of fines to be issued within the statutory limit. We were also interested in looking at the termination issue. Even if infringers have their connection terminated, they can still switch providers. I believe questions can be rightfully asked, such as those asked by Bronwyn Holloway-Smith of the Creative Freedom Foundation, about whether the Internet is a core, vital public service. We would not terminate someone's right to post a letter. We look forward to looking at this bill in detail at the select committee and the Greens will be supporting it.

This bill is an essential part of protecting Kiwi creatives and it strikes a sensible balance between Internet service providers, copyright holders, and file sharers. We still have some way to go to change the culture of file sharing in New Zealand. A survey on movie file-sharing amongst young New Zealanders commissioned by the New Zealand Federation Against Copyright Theft found that a notice from their Internet service providers would be enough to stop 71 percent of young people from further accessing illegal copies of movies. Along with the notices and potential financial penalties outlined in this bill, education is important. My generation has grown up with a culture of file sharing. I probably have watched illegally downloaded material and shared files that breach copyright. In many cases, people simply are not aware that what they are doing is wrong or that the material they are accessing has been provided through illegal means.

Unlike the previous amendment bill, this bill has widespread public support from the Creative Freedom Foundation, InternetNZ, the Library and Information Association of New Zealand, and the Australasian Performing Right Association. The Australasian Performing Right Association speaks for our Kiwi creatives. It says that it is not its intention to cut people off from the Internet; rather, it is to continue to allow creatives to make a living from their skills, knowledge, and energy. Sure, musicians can make money from performing live on the street, as they always have and always will, but they cannot be reduced to this as their only source of income, like some 19th century street musician. Screen Directors Guild executive director Anna Cahill has said: "New Zealand artists and audiences stand to lose unless the government strengthens the proposal to build a framework for stopping online copyright infringement."

Digital copyright protection is crucial for new digital business models to be successful. The bottom line is that the creators should be paid if they want, but Internet users also need protection and balance. The fact is that file sharing and downloading copyright files is now a social norm. Previously, the copyright enforcement agency required a court order to obtain the identity of the infringer from that infringer's Internet service provider. The costs of doing so often outweighed the possible damage or did not justify the effort.

Over the course of the Internet's existence in New Zealand we have missed a great opportunity to protect digital copyright and establish different social norms in this country. This has to be taken into account. It cannot be assumed that all infringers are brazen criminals trying to steal creatives' work for financial gain. Often it is one's brother, cousin, or boss. There are genuine repeat offenders who are doing significant damage to our creatives, and in many cases arguably deserve the potential $15,000 fine. These people know exactly what they are doing, they are aware of the illegality of it, and they are motivated by a sense of currently being able to get away with it.

We need some clarity around the fines schedule because it is unclear what level the fines will be. For example, the $15,000 maximum fine is modelled on the same limit as the disputes tribunal, and at present we all know that the amount will be based on damage to the copyright owner. But in practice how much will the fine be for a movie or an album? The public must be given some real figures. If the purpose of parading a maximum $15,000 fine is to scare the public into compliance then the education incentive of this bill will be lost.

In summary, the Green Party looks forward to submissions at the select committee. We will be voting for this bill at its first reading. Kia ora.

RAHUI KATENE (Māori Party—Te Tai Tonga): There is something about the "three strikes" approach that this Government cannot seem to get enough of. In this bill the "three strikes" rule is applied to illegal file-sharing. In the Māori Party all of us have children or mokopuna in our lives who would think nothing of sharing music, video, and game files over computer networks such as the Internet. In my day we might have borrowed cassettes or LPs—for those members who are too young to know, they are long-playing records.

Michael Woodhouse: It's a round vinyl thing, Gareth.

RAHUI KATENE: Yes. We could borrow those from our mates, but today's kids are accessing the latest hits online.

The amendment we are voting on today puts in place a fair and balanced process to deal with online copyright infringements, which are occurring via the process of file sharing. The process described is fair precisely because of this "three strikes" rule. The three-notice process is to give sufficient warning to file sharers that unauthorised sharing of copyright works is illegal. But the bill does not restrict itself just to warnings; it also puts in place—as we have been seeing more and more of, with the standard Government approach—an almost predictable series of sanctions and punishments.

The Copyright Tribunal will have an extended jurisdiction to enable it to hear complaints and award penalties of up to $15,000. The amount will be based on the amount of damage sustained by the copyright owner. The bill also enables copyright owners to seek the suspension of Internet accounts through the District Court for up to 6 months. Lest I give the impression of unreasonableness, I hasten to suggest that there is some leniency around time frames. In essence, account holders will have an opportunity to address illegal file-sharing activity occurring on their Internet connection before enforcement action is taken. The timing is also extended to challenge notices and may request hearings at the Copyright Tribunal to contest infringement claims.

We believe that this bill will be welcomed by the music industry as a weapon in the battle against online piracy. There are huge issues associated with the lack of intellectual property rights, not to mention the significant declines in revenue that the copyright owner would otherwise be entitled to. The extent of downloading by individuals is so severe that copyright owners claim that it is having a substantial economic impact on their businesses.

The interesting thing for the Māori Party will be to see how the range of measures introduced in this bill will be received. It is, of course, well known that the previous consultation on section 92A of the Act was widely condemned. One of those criticisms was that the legislation had no process allowing challenged Internet users to rebut a copyright owner's allegations. Under the new law, file downloaders who feel they have been wrongly penalised will be able to take their case to the Copyright Tribunal for free.

At the end of the day, the real key to the success of this bill will be in the way in which it is received by the people. We are told the bill is the result of extensive consultation with stakeholders. Time will tell whether that consultation has produced the positive results sought. To this end we will support this bill at the first reading, to enable the kōrero to be heard.

KATRINA SHANKS (National): It is my pleasure to take a call on the Copyright (Infringing File Sharing) Amendment Bill today. I acknowledge the work that the Minister has put into amending section 92A of the copyright legislation, and the solutions he has found. It is interesting that we are in a society now where digital technology is the norm, where information technology growth is the norm, where many houses have computers, and where our youth, from as young as 3, 4, and 5, can go on to computers and work them. They have access to the Internet. They actually go on to the Internet and on to Facebook. There are these amazingly interactive games on Facebook—

Grant Robertson: FarmVille?

KATRINA SHANKS: —even FarmVille, which is a fantastic game. I have to say that all my children are FarmVille people, as well, and there is nothing like virtual farming to really get in touch with one's constituents. We are in an era now where the Internet is the norm.

Michael Woodhouse: You are not in a rural constituency.

KATRINA SHANKS: No, I am not, but I do have some rural constituents in Ōhāriu.

Grant Robertson: Virtual or real?

KATRINA SHANKS: Virtual and real. We are in a society now where it is easy for people to talk to each and to share information online, and unfortunately part of that is peer-to-peer file sharing. Many people, especially those of the younger generation, think it is normal to share this information. They do not realise that there is a value on what they are sharing. They just share it very freely between each other as if it is the norm and there is nothing wrong with it. In fact, we know that over 2 million movie and TV files are shared every single year because the practice is considered normal and harmless.

But it is not harmless—in fact, there is great harm to those in the creative industries, not just globally but, more important, in New Zealand. New Zealand has a very small market in which producers can sell their local home-grown produce. The problem hits both our music and screen sectors. We have an incredibly, amazingly talented screen sector. We have incredibly talented producers; Ainslie Gardiner is an example. She is one of New Zealand's most successful producers. She produced *Boy*, which is the No. 1 movie at the moment after 4 weeks. It is only fair that such people get recognition for the work they do, that they get financial recognition for that, as well, and that their work is not taken and shared for free. Production does cost money, and people do make a

living off these sectors. It was interesting that in New Zealand a few years ago we had a movie called *Sione's Wedding*. It was leaked out, shared, and copied, and the producers estimated that that cost them $1 million in revenue. That is a lot of money for producers in New Zealand. So it is important that when we look at these problems, we look at them so that we find solutions that are fair for those who are producing, and for those who are users as well.

There was an outcry last year when section 92A, inserted by the Copyright (New Technologies) Amendment Act 2008 from the previous Government, was to be put in place. The outcry was basically over the termination of Internet accounts without evidence of misuse or users' opportunity to provide a defence. The outcry was "How can you take my IP address off me? How can you do that without me being able to defend myself, and without you proving that it was actually me who was downloading, copying, and passing on?". So last year our Government took a breath, stepped back, and did a review of section 92A. We put it out to public consultation. We looked at the key concern, the concern of the proposal to terminate Internet accounts.

It is interesting that two other countries have something in place already in terms of this matter. One is France, which terminates an IP address and has Internet suspension or a fine on the third offence, and there is Britain, which is going through the process now. It is consulting with its people and its Internet users as to what they think is fair and, on the other side, with its producers on what they think is fair, as well.

We have gone out and consulted with the public, and now we have this bill before the House. The big part of this bill is the three-notice regime intended to deter illegal file sharing. The bill is doing that by saying that Internet users will be given the opportunity to make that mistake once, twice, or three times, but after that stage we will take some action on it. There will be a reasonable time period before the enforcement takes place. The time frames will be prescribed, so that account holders will have an opportunity to address illegal file-sharing activity. A great deal of work has gone into finding a fair, effective, and credible process for the enforcement of copyright against illegal peer-to-peer file sharing. I support this bill in the House.

GRANT ROBERTSON (Labour—Wellington Central): It is a pleasure to rise and speak on this bill, the Copyright (Infringing File Sharing) Amendment Bill, and I will join in the love fest when it comes to Simon Power and his role in bringing this bill to the House. I think that the Minister deserves credit for having drawn together the work that has gone into bringing this bill forward.

As other speakers have noted, this bill has widespread support among those who are interested in this issue. That says quite something, because it was clear during the debate on section 92A of the Copyright Act that there was a great diversity of opinion, and some of it was very strongly expressed. I will briefly go back to section 92A. Although that section became extremely controversial, it was based on the belief that the issue of addressing copyright infringement and copyright abuse is important and that there needed to be serious consequences for those who infringe copyright. The section was also based on the view that we could come to a negotiated solution on this issue.

On that note, I credit the role of the Telecommunication Carriers Forum and Ralph Chivers from that group. He is no longer with it; he works for another large telecommunications organisation now. Mr Chivers and his group attempted to bring together some consensus on this issue.

A lot of people were involved in that process—the rights holders, the Internet service providers, and the consumer representatives—and significant progress was made towards a negotiated solution. What happened, however, was that people became very concerned, obviously, about the issue of the termination of accounts, and in the end it was not possible to come to an agreement. Taken away from the pressure of that

negotiation, taken out and put into a different process—which, as I said, Mr Power has led—a process has now been agreed on, and that is a good thing.

But I think the goal of section 92A is the goal that people have been speaking about today. People right across New Zealand want to make sure that our artists and musicians have the ability to make money from their craft, and to know that a regime is in place whereby people who abuse that will be brought to account. On the other side of the coin, those who use the Internet—which is, as many people have said today, a brave new world that we cannot control in the way that we may have been able to control other platforms in the past—need to be able to know that their rights will be protected, as well. I think credit is due to all of the stakeholders who have been involved in this process up until now.

A number of people have already spoken about what the bill does. I think it is important to note that there is a "three strikes", or three warnings, process, which includes a detection notice followed by a warning notice, should the Internet subscriber be accused of infringing copyright again. I think that those two notices are very important, because one of the most important parts of this bill is the notion of educating people who are involved in illegal file-sharing. It is quite clear—Mr Gareth Hughes and others have spoken about it—that a whole generation of people who do this are not even aware that what they are doing is illegal. There is a generation of people for whom, if something is on the Internet, it is theirs. They think that if it is there, then they can use it. We need to work very hard to build up the education of, particularly, people of a younger age about the fact that that material belongs to somebody. It ensures the livelihood of our musicians and artists. When those Internet subscribers are going after and trying to find the work of the people whose work they appreciate so much, it is important that they understand that point. I think that a three-stage process is a useful way of doing that.

The third stage of the process is the enforcement notice, which, as others have said, could see people being fined up to $15,000 or having their Internet account disconnected for up to 6 months. The process now also includes the ability for those who have been accused and who feel that that charge is unjust to go to the Copyright Tribunal at no cost. That is important as well. That is the second set of rights I was talking about earlier. We need to protect the rights of not only those who hold the copyright but also those who perhaps feel that they have been unfairly targeted. I think that is a good balance.

As previous Labour speakers have said, our point of view is that we have concerns about the disconnection provisions. I will not go back into all the details of those concerns, but I think that there will be a number of submissions on that matter at the select committee. People are particularly concerned about what it would mean. My particular concern about it is that it will not work, in terms of discouraging people from illegal file-sharing, because, as a number of other speakers have noted, people will simply go and sign up to another account. Many people have multiple accounts already. That is simply the nature of how people use and access the Internet.

I think we want to work towards mechanisms that will actually work in terms of discouraging people from illegal file-sharing. I think that education notices, and a process where people will see the consequences coming towards them, will stop people at different stages of that process. The reality is that some people, and perhaps some organisations, will not stop, because this sort of file sharing is what they do. It is illegal, it is criminal activity, and we will have to continue to look for and follow up those people in other ways.

What I want to make clear and to lay down on the record is Labour's support for the music and creative industries in New Zealand. I think that anyone looking back on the

record of the fifth Labour Government would have to acknowledge that Labour did a great deal to enhance the ability of musicians and artists in New Zealand to make a living. Last night we had the 21st birthday function for New Zealand On Air in the Banquet Hall of the Beehive, and the graph went up on the screen of the amount of New Zealand music being played on commercial radio. That amount is 20 percent, and it has been around the 20 percent figure consistently for the last few years. That is a direct result of the code of practice that was brought in between commercial radio and the Government under the fifth Labour Government. That was an important part of ensuring that that music is heard.

Also important was the creation of the New Zealand Music Industry Commission, which has helped to promote New Zealand musicians overseas. It has given New Zealand musicians the ability to break into new markets and to make sure that their product is heard across the world. The ongoing work of the cultural recovery package that Helen Clark oversaw when it came in has also been important. Those initiatives have all contributed to New Zealand musicians and artists being able to make their way in the world.

Labour stands beside New Zealand musicians and artists. In terms of copyright, we stand beside them in acknowledging that copyright is the means by which creators such as composers and songwriters make a living from their work. We will stand up and protect that right and the enforcement of that right. The legislation that is in front of us today will help with that. We certainly have concerns about the legislation, but it will help with that. What we have to do is to provide a mechanism that works—a mechanism that will discourage people from file sharing. We need to ensure that we work on the measures in this bill that will work, and, as I say, we have concerns about whether the disconnection process will actually work.

I will not delay the House much more. I note that we have a couple of other concerns about the bill. In particular, we are concerned about the fact that many of the details within this bill are left to regulations. I draw members' attention to Part 2, particularly the provisions of clause 10, "Regulations". There is a lot of confusion about what the fee that will be payable by copyright owners for applications to the tribunal will be, and we need to ensure that we get a lot more specificity on that part of the bill during the select committee process. We want to make sure that there is clarity.

I think that a good job has been done by the Minister to ensure that we have a bill we can discuss. The select committee process is now the chance for all those involved—rights holders, Internet service providers, and consumers—to put down any further concerns they have, and to ensure that we have a law that is workable for everyone, but one that, in particular, protects the ability of our musicians and artists to make a living from their work. That is the issue that I personally have the most interest in, and those are the people whom I will be standing up for as this bill goes through the House.

MELISSA LEE (National): I rise in support of this first reading of the Copyright (Infringing File Sharing) Amendment Bill. It is lovely to see that there is multiparty support for this bill.

Advancement in technology has made breaking the law easy. I mean that online copyright infringement is a problem for everyone. But I take this opportunity to speak for the creative industry, which I came from prior to entering Parliament. Without wanting to repeat some of the things that previous speakers have said, I tell the House that the creative industry has experienced a significant decline in revenue as file sharing has become prevalent. It is cheap to produce multiple copies of programmes or movies, copies that are indistinguishable from the original. Of course, the Internet speeds up the process and distribution. It was said previously by my colleague Peseta Sam Lotu-Iiga that 200,000 movies and television files are shared each month in this country—and I

believe that that amounts to more than 2 million in a year—according to the New Zealand Federation Against Copyright Theft. I have heard stories of people who have travelled overseas and returned home with dozens of pirated DVDs. I have heard stories of people downloading movies, yet to be released in New Zealand, from overseas websites, as the previous speaker from the Opposition has also said.

I am appalled by this behaviour, but with the advent of faster broadband I fear the problem may just continue to grow unless we do something about it. As a screenwriter in my previous life, knowing how long it takes to develop a script and to screen it, and the time and effort it takes for a film to be made, I know that this kind of theft is something that we need to stop. I fear for the cultural industries.

The recording industry is another industry that has been affected by illegal downloading. As an example of how prevalent and blasé people have become about this illegal downloading, let me share a story that I heard last night. I seem to have been at the same event that Grant Robertson was at, in the Banquet Hall last night, at which one of my favourite bands, Opshop, played. During a conversation with the Opshop boys I admitted that I had at least three copies of their CDs, which I had bought because I liked them so much. They then told me that they have had people come up to them and tell them, to their face, that they had burnt copies of their CDs. Opshop could only say to them that if they so much liked the CDs that had been burnt, they could actually just go and buy them. People are so blasé that they will actually admit to the people who own the copyright that they have burnt or illegal copies of their work. Illegal copying of content happens everywhere, and we can expect the problem to be an epidemic in this country. I am sure that everyone in this Parliament will have heard a piece of music or seen a movie—inadvertently, mind you—that has been illegally copied or downloaded.

The previous Labour Government tried to fix this problem, but section 92A of the copyright legislation caused a public outcry. It resulted in Internet users launching the Internet Blackout week between 16-23 February last year. The campaign also drew support from famous actors from around the world, including Stephen Fry, whose tweet read: "I'm blacked out: Stand up against 'Guilt Upon Accusation' for New Zealand". This came about because Labour's section 92A of the legislation would have led to the termination of an Internet account without evidence or opportunity for a user to provide a defence. As a result, the National-led Government did not bring section 92A into force, and ordered a review; this bill is the result of that process. The bill puts the mistake of the original section 92A, passed by the previous Labour Government, behind us, and allows for a workable regime that will reduce copyright infringement in New Zealand.

I take this opportunity to acknowledge the Minister, the Hon Simon Power, for bringing this bill to the House for consideration, and for taking the time to consult with stakeholders. I look forward to the submissions through the select committee process. Thank you.

RAYMOND HUO (Labour): Winston Churchill once said that out of intense complexities intense simplicities emerge. Unfortunately, what that wise man said does not apply to the Copyright (Infringing File Sharing) Amendment Bill. The more I read the bill, the more questions I have. My colleagues said earlier that Labour supports the bill being referred to the Commerce Committee but that we have several reservations. In particular, the definition of "Internet service provider"—ISP—needs to be clarified. We disagree with suspending infringers' access to the Internet, for two reasons: firstly, it does not work, because infringers can simply sign up with a different Internet service provider if they are suspended; and, secondly, as many experts in this area have argued, it seriously and unjustifiably impinges on freedom of expression and freedom of assembly. Many of the details are left to regulation—for example, the amount of the

costs payable per infringement. Will it be the market value of a song on iTunes, for example, or will punitive damages be available? Further, it is unclear what impact the Anti-Counterfeiting Trade Agreement will have on the bill.

I reiterate that Labour strongly believes that those people who create music, films, and other entertainment should have their work protected from piracy. It is crucial that we attempt to curtail illegal peer-to-peer file-sharing. This bill will send a powerful message to our creative industries that we value what they do, that we legislators want to protect what they do, and that we do not believe in censoring the Internet, but we are responding to genuine concerns. While in Government, Labour tried to address the growing problem of Internet piracy by requiring Internet service providers to police illegal downloading and to have a policy for terminating the accounts of repeat offenders, hence the well-debated section 92A of the current Copyright Act. We have considered that section 92A was problematic, and we have addressed the issues by meeting with stakeholders and pressing the Government to take another look at the legislation.

Businesses that represent artists have lost control of the distribution of creative content. The market has failed, and legislation is needed to block the flow of peer-to-peer file-sharing that is undermining the entertainment industry. Labour acknowledges that the requirement for stakeholders to develop a code of practice detailing when Internet accounts ought to be terminated was unworkable.

Two important cases are very helpful here. The first one is *iiNet v Australian Federation against Copyright Theft*, where the Australian High Court ruled in favour of the defendant, the Internet service provider. The issue in that case was whether the fact that the Internet service provider's customers were sharing unlicensed copies of films and TV shows using the Internet service provider's Internet connections meant that the Internet service provider had responsibility to stop them from doing so. The plaintiff said that if the Internet service provider failed to do so, it effectively condoned that infringement and was liable itself. The judge found against the plaintiff on most counts. The judge also found reasonable the Internet service provider's policy of not terminating its customers' Internet connections just because it had received complaints from copyright owners. The second case relates to the YouTube website, where users can upload copyright-infringing material without the knowledge of the site's owners. The video-sharing site, which is owned by Google and is subject to a US$1 billion lawsuit by the US media giant Viacom, argues that it cannot screen every video that is uploaded to the site to check whether it infringes copyright. Given the large amount of material hosted on that site, however, the whole thing could potentially be blocked by the High Court.

My former partner from Brookfields Lawyers, Mr John Ferner, stated: "For many accommodation and other tourism service providers, facilities which give their customers private and direct access to the net are simply part of the service. Up until now these businesses have not needed to concern themselves too much about what their customers may be up to when using these services but this is about to change."

The bill intends to put in place a fair and balanced process to deal with online copyright infringement by unauthorised file-sharing. It replaces a scheme that was delayed thanks to a barrage of criticism fearful that it could have resulted in many unwarranted disconnections from the Net. To conclude, Labour will support this bill going to the select committee. I look forward to the submissions and to robust debates at the select committee. Thank you.

MICHAEL WOODHOUSE (National): Like the member Grant Robertson, I was in attendance at the 21st birthday of NZ On Air last night. It was indeed a celebration of New Zealand music, video, and other media.

As Mr Robertson rightly pointed out, the amount of New Zealand music played on commercial radio has increased from about 2 percent 21 years ago to over 20 percent now, which is a huge success. But he did not mention that the chief executive last night referred to the fact that NZ On Air and the products that are produced are very much online. The member Ms Katene referred to the illegal copying of vinyl on to cassettes as being the way that our generation copied music. I suggest that that was a hand grenade thrown at copyright law, whereas the Internet provides a nuclear explosion—such is the difference in scale and opportunity for illegally copying. So the question is whether section 92A of the Copyright (New Technologies) Amendment Act was the nuclear deterrent.

One of the features of this House is the fact that Labour has fiercely defended almost all of the legislation it passed in the 9 years it was in office, with a couple of glaring exceptions. I think that the Electoral Finance Act was an example of some mea culpa, and in particular David Parker acknowledged that it was not the previous Labour's Government's finest moment. I think that Labour's copyright legislation is another example.

Credit is due to Clare Curran for bringing this matter to the attention of the House on behalf of her party. Every member of this House was aware of the wave of opposition to the provision. That opposition did not start just at the election; it was very clear that section 92A was not going to work in the way that it was intended. It is a shame that when members opposite were in Government they did not listen a little more carefully to submitters on that point. In fact, the architect of this bill, Judith Tizard, is on record as saying that section 92A was "deliberately vague". Well, I suggest that vague law makes bad law. In fact, it was not vague. Those people who were going to be affected by the legislation knew exactly how it would affect them.

Ms Curran also mentioned something in her first reading call today that I must pick up on. She continued the Labour Party's longstanding habit of kicking the victim by implying that because large media organisations are large, the harm done to them is somehow mitigated. She accused those organisations of working to outdated business models. Well, I simply reject that. Hang on, if this business model is so outdated, why is the legislation affecting those large media organisations more than anybody else?

I will touch on what Mr Hughes said about the education benefit being lost because of the punitive nature of the $15,000 fine. I respectfully disagree with that, and Mr Robertson has commented on it, as well. There are three reasons why I disagree. Firstly, there is a plethora of information out there about video and DVD piracy and Internet piracy. I do not think that it is acceptable now for Internet users to say they did not know that what they were doing was wrong. Secondly, in the absence of some form of sanction, Internet and DVD piracy messages will simply fall on deaf ears. And, thirdly, the "three strikes" process that Ms Katene referred to disparagingly does not actually consist of three strikes; it consists of three notices. The process is designed to educate the public about illegal file-sharing, and provides effective methods for copyright owners to enforce their copyright. Users are given adequate warnings. If, in the face of that, the people who participate in illegal file-sharing ignore those warnings, then the punishments need to be severe.

Such people are certainly hurting our entertainment industry and the fantastic young artists who are developing their product with the assistance of the Government through NZ On Air. For that reason, I strongly support the bill going to the Commerce Committee. I realise that some questions have been raised, and the select committee is an appropriate place within which they should be heard. Thank you.

Bill read a first time.

Bill referred to the Commerce Committee.

RESIDENTIAL TENANCIES AMENDMENT BILL

Second Reading

Debate resumed from 25 March.

CHESTER BORROWS (National—Whanganui): I am pleased to take a call in respect of the Residential Tenancies Amendment Bill on its second reading, and to make a few short points. The first is that when the bill came before the Social Services Committee there were a number of changes—

The ASSISTANT SPEAKER (Eric Roy): I am sorry, Mr Borrows, but I am just looking at my notes. I see that you have already spoken on this reading and a member cannot take two calls.

CHESTER BORROWS: I am unsure that I have spoken; I think that someone took my place. But if that is your record, I am happy to take a seat.

The ASSISTANT SPEAKER (Eric Roy): I am informed that I am correct. I am sorry.

TIM MACINDOE (National—Hamilton West): May I say how disappointed I am that my fine colleague, Mr Borrows, is not able to speak to us this afternoon, as I acknowledge what an outstanding contribution he has made to the work on this bill, as a member of the Social Services Committee.

This is an exciting day in our legislative history, as is often the case when bills come to completion and to an anticipated passing in the House, but this bill is particularly important because it involves the culmination of a process that has had a very long gestation. In fact, it was under the previous Government—I think as far back as 2004—that changes to the Residential Tenancies Act were first mooted, and it has taken quite some time to get to this point. I commend the current Minister of Housing for his leadership in bringing us to the point where we are at today. I thank the members of the Social Services Committee, who have worked incredibly hard on this bill. I also acknowledge the many submitters who contributed to our deliberations. The legislation was complex, and it was a challenging task for the select committee to work through, but I think we can say that we applied ourselves to the work with a sense of purpose, and I am delighted with what we have achieved.

There are many facets to this bill. What is really important is that it reflects the importance of striking a fair balance between the interests of landlords and tenants. Sometimes those are competing interests and they can lead to quite serious disputes, and it is obviously important that we have legislation that is fair to all parties. The bill will accommodate, if members will excuse the pun in the current circumstances, the growing percentage of our population who have a direct interest in tenancy legislation as tenants, as landlords, or as investors, and also, as we can sometimes forget, the neighbours of those who live next door to tenanted properties or in the near vicinity of them. I think this is very timely and important legislation, and I echo its overarching aim to clarify and appropriately balance tenant and landlord rights and obligations. If that can be achieved through this legislation, and I believe it will be, landlords, tenants, and their neighbours should all benefit from it.

A number of changes were made to the bill during the select committee process. In the time available today I cannot go through those changes in great detail, but I just assure submitters that their many concerns were heard and a number of important aspects were dealt with.

The Government wants to see, as I have mentioned, a number of competing interests fairly dealt with. It is important, in a system that sees a large and ever-increasing number of people owning investment properties and also depending upon residential

properties for their accommodation as renters or as tenants, to ensure that the investment side is protected and looked after but also that tenants are able to access suitable accommodation for their needs. In many cases we are talking about tenants who have very large families, which can pose challenges in the system as well. We need to ensure that those tenants clearly understand their rights and are able to make informed choices about the best place for them to live, what they can afford, and what they will get when they sign up to a rental contract. It is very important that landlords and tenants are very clear about their rights. This bill has gone a long way to update the law to ensure that current demands and challenges are met. We have to ensure that we have a robust and flexible rental market that is sufficient, that is responsive, and that ensures that housing, which is such a crucial need for all members of our society, is available throughout the country and is appropriate to the needs and circumstances of those who are looking for tenancy properties.

I will say, finally, how delighted I am to see that a very crucial missing component of the previous legislation has been dealt with under the current bill. That is the provision in this bill for those who live in boarding houses to come within the ambit of the Residential Tenancies Act. A very large number of people in New Zealand live in those circumstances. Often they are below the radar. Sometimes we are not conscious of them even being in our communities, yet they are often the most vulnerable people in our communities. It is good to see that their rights are now recognised in the legislation.

I am delighted that we have reached this point. I thank all members of this House, and the officials in particular, who worked on the bill for the very important and helpful work that they have done. This is a terrific day for everybody involved in the rental market in New Zealand. I congratulate the Minister of Housing on his achievement, and I commend the legislation to the House.

Hon GEORGE HAWKINS (Labour—Manurewa): I want to make just a short contribution.

Hon John Carter: That's enough.

Hon GEORGE HAWKINS: No, it is not quite enough, I say to Mr Carter. The Residential Tenancies Amendment Bill began under the last Labour Government, and I think that is a very important point. Unfortunately, the Social Services Committee did not pick up all the brilliant ideas and the brilliant amendments that Labour made.

Things are a bit quiet in the rental market at the moment, because people fear 20 May. Landlords are worried, so things have gone a bit quiet. It is worth noting that around 29 percent of tenants are Housing New Zealand Corporation tenants. In South Auckland there are large numbers of tenants who are Housing New Zealand Corporation tenants. Of course, what is happening now is that many families are doubling up in houses, and no one is taking very much action over that, because people are worried. I see the moves the Minister made towards trying to get gangs out of certain houses, and that matter is still going through the court system. So this bill does not fix everything; there will still be problems there. I think that people need to know that this bill will not cure all the problems.

Of course, many people are good tenants, and this bill will not make a lot of difference to them. The good landlords do not need to worry. But at the other end are the bad tenants and bad landlords—and there are both. I think that this bill goes some of the way towards addressing that issue. When we look at what is happening at the moment, we see that people do not want to become landlords. There are not a lot of new houses up for rent, and that is a part of these economic times. People will be looking to see what this bill means for them as well as looking, on 20 May, to see what will happen to landlords.

I am sure that quite a lot of debate is still going on about letting fees, and about who is allowed to charge them and who is not. Arguments of that nature will continue while this bill goes through the House. I am pleased that this bill started its life under a Labour Government, and that it has taken only 18 months for National to push it through this far. It may be another few months before it is put into place, because this is not the most fleet-of-foot Government that has ever been.

Michael Woodhouse: I thought you were going to be short—if you want it passed.

Hon GEORGE HAWKINS: Well, there is a guy who is pointing at the watch—a clock-watcher. We know those sorts of people. We can compare him with Chester Borrows. Chester Borrows wanted to make two contributions. He wanted to make a second contribution tonight; that member did not. But seeing that he wants to take his ball and go home, I will let him do it.

Bill read a second time.

TELEVISION NEW ZEALAND AMENDMENT BILL
First Reading

Debate resumed from 23 March.

MELISSA LEE (National): I rise in support of the Television New Zealand Amendment Bill. Before I get going on the substance of the bill, I would like to bring people's attention back to when we were last debating this bill, several weeks ago, and I will take this opportunity to enlighten the Labour Opposition spokesperson on broadcasting once again. I have previously told Mr Burns that the charter money never funded wonderful programmes like *Tagata Pasifika*, *Attitude*, and *Asia Downunder*. I also bring to the House's attention that before the charter there was wonderful local content. Before the charter was introduced in 2003, we had great local content. A member opposite—I think it was Mr Mallard—mentioned New Zealand On Screen when we were debating this bill a few weeks ago, and said that some fabulous content from a bygone era was shown. It was all created before the charter, and all local content was brought to the viewers via Television New Zealand (TVNZ), mostly before it was mandated to do so by a charter.

I am slightly embarrassed for Mr Burns that because he does not know his portfolio area well, he makes sweeping statements and assumptions, as he did a couple of weeks ago. Perhaps he should study his portfolio area more so that he understands that the removal of the charter does not mean that local content disappears. If his theory is right, then there should have been a huge increase in local content when the charter was introduced in 2003, but was there? I do not believe that there was.

In my previous life as a television content maker, I must say that I was very excited when the charter was introduced. Surely the charter would mean that minority programmes, special-interest programmes, would get more attention from the broadcaster. It would mean that the special-interest programme makers who work very hard to make sure we deliver great programmes in a very cost-effective way would get more funding. That never really happened. Those special-interest programmes, which are often some of the best documentaries and are screened in what is considered to be the ghetto timeslot, never really benefited from the charter money.

Many people spoke about the public service broadcasting function of TVNZ. I believe that TVNZ served that function before the charter was imposed upon it in 2003. The charter did not improve the situation. Removing it gives TVNZ the opportunity to concentrate on what it knows best: to make television programmes that are entertaining, enjoyable, and able to be watched by as many people as possible. What is the use of

TVNZ making a television programme that no one watches, purely because it is mandated to do so by statute?

Some members have mentioned the local content quota. Sure, as content creators, I am sure producers would love the idea of having quotas, initially. But filling a quota is not about choosing the best. It is not an endorsement that the programmes we have are entertaining or even good television. I wonder where Peter Jackson and Richard Taylor of Weta Digital would be if we put quotas on New Zealand films. Competition creates better content. The desire to compete with the best in the world has made those two men the leaders in their field, and I salute them.

If we were to translate the quota debate on to sport, which New Zealanders are passionate about, it would be a case of: "Why have a Rugby World Cup? Why compete with the best of the world? Why compete at the Olympics? Just have a quota of New Zealand athletes and compete in New Zealand competitions only. Don't mind the world, or who the best in the world are." How uninspiring! I do not believe that the No. 8 wire mentality that we all admire and brag about as being typical of New Zealand should manifest itself in a quota on television content. Ernest Rutherford did it, so did Edmund Hillary, and both without a quota.

In my maiden speech I spoke about the importance of local content. I said that I had concerns for our children, who are more exposed to overseas content than to local content. Our children's notion of who they are in the world must first be rooted and supported by a firm Kiwi identity. In this digital age, our children's heroes and role models are often celebrities they see on television or read about on the Internet. I support local content—do not get me wrong. I definitely support local content. How could I not, having worked for TVNZ? I worked for 15 years as a television programmer maker, and I am passionate about New Zealand content. Special-interest programmes like *Attitude*, which brings us stories about people with disabilities, *Tagata Pasifika*, which brings us stories about people of the Pacific, and *Asia Downunder*, which brings us stories of New Zealanders of Asian descent, have their place, as mainstream television does not provide that platform. Having said that, those programmes did not benefit from the charter, and they were established long before the charter was dreamt up.

That brings me to the bill. This bill amends the Television New Zealand Act 2003 in three ways: firstly, to replace the TVNZ charter with more generic statutory requirements; secondly, to amend the prohibition on ministerial direction to TVNZ to cover multiple platforms instead of just a conventional television broadcast, including web-based content; and, thirdly, to enable the screening of pre-1989 TVNZ archived works.

This Government is honouring its election promise to replace the current TVNZ charter, and to leave TVNZ free to determine its own priorities by being less prescribed in terms of its functions. I remember a couple of weeks ago someone mentioned Sky television, I think it was. The reason I bring up Sky television is that it is not mandated by a charter to make any local content. It is purely a commercially driven broadcaster, a pay TV station, yet it makes local content. Why is that? It is because its viewers demand it. If there is no demand, there will not be any local content on Sky. Viewers are the driving force behind content. I have heard some people baulk at the idea that we had so much reality TV a few years ago. That was because there was a thirst for those types of programmes by the viewership. Television programme commissioners would be irresponsible if they commissioned documentaries that cost hundreds of thousands of dollars and no one watched them. Instead they commissioned reality TV.

Debate interrupted.

The House adjourned at 6 p.m.

TUESDAY, 27 APRIL 2010

Mr Speaker took the Chair at 2 p.m.
Prayers.

MOTIONS

New Zealand Defence Force—Deaths of Air Force Personnel in Anzac Day Helicopter Crash

Hon JOHN KEY (Prime Minister): I seek leave to move a motion without notice on the tragic helicopter crash that claimed the lives of three Royal New Zealand Air Force personnel on Anzac Day.

Mr SPEAKER: Is there any objection to that course being followed? There is none.

Hon JOHN KEY: I move, *That this House express its deep sympathy and condolences to the family, friends and colleagues of those lost in the crash of an Air Force Iroquois helicopter on Anzac Day*. On Sunday morning, as New Zealanders across the country attended Anzac Day dawn commemorations, three Royal New Zealand Air Force Iroquois helicopters left Ōhākea, bound for Wellington. They were heading south to take part in a fly-past in honour of their fellow servicemen and women on Anzac Day. Sadly, one of the helicopters did not make it. The Iroquois crashed into a hill near Pukerua Bay, leaving three fine servicemen dead and their colleague with serious injuries in hospital.

Flight Lieutenant Hayden Peter Madsen, aged 33, Flying Officer Daniel Stephen Gregory, aged 28, and Corporal Benjamin Andrew Carson, aged 25, were lost. They were young men. They had the world in front of them, but they are now mourned by us all. They were much more than talented helicopter pilots and crew; they were partners and husbands, sons and brothers, and, to their colleagues, they were three good mates.

Since becoming Prime Minister, I have been privileged to have had a glimpse into the family that is the Royal New Zealand Air Force. Only last month I spent time with No. 3 Squadron at Ōhākea, and was impressed with their professionalism, skill, and capability. Their camaraderie was strong. I have been a passenger in Iroquois helicopters flown by those talented people, and I have the utmost respect for their abilities. Muddy, Dan, and Ben were part of that family. If there is a redeeming feature to this tragedy, it is perhaps that those left behind have that tight Royal New Zealand Air Force family to call on for support.

I was in the privileged position of giving the address at Chunuk Bair on Anzac Day, with travelling members of the Royal New Zealand Air Force on hand. As I looked down, I could not help but notice that many of the Air Force men and women had tears streaming down their faces. That showed how deeply personal this loss is for them all, and what a tight family the Royal New Zealand Air Force is. Sergeant Stevin Creeggan can also call on that support as he recovers in hospital after surviving the crash. We wish him all the best for a full recovery, and our thoughts are with him and his family.

This is a chapter in the Royal New Zealand Air Force's history that we wish had never been written. That the crash occurred on Anzac Day only adds to the pain and sense of loss, and reminds us again of the risks our servicemen and women take every day. Muddy, Dan, and Ben will not be forgotten. They died doing what they loved. I must also add that this tragedy has been felt around the world. While travelling back from Gallipoli, I was touched to receive a message of condolence from Her Majesty the Queen. The Australian Prime Minister, Kevin Rudd, has also passed on his sympathies.

This is a tough time for the Defence Force. Only yesterday, Private Te Tahuna Tahapeehi died after a road accident outside the Linton military camp, representing the

fourth military death in 2 days. We stand alongside the families, friends, and colleagues of those men as they mourn their loss.

Hon PHIL GOFF (Leader of the Opposition): I join with the Prime Minister today on this very sad occasion in expressing, on behalf of the New Zealand Labour Party, our sadness at the tragic loss of life of the three Royal New Zealand Air Force personnel from No. 3 Squadron who were killed in the Iroquois crash on Anzac Day. I also record our sorrow at the death yesterday of a young soldier from the neighbouring Linton army base, who was killed in a motorbike accident. To the family and friends of Flight Lieutenant Muddy Madsen, Flying Officer Dan Gregory, Corporal Ben Carson, and Private Te Tahuna Tahapeehi we offer our sincere condolences, and we share in the grief that they will feel at this time.

All were young men with so much ahead of them in life: the prospects of raising a family and of developing promising careers in the New Zealand Defence Force. All four young men had served their country in overseas deployments in East Timor, and in the case of Dan Gregory, in Afghanistan also. We have, as I know from having been a Minister of Defence, a comparatively small Defence Force that is very close-knit. It is like a family. In Ōhākea, and at Linton, and in our military bases across New Zealand and around the world our Defence Force personnel are suffering a sense of shock and loss at the deaths of these men.

Loss of life in any accident is tragic, but the fact that three men lost their lives before dawn on Anzac Day, as they flew from Ōhākea to Wellington for a flyover of the Dawn Parade, makes the loss particularly tragic. For those of us who learnt early in the day of that accident, the playing of the last post on Anzac morning was particularly poignant.

I also express our best wishes for recovery to Sergeant Stevin Creeggan, whose survival in that crash was a miracle.

On this occasion I also note that daily our Defence Force personnel in the course of their duties often put their well-being at risk. We have an obligation to minimise that risk, and I acknowledge and pay tribute to the Royal New Zealand Air Force for the quality of its training and the quality of its aircraft maintenance. We have had the Iroquois for 44 years, and this is only the second occasion on which there has been a crash that has resulted in loss of life.

Once again, to the families of those who have lost their sons we express our sorrow and our condolences in the House today.

METIRIA TUREI (Co-Leader—Green): The Green Party also wishes to join the leaders in this House in extending our aroha, our sympathy to the friends, whānau, and colleagues of the three aircrew who were killed on Anzac Day. We also extend our deepest sadness on the tragic death of the young man, Private Te Tahuna Tahapeehi, who was killed in an accident outside Linton. I know that the Linton army camp community too is very tight-knit, and this will be a tragic loss for them.

All these young men—Flight Lieutenant Hayden Madsen, Flying Officer Daniel Gregory, Corporal Benjamin Carson, and Private Te Tahuna Tahapeehi—served their country because they believed in and loved our country and wanted to serve its people. All, I understand, had seen active service in East Timor—a time of pride for our country that we assisted there in a peacekeeping way. All of these young men were willing to put their lives at risk for us all because they believed in our country. They were loved and respected, and they will be very sorely missed by their friends and whānau. But their friends, whānau, and colleagues can be very proud of what they achieved in just a few short years. We wish all of their whānau the very best.

We also wish Sergeant Stevin Creeggan a very speedy recovery. Of course, this time will be very bitter-sweet for him and for his whānau, as well.

It is always tragic to lose young men such as these, and it is particularly poignant that we lost three of them on Anzac Day. But the truth is that to lose young men of such potential and of such strength and value, on any day and at any time, is a tragic loss. Kia ora.

Hon HEATHER ROY (Deputy Leader—ACT): I rise on behalf of the ACT Party to mark the passing of three Royal New Zealand Air Force personnel: Flight Lieutenant Muddy Madsen, pilot; Flying Officer Dan Gregory, co-pilot; and Corporal Ben Carson, helicopter crewman, who were tragically killed on Anzac Day. It shall always be that we remember they died on this, our special day of remembrance and commemoration. It is fitting that we remember them. These men volunteered to serve their country and its air force. On that fateful morning they would have risen from their beds early, and proceeded to their duty stations. They carried out their orders, just as the thousands who have served this country before them have done. Their thoughts would have been on doing the best job they could, in remembrance of their forebears.

On Thursday we will farewell these men in the presence of their families and whānau, both personal and air force. Representatives of the wider defence community will be present, along with those who represent this nation. That is also fitting. It will be a sad day, and it will also be a day of remembrance, where we will learn more of their lives and of them as individuals and as a team, members of a squadron. We will learn how they have lived their lives and fulfilled their dreams. We will hear of their love of flying, and of the strength they derived from their comradeship in service, both within the Royal New Zealand Air Force and the New Zealand Defence Force. We will hear of their commitment as servicemen, and we will be reminded that they have all served this country on operational deployments. It is fitting that we remember.

These men will be sorely missed by their friends and colleagues at Ōhākea and more widely in the Royal New Zealand Air Force. Our thoughts are with their families and their loved ones at this time of loss. We also think of their colleague Sergeant Stevin Creeggan, who survived this devastating crash. He was part of the team, part of the squadron. He is facing his own long journey on the road to recovery. Our best wishes are with him, and our thoughts are with his family, whom I met yesterday. They too are greatly affected by this tragedy.

Our thoughts are also with the family, the friends, and the Defence Force colleagues of Private Te Tahuna Tahapeehi, who was tragically killed yesterday at Linton army base.

We join with the other parties in this House in extending our sympathies and our condolences to the families and friends of these four fine, talented, young men. They will be sorely missed.

Hon Dr PITA SHARPLES (Co-Leader—Māori Party): Every year on 25 April New Zealanders gather and listen to the words of a poem written in 1914 for the fallen. Those words had even more poignant relevance this year:

> They went with songs to the battle, they were young,
> Straight of limb, true of eye, steady and aglow.
> They were staunch to the end against odds uncounted,
> They fell with their faces to the foe.
> They shall grow not old, as we that are left grow old;
> Age shall not weary them, nor the years condemn.
> At the going down of the sun and in the morning
> We will remember them.

They are the words that will play out in the hearts and memories of the family of Squadron Leader Nick Cree, killed in the line of duty in January this year. They will be

words of meaning to the family of Flight Sergeant Andrew Forster, who was killed near Waiōuru 2 months earlier. And today we think of the families of three wonderful young men, staunch to the end against all odds. They are young men who shall not grow old, who are robbed of their potential for a bright future, and whose families are deprived of their loved one who died in the course of his calling to duty.

The Māori Party stands to honour the lives of Flight Lieutenant Hayden Madsen, Flying Officer Daniel Gregory, and Corporal Ben Carson. We express our deepest sympathies to their wives, and to the families they leave behind. We pay a special acknowledgment to the members of the Defence Force, who will be grappling with such heavy grief in their collective loss.

The significance of such a tragic accident occurring on Anzac Day will now become part of the legacy for our nation. The fierce and intense battles fought on Gallipoli in 1915 have always stood as a vivid metaphor for the power of the human spirit. The first major military action fought by the Australian and New Zealand forces during World War I brought to the foreground attributes of great bravery, incredible courage in the face of adversity, tenacity, ingenuity, and powerful forces of loyalty. The cost to New Zealand was 2,721 dead and 4,725 injured—a staggering 88 percent casualty rate. It is a loss that has been sustained over the generations, and has led to what we might now describe as the debt of suffering in which Australia and New Zealand unite to remember the fallen. This year that loss was given a tragic and personal meaning through this extraordinarily bitter blow.

We also acknowledge the passing of Linton army camp Private Te Tahuna Daniel Tahapeehi. Our thoughts also extend to the one surviving crewman, Sergeant Stevin Creeggan, and I am sure we join with all the House in wishing him a full and effective recovery.

We extend our aroha to all the families involved, to the families of all servicemen and servicewomen, to the Defence Force, and to all New Zealanders as we commemorate this devastating loss.

Nā reira haere koutou, haere koutou, haere. Haere ki te okiokinga hei whāriki mā mātou.

[*So depart, you who have died, farewell. Go to the resting place and become our mat.*]

At the going down of the sun and in the morning we will remember them.

Hon PETER DUNNE (Leader—United Future): It is sadly customary in the lead-up to Anzac Day each year for there to be inevitable speculation about the day's continuing relevance to contemporary generations, and speculation about how difficult it is to imagine the conditions and the circumstances with which those who left these shores to fight in the two great world conflicts had to cope. On last Anzac Day morning the crash that occurred at Pukerua Bay and claimed the lives of Flight Lieutenant Hayden Madsen, Flying Officer Daniel Gregory, and Corporal Benjamin Carson, and allowed the miraculous escape of Sergeant Stevin Creeggan, I think gave a relevance to New Zealanders of what the day is all about, and the sacrifice of those who had gone before in so many previous conflicts, and what they had encountered during the course of such conflicts.

We take for granted our freedom today, and that is said often during the Anzac Day commemorations. We also take for granted the presence and the contribution of our armed forces, and the expectation that they will always be there to do their duty. These young men were doing their duty on Sunday morning. They could not have contemplated, as they set off, the circumstances that were about to befall them. Like others, I join with people right across New Zealand in expressing to the families of those young men, to their wider air force family, and to all New Zealanders with a

connection to the services a sense of absolute sadness, of deep shock, but of huge admiration for their dedication and their commitment.

As the previous speaker said, age shall not weary them, nor the years condemn. We will remember them. We will always remember the sacrifice of those who have done so much to secure the circumstances in which we live today. I simply say to their families and friends that although these times will be difficult, sad, and stressful, there will be long-term consolation for them in knowing the regard in which they were held, the admiration for the service they performed, and the call to dedication and duty that they demonstrated. May they rest in peace.

Motion agreed to.

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

Budget 2010—Effect on Families

1. CRAIG FOSS (National—Tukituki) to the **Minister of Finance**: How will the Budget next month help New Zealanders and their families get ahead in this country?

Hon BILL ENGLISH (Minister of Finance): The Budget next month will help to achieve that by focusing on four main goals: lifting the long-term performance of the economy, the reform of the tax system, better delivery of public services, and maintaining firm control of the Government's finances.

Craig Foss: As part of the Budget, how will the Government ensure that it continues to manage its finances in a responsible way on behalf of taxpayers?

Hon BILL ENGLISH: The Government will continue to improve public services, funding that from cuts to low-quality spending and from the new operating allowance. We will live within the $1.1 billion operating allowance for new spending and will restrict annual increases from this figure to 2 percent per year from next year. Even with this restraint, core Crown debt is forecast to triple to about $65 billion by 2014, as we borrow to fund the deficits. To turn this round, the Budget will redirect another $1.8 billion of lower-quality spending between now and 2014 into high-priority areas, such as health care, education, and law and order.

Hon David Cunliffe: Which of the following will make it easier for New Zealand families to get ahead: increasing tax on all the basics, when most people are struggling to pay their weekly bills, or giving tax cuts to those people on the highest incomes and small change to everybody else?

Hon BILL ENGLISH: The member will just have to wait for the Budget to see the details. The Budget will be good for the economy, and it will help New Zealand families to get ahead.

Craig Foss: What are New Zealand's main economic vulnerabilities as the Government deals with those challenges?

Hon BILL ENGLISH: There are two main vulnerabilities. First, a Treasury forecast in December predicted a cash deficit of $10.1 billion in the current year to 30 June. Treasury has also forecast that the Government will not return to surplus until 2016. The second vulnerability is New Zealand's total external debt, including that of households, businesses, and the Government. It has ballooned from $90 billion owed to foreign lenders in 2000 to $170 billion today, and is forecast to approach $250 billion by 2014. Those facts were clearly lost on Labour's spokesperson on finance, when he said: "New Zealand's problem cannot be primarily that it has a yawning budget deficit, because it does not."

Hon David Cunliffe: Can the Minister confirm that on taking office his Government inherited zero net Crown debt from the previous Government, and that in describing borrowing he has misrepresented the data by claiming that the Government is borrowing $240 million a week, when half of that is rolling over old debt; and can he further confirm that New Zealand's gross and Crown net debt are around one-third of the OECD average?

Hon BILL ENGLISH: I am confused by the member's claim that there was no debt when he left office, and he said in his second sentence that half of our borrowing is going into rolling over existing debt. The credibility of that analysis is carried through into Labour's recent promises to put up taxes, spend more, borrow more, and leave it to our children to pay the bill.

Craig Foss: What alternative approaches to managing the Government's finances has the Minister seen?

Hon BILL ENGLISH: I have seen a misguided recipe for borrowing and hoping, taxing and spending, and leaving a mortgage on the future for our families. It comes from Labour's leader and its spokesperson on finance. The fact is that the current Government is following very sensible economic policy, which is to prevent a rapid rise in our debt, to lift the growth rate of our economy, and to give people incentives to save and to get ahead, and less incentive to spend too much and borrow too much.

John Boscawen: Why will the Government not help New Zealand families by following Australia's lead today and putting the emissions trading scheme on hold until 2013, especially since John Key promised during the election campaign that "we shouldn't be the world leader, because that will come at the expense of our economy.", and that he sees no sense in New Zealand putting export jobs into another part of the world, or does that election promise not matter?

Hon BILL ENGLISH: The issues around the emissions trading scheme are complex, and the Australian situation is a bit different from what the member said it was. But I am puzzled by the willingness of that member's party to promise to honour the property rights of forest owners, who will receive over $1 billion dollars worth of credits. ACT wants the forest owners to keep their credits, but it thinks the taxpayer should pick up all the debits. I am not sure whether he has consulted Sir Roger Douglas about that, but that is very poor public policy.

Hon Rodney Hide: I raise a point of order, Mr Speaker. I do not believe the Minister addressed that question. We got a long discussion about ACT's position on it, but the question was quite clear: why would we not follow Australia?

Mr SPEAKER: As I heard the Minister's answer, he disputed the way in which the path taken by Australia was described in the question. He is perfectly entitled to do that when he answers a question.

Whaling—Catch Limits for Southern Ocean

2. GARETH HUGHES (Green) to the **Minister of Foreign Affairs**: How many whales, if any, does he believe it is acceptable to have hunted and killed in the Southern Ocean?

Hon MURRAY McCULLY (Minister of Foreign Affairs): None.

Gareth Hughes: Is the protection of the Southern Ocean Whale Sanctuary over the next 10 years a bottom line for New Zealand negotiations?

Hon MURRAY McCULLY: The Government's position, which I believe reflects the position of the vast majority of New Zealanders, is that we wish to see the elimination of whaling in the Southern Ocean at the earliest possible time. There has, for some time, been discussion at the International Whaling Commission and, most recently, through its support group to see whether we can negotiate that outcome. On

Friday a proposed consensus decision was released by the chair and deputy chair of the International Whaling Commission. New Zealand flatly rejected that proposal as being inadequate.

Gareth Hughes: Is the Minister saying that it is still on the table that New Zealand will support International Whaling Commission - sanctioned whaling in the Southern Ocean Whale Sanctuary over the next 10 years?

Hon MURRAY McCULLY: I am saying that the New Zealand Government understands, as do most others, including many non-governmental organisations, that there is only one process that can achieve the elimination of whaling in the Southern Ocean in a relatively short space of time, and that is the International Whaling Commission process. Those who assert that we should head off to the International Court of Justice needs to understand that that process could take 4 or 5 years, and, even then, achieve an adverse outcome.

Gareth Hughes: Given that your wait-and-see diplomatic approach has failed and resulted in an unacceptable response, what will you do in the next 2 months to ensure the absolute protection of whales in the Southern Ocean?

Mr SPEAKER: I did not want to intrude when the member referred to the Speaker early on in that question, but he cannot ask the Minister what the Speaker might be doing. I invite the member to rephrase his question, because every time he refers to "you" he is referring to the Speaker.

Gareth Hughes: Given that the Minister's wait-and-see diplomatic approach has failed and resulted in an unacceptable result, what will the Minister now do over the next 2 months to give absolute protection to whales in the Southern Ocean Whale Sanctuary?

Hon MURRAY McCULLY: I intend to do exactly what I indicated publicly on Friday the Government would do. Having rejected the proposal put on the table by the chair and deputy chair of the International Whaling Commission as being unrealistic and unacceptable, I indicated that we would explore urgently with key players at the commission whether there was genuine room for a substantially different outcome from that proposed in the document released on Friday, in order to see whether it was worthwhile for us to invest further in that process. That is precisely what I am doing.

Auckland, Local Government Reform—Input of Aucklanders

3.Hon PHIL GOFF (Leader of the Opposition) to the **Prime Minister**: Does he stand by his statement on the reorganisation of local government in Auckland that "The Government wants Aucklanders to have the maximum impact into the proposals"?

Hon JOHN KEY (Prime Minister): Yes.

Hon Phil Goff: Why has he failed to honour that commitment to the extent that this morning the *New Zealand Herald* described the Government as having a "tin ear" on reorganisation and that two-thirds of Aucklanders polled believe that the Government has ignored their concerns about the reorganisation?

Hon JOHN KEY: I would have thought that that member would be the last one wanting to talk about polls. I also note that the *New Zealand Herald*'s editorial said that the member's proposal was light on detail. There has been extensive consultation with the public, and I am sure that when the third bill comes back from the Auckland Governance Legislation Committee it will reflect that.

Hon Phil Goff: Why is he giving the Auckland Transport Agency, which is unelected, the right to pass by-laws, but is denying that power to the elected local boards?

Hon JOHN KEY: Because we think it makes sense for the agency to be able to set some initial parameters in relation to the local boards, and that is because, over time,

they need to reflect those communities. As that system plays out, I am sure that the Auckland Council will set new policies there.

Hon Phil Goff: Why is he imposing on Auckland the requirement to have council-controlled organisations, when every other council in this country is able to make that decision for itself?

Hon JOHN KEY: For a start, the Leader of the Opposition looks very confused when it comes to council-controlled organisations. Only last night—

Mr SPEAKER: I did not intervene on an earlier occasion when the Prime Minister launched into something to do with the Opposition when he started answering a question, because the questioner had put a couple of statements into his question that gave the Prime Minister the liberty to do so. But that was a reasonably straightforward question. It was not about the Opposition; it was about the matter that the Leader of the Opposition asked about. I think the Prime Minister should first answer that question.

Hon JOHN KEY: I note that just last night the Leader of the Opposition was saying that council-controlled organisations are all right. Council-controlled organisations have been in operation around the country—

Hon Darren Hughes: I raise a point of order, Mr Speaker. You gave a very clear ruling about the way the Prime Minister should answer the question, yet he got up and restated a position about the Opposition. This is question time. It is for the Government to explain its record, not to comment on the Opposition's.

Mr SPEAKER: I think that is a perfectly fair point. I invite the honourable Leader of the Opposition to re-ask his question so there can be no confusion as to what it was.

Hon Phil Goff: Why is he imposing council-controlled organisations on Auckland City when every other city in this country is able to make that decision for itself?

Hon JOHN KEY: Because we believe that that is the right structure for Auckland. Council-controlled organisations have been in operation for quite come time and have widespread support, including from the Opposition.

Hon Phil Goff: Why is the Government repealing the requirement for Auckland City to get the consent of Aucklanders by referendum before any privatisation of the Ports of Auckland can take place?

Hon JOHN KEY: Let me make it clear that there is no privatisation as part of the reform of Auckland. It is nothing to do with that. If there are asset sales, then that is a matter for the Auckland Council, just like it would be for any other council. I have no doubt that, when those elections take place, members, as they seek election, will make it clear what their plans and proposals are in that regard.

Hon Phil Goff: Why is the Prime Minister ignoring the advice given to him by four Government departments, the Auckland mayors as a group, the Auckland chamber of commerce, and the vast majority of submissions to the select committee that the transport agency should be an in-house operation and not one that is passed across to a commercial council-controlled operation?

Hon JOHN KEY: Firstly, we reject that assertion. Secondly, I tell the member that I have seen that the most significant issue that Auckland faces is probably transport. There is a widespread willingness to see transport operating efficiently in Auckland, just as there is around the country. I might add that, when he was in Government, I did not see that member ripping up the equivalent of the transport agency, which is exactly what the council-controlled organisation is.

Hon Phil Goff: In overruling the objections of all of those bodies, is it still his intention to overrule the Auckland district plan that will prevent mining on Great Barrier Island, or will he listen to the overwhelming majority of people in the poll last night who said they did not want that?

Hon JOHN KEY: As the Government knows, we are going through a consultation process in relation—

Hon Darren Hughes: As the Government knows?

Hon JOHN KEY: As the Opposition knows, we are going through a consultation process when it comes to mining. In due course, we will be reflecting on that. All I can say is, whether mining on Great Barrier Island is a good idea is yet to be proven. I know that having the Mayor of Auckland sitting in Cabinet is not a good idea—unless we happened to be a Labour Government, in which case that person would be an addition in both IQ and quality compared with those members sitting over there.

Māori—Strategies Addressing Equitable Access to Alcohol Consumption Reduction

4. RAHUI KATENE (Māori Party—Te Tai Tonga) to the **Minister of Justice**: What strategies have been introduced to respond to evidence that over the past decade Māori drinking prevalence rates have now reached the same level as non-Māori, and yet Māori report higher unmet needs for reducing alcohol consumption?

Hon SIMON POWER (Minister of Justice): The primary strategy that this Government has introduced is the whole-of-Government Drivers of Crime strategy. Reducing alcohol-related harm is one of the four priority areas of the Drivers of Crime strategy.

Rahui Katene: Does he agree with the Law Commission that a new Act, an Alcohol Harm Reduction Act, is required; and how will Māori solutions be included and community ownership sought in developing a new Act to address inequalities such as the fact that Māori women suffer more adverse effects as a result of other people's drinking than any other subgroup by ethnicity and gender?

Hon SIMON POWER: Legislative change in the areas covered by the Law Commission's report tabled today is likely. In the event that legislation in the area of alcohol is on its way to Parliament, then all New Zealanders, including those who have specific issues around harm-related matters, will have the opportunity to make submissions during the course of any legislative changes, if that is the wish of Parliament.

Whānau Ora, Minister—Statements

5. Hon ANNETTE KING (Deputy Leader—Labour) to the **Minister responsible for Whānau Ora**: Does she stand by all her recent statements?

Hon TARIANA TURIA (Minister responsible for Whānau Ora): I am hoping I can, but it will really depend on what statement the member is referring to.

Hon Annette King: On what evidence did she base her answer last week that there had been 30 years of failed provision from existing service provision, and that is why Whānau Ora was needed?

Hon TARIANA TURIA: The statistical data that is collected, which is floated in front of us on a daily basis, as to how badly Māori families in particular are doing.

Hon Annette King: Has she read the *Social Report 2009* from the Ministry of Social Development, which shows that there has been substantial improvement for Māori in many measurable indicators, particularly over the last 10 years, during a time when she was in fact a Minister in a Labour-led Government; and why does she call those gains, made for Māori and provided by mainstream and Māori providers, failures?

Hon TARIANA TURIA: I think it is important to acknowledge what has worked well, but we think we can do considerably better. Hence the new programme.

Hon Annette King: Does she stand by her statements that the approach this Government is taking to address the well-being of whānau is a different approach from that taken in the past; that the Government has committed itself to work with whānau,

hapū, and iwi; and that the Government's policy aims to drive Māori development through a new partnership approach between whānau, hapū, and iwi; and is she aware that all those statements were made when she was in a Labour-led Government; if so, what changes has this Government made to that approach?

Hon TARIANA TURIA: It is one thing to make statements; it is another thing to implement them.

Hon Annette King: Does she stand by her statement that training has already begun for the 20 providers for Whānau Ora; if so, who are the providers, how were they chosen, and why have they not been announced yet?

Hon TARIANA TURIA: What I did say was that some providers had begun to provide training to their staff. They have done that from their own budgets and in their own time.

Aquaculture Reform—Progress

6. SHANE ARDERN (National—Taranaki - King Country) to the **Minister of Fisheries and Aquaculture**: What announcements has he made today regarding aquaculture reforms?

Hon PHIL HEATLEY (Minister of Fisheries and Aquaculture): Today I announced that the Government has agreed to a range of measures to support the aquaculture industry's goal of generating annual sales of $1 billion by 2025. We want to help boost the sector's potential to generate sustainable economic growth for New Zealand while still protecting the environment and the interests of other coastal users. This is actually about creating jobs and getting more people into work, particularly in the regions, where they really do need those jobs.

Shane Ardern: Why are these aquaculture reforms necessary?

Hon PHIL HEATLEY: No new aquaculture space has been created under the current law. Any new aquaculture space that has come into stream in the last few years has come under the old law. We want to free up the regulatory bottlenecks that have kept aquaculture planning in limbo. The industry has been stifled by inflexible rules, which have been stopping companies and small businesses from investing. If we want jobs and growth in the regions, these are the types of initiatives we need.

Debt, External—Vulnerability of New Zealand

7. Hon DAVID CUNLIFFE (Labour—New Lynn) to the **Minister of Finance**: Does he stand by his statement that our total external debt "is clearly New Zealand's single biggest vulnerability"?

Hon BILL ENGLISH (Minister of Finance): Yes, and I will explain that just for the benefit of the member, who seems to want to make a significant problem worse. Last year the OECD said that New Zealand had "one of the OECD's highest levels of foreign debt, the result of sustained and sometimes large current account deficits that reflect a long period of unbalanced growth". By the time this Government was elected, simply servicing that external debt was costing over $13 billion, which was more than $6,000 per household, per year. That is one reason why New Zealand was placed on negative credit watch following the global crisis. We just escaped a downgrade, a sharp lift in interest rates, and a deepening of the recession, because of the responsible approach taken in last year's Budget.

Hon David Cunliffe: When will the Minister make it clear to New Zealanders that of the total external debt, by far the majority is private debt rather than Crown debt; therefore, why is it that his solution to that problem is to cut, cut, cut needed programmes from the Government Budget rather than to address the private external debt at its core?

Hon BILL ENGLISH: We have made it clear that a fair chunk of it is private debt. As it happens, over the next 4 or 5 years the growth in New Zealand's external debt, which is currently $170 billion, will be largely driven by increases in Government borrowing, and it is forecast to reach $250 billion. That is why we want to manage Government expenditure. The member has a different view on that: he thinks that that is a low number, and therefore it does not matter if the Government runs up debt. We happen to disagree with him, and we are happy to debate the issue.

Amy Adams: What steps is the Government taking to reduce these debt problems?

Hon BILL ENGLISH: Almost all of the Government's policies will lead to New Zealand being less exposed to this vulnerability. These include limiting the growth of Government debt and getting the Government's books back into surplus; being responsible with new spending; restructuring the taxation system to deal with the underlying imbalance in the economy by encouraging savings, investment, and enterprise rather than encouraging borrowing, consumption, and property speculation; and investing in worthwhile infrastructure. Next month's Budget will report progress on all of these fronts.

Hon David Cunliffe: If those are the Minister's priorities, does he agree with *Exporter* magazine that the Government has shown apathy on the exchange rate, has low marks for adding value, is at the bottom of the class for abolishing market development grants, and that its focus on " 'digging exports out of the ground and growing more sheep' will not make us a wealthy nation"?

Hon BILL ENGLISH: No, I do not agree with that assessment. Last week I met with a large group of chief executives from our largest companies, and I have to say that their approach was much more constructive than that, as we worked through a programme of work to deal with the kinds of issues that the member has raised.

Amy Adams: What approaches to dealing with economic vulnerabilities has he witnessed in other countries?

Hon BILL ENGLISH: In the House the Opposition has often quoted the Australian Labor Government and its policies. The Opposition may be interested to know that yesterday Federal Treasurer Swann indicated that his Budget is committed to reducing the deficit and accumulated debt, operating within strict rules that limit new spending growth to 2 percent, delivering tax cuts, and continuing to fund worthwhile infrastructure. I must say that that all sounds very familiar. Our own Budget may well be fairly similar to that of the Australian Labor Government, and both those Budgets will be quite different from the approach outlined by the New Zealand Labour Party.

Mr SPEAKER: Before I call the next supplementary question, I ask both front benches, please, to be a little more reasonable with their interjections. I found it hard to hear the Minister during that answer.

Hon David Cunliffe: Can the Minister confirm that in suspending contributions to the New Zealand Superannuation Fund, giving tax breaks to polluters to continue polluting, cutting investment in research and development, and borrowing to give tax cuts to his rich mates, it is his Government that is mortgaging New Zealand's future?

Hon BILL ENGLISH: I am sure the member will be happy to outline in detail his plans to increase more rapidly the burden of debt that—

Hon David Cunliffe: I raise a point of order, Mr Speaker. It is a well-established convention in the House that a Minister, particularly a Minister of Finance just before a Budget, cannot cover for his own lack of policy by inviting the Opposition to write it for him.

Mr SPEAKER: We will not have a point of order like that.

Hon BILL ENGLISH: [*Interruption*] I think the member is brighter than his tie. The answer to that question is no.

Ambulance Services—Improvements to Front-line Emergency Services

8. Dr PAUL HUTCHISON (National—Hunua) to the **Minister of Health**: What reports has he received of improvements to front-line emergency ambulance services?

Hon TONY RYALL (Minister of Health): Members may recall that the Government invested an extra $48 million over 4 years for ambulance services, including 100 extra paramedics. I am pleased to advise today that almost half of those 100 paramedics have started work, and the rest are on track to be recruited in this quarter. This is already making a significant impact on ambulance services, especially on the ability to have double-crewing for call-outs in some areas. For example, with the additional paramedics, Wairarapa District Health Board is now able to operate the Greytown station 24/7, and staff are able to take well-earned leave.

Dr Paul Hutchison: What other improvements to front-line ambulance services can the Minister report?

Hon TONY RYALL: Yesterday my colleague Nathan Guy and I attended a celebration of care closer to home in Kapiti. On the Kapiti coast, Wellington Free Ambulance has halved the number of hospital admissions on its call-outs. Its paramedics assess patients at home first, and treat them on the spot if that is appropriate. Wellington Free Ambulance, through its 24/7, treat-at-home, urgent community care pilot, funded by this Government, has seen 1,161 Kapiti patients, and admitted only 399 of them to hospital. That is a drop from 75 percent hospital admissions to just 34 percent. Over half of those patients are over 75 years old.

Hon Ruth Dyson: How many more elderly will need an ambulance, following his decision to strip more than 3,000 people in Southland and Otago of their home help?

Hon TONY RYALL: I have been assured by the district health boards that no one will be left unsafe in their homes, but I have also been advised by the Otago District Health Board and the Southland District Health Board that during the time of the previous Government in the last 3 years, hundreds of people in that area actually had their home care stopped. There will be more information on this matter in question time later this week.

Hon Ruth Dyson: How many more people in Palmerston North and Horowhenua will need an ambulance, following his decision to allow the 24-hour-a-day district nursing services to be scrapped?

Hon TONY RYALL: The changes that are being considered at MidCentral District Health Board have nothing to do with the level of funding that the Government has given them. The Government has, in fact, increased funding for MidCentral District Health Board by $26 million in the last year, and there will be more money next year. I assure the member that care will be available for those people in Palmerston North.

Methyl Bromide Gas—Use in New Zealand

9. SUE KEDGLEY (Green) to the **Minister for the Environment**: Is he concerned that while the European Parliament has banned the use of methyl bromide, a highly toxic and ozone-depleting gas, New Zealand's use has increased by 500 percent since 2000, despite our commitment under the Montreal Protocol to reduce our use of the gas?

Hon Dr NICK SMITH (Minister for the Environment): Methyl bromide is a cause of some concern, but, as is so often the case with the member from the Greens, she is incorrect and misleading in her claims. New Zealand is meeting its phase-out obligations under the Montreal Protocol, which exempts quarantine use. Other uses, principally sterilising strawberry beds, have dropped from 150 tonnes a year in 1990 to 0 tonnes in 2009. The member's numbers are also double the official reported figures. Methyl bromide is used for fumigation purposes for exports of logs and timber

products, due to the quarantine requirements of Australia, China, and India. Alternative approaches are being trialled. The Environmental Risk Management Authority is currently reassessing the use of methyl bromide, there is an opportunity for public input, and I have full confidence in that process.

Sue Kedgley: Does the Minister accept our obligation under the Montreal Protocol to refrain from the use of methyl bromide, to use non - ozone-depleting technologies wherever possible, and, where we do use methyl bromide, to minimise our emissions of methyl bromide through containment and recovery?

Hon Dr NICK SMITH: The member seems to overlook the fact that the Montreal Protocol specifically excludes the area of quarantine activity. Furthermore, the Government and the industry—for instance, at Port Nelson—are trialling the recapture of methyl bromide, and alternatives are being used and trialled. However, the quarantine requirements of countries such as China, India, and Australia, to which New Zealand has substantially increased its log and timber exports, currently require the use of methyl bromide.

Sue Kedgley: I raise a point of order, Mr Speaker. My question was very straightforward: does he accept our obligations under the Montreal Protocol—and I read them out—yes or no? The Minister did not answer the question. Does he accept the obligations under the Montreal Protocol?

Hon Dr NICK SMITH: As I explained in my answer, the member's assertion is incorrect, because the—

Mr SPEAKER: I have heard enough already. The member made no assertion—that was what was actually quite good about her question. She simply asked whether the Minister accepts New Zealand's responsibilities under the Montreal Protocol. There is no assertion in that, whatsoever. I think that although the Minister's explanation was certainly not in any way political or critical, it would have been helpful had he answered the question before giving that further explanation. I ask the Minister to answer the question.

Hon Dr NICK SMITH: The Government is committed to meeting New Zealand's obligations under the Montreal Protocol, but the member in her primary question does not seem to realise that the principal area of increased use of methyl bromide is for quarantine purposes, which are not covered by the requirement under the Montreal Protocol to reduce its use.

Sue Kedgley: Given that the Government has committed to minimising our emissions through containment and recovery—which the Minister just confirmed in this House—why is the Government allowing 300 tonnes of the gas to be released directly into the atmosphere each year, when perfectly effective alternatives are available that do not destroy the ozone layer or put workers at risk, such as heat treatment for imported food and cars, and recapture technologies?

Hon Dr NICK SMITH: As I pointed out to the member, recapture technologies for methyl bromide are being trialled at my own port in Nelson. But if the use of methyl bromide was suddenly stopped, there would be a huge problem for New Zealand in terms of its exports of logs and timber products to key markets like Australia, China, and India, which require its use. I invite the member, if she has a concern about safety, to make submissions in the very credible, open, and transparent process that is provided by the Environmental Risk Management Authority in its review of methyl bromide.

Sue Kedgley: Is it acceptable that this highly toxic gas is being released directly into the atmosphere at ports all around New Zealand, where people work on a daily basis, and near office blocks, apartments, people's homes, stadiums, and railway stations?

Hon Dr NICK SMITH: Responsibility for setting the conditions of use for methyl bromide lies, appropriately, with the Environmental Risk Management Authority. As I

have said, the authority is taking the initiative to review those conditions of use to see whether they are adequate. I rely on the authority's very high levels of technical expertise to make sure that those conditions of use are appropriate.

UN Declaration on the Rights of Indigenous Peoples—Impact on New Zealand Law

10. Hon PAREKURA HOROMIA (Labour—Ikaroa-Rāwhiti) to the **Minister of Māori Affairs**: Does he agree with the Prime Minister that the UN Declaration on the Rights of Indigenous Peoples "will have no impact on New Zealand law"?

Hon Dr PITA SHARPLES (Minister of Māori Affairs): Article 46 of the declaration ensures that the laws of the sovereign States that support the declaration remain intact. But as laws change with the changing culture of society, then, who knows, the declaration may be able to inform new laws. That would give a Labour Government a chance to change its mind and support the declaration.

Hon Parekura Horomia: Did the Minister just affirm the Declaration on the Rights of Indigenous Peoples, or did he put pen to paper and sign up to it, on behalf of the New Zealand Government?

Hon Dr PITA SHARPLES: The original vote taken was a vote. Now, people declare; they do not sign anything. There are two countries yet to declare.

Hon Parekura Horomia: Is it his intention to advocate changes to New Zealand law to facilitate movement towards the aspirations of the Declaration on the Rights of Indigenous Peoples?

Hon Dr PITA SHARPLES: I am quite happy that the processes that we have in place at this moment support those of the declaration and, more important, of the Treaty of Waitangi.

David Garrett: Does the Minister agree with a former New Zealand Permanent Representative to the United Nations, Rosemary Banks, that article 26 of the declaration "implies indigenous peoples have rights that others do not"; if he does not, why not?

Hon Dr PITA SHARPLES: No.

Hon Shane Jones: Kia ora, Mr Speaker. Does the Minister agree that the Declaration on the Rights of Indigenous Peoples means that only members of iwi and hapū are indigenous New Zealanders; if that is the case, what does he think the status of Pākehā is?

Hon Dr PITA SHARPLES: The status of Pākehā is that of tangata Tiriti, through the signing of the Treaty of Waitangi.

Hon Shane Jones: Does he believe that New Zealanders of non-Māori descent can ever claim to be either native or indigenous to New Zealand?

Hon Dr PITA SHARPLES: They certainly can agree to be native, because we are all native to this place. But at the end of the day we are all New Zealanders working together.

Te Ururoa Flavell: Tēnā tātou katoa. What other countries have changed their position on the Declaration on the Rights of Indigenous Peoples?

Hon Dr PITA SHARPLES: When I had finished making our declaration at the United Nations, I was immediately met by the permanent representatives of the United States and Canada, who said that we had put them on the spot. The following day they made speeches indicating that they too will be following suit.

Rest and Meal Breaks—Proposed Legislative Changes

11. DAVID BENNETT (National—Hamilton East) to the **Minister of Labour**: Why is the Government amending legislation relating to rest and meal breaks?

Hon KATE WILKINSON (Minister of Labour): The Government is concerned that the current regime is too inflexible. It is important for all workers to have reasonable rest and meal breaks, but there needs to be sufficient flexibility in the legislation so that it works for all industries, all employers, and all employees. We have a bill for consideration tonight that will do just that.

David Bennett: What feedback has the Minister received on the bill?

Hon KATE WILKINSON: I have received numerous emails and letters from New Zealanders who are frustrated with the practical implications of the current law, including one communication from a teacher, who said: "The current legislation has made things worse for schools, not better. I believe that teachers need more flexibility in their break times, and things were working well beforehand. Our duty times have doubled from 45 minutes a week to 90 a week, as our management team insists this has to happen to cater for the law."

Hon Trevor Mallard: Does she agree with the statement that the current legislation merely codifies what went before; if so, can she remember who made that statement?

Hon KATE WILKINSON: Yes. That was an aspirational statement made by me during the reading of the bill passed by the previous Government. As the member will well realise and remember, we had raised concerns that the major issue was not in relation to the provision of the breaks but to the prescriptive nature of the timing of those breaks. Our fears have been realised, and we are fixing it.

Hon Trevor Mallard: Can she remember using the air traffic controllers as the major reason for the urgency behind this bill, and is she aware that when the parties sat down they sorted it out very easily?

Hon KATE WILKINSON: Certainly the air traffic issue was a catalyst for considering the flawed legislation, but the Civil Aviation Authority was only one of several groups that approached me about this flawed legislation. We listened to them, and we are fixing it.

Accident Compensation—Sensitive Claims Clinical Pathway Review

12. LYNNE PILLAY (Labour) to the **Minister for ACC**: Why does there need to be a review of ACC's sensitive claims clinical pathway to determine whether or not survivors of sexual abuse are receiving timely decision making and services?

Hon Dr NICK SMITH (Minister for ACC): Changes were made by the Accident Compensation Corporation (ACC) to the way that it manages sensitive claims, in response to new Massey University guidelines launched by the Hon Steve Maharey in 2008. I have been extremely reluctant to interfere in clinical practice issues in such a sensitive area, but in response to concerns from counsellors and psychotherapists I agreed to establish an independent clinical review.

Lynne Pillay: Why does the Minister continue to say that he is focused on delivering to victims of sexual abuse, when clinicians, victims, and Massey University have all repeatedly told him that the guidelines he introduced fail to deliver timely services? For example, it was reported today that a 15-year-old who was raped is still waiting, after 4 months.

Hon Dr NICK SMITH: Professional groups, like the Royal New Zealand College of General Practitioners, have issued a statement strongly in support of ACC's pathway for dealing with sensitive claims. If the member has a particular case about which she has concerns, I invite her to refer it to Dr Barbara Disley, a very respected former mental health commissioner, who is to lead the review. I have to say I am disappointed that the member was not interested in even being consulted on the personnel or terms of reference of the review.

Dr Jackie Blue: What trend has there been in ACC's acceptance rate of sensitive claims since 2000, and can the Minister confirm that 2,400 claims were rejected in 2008 by the previous Government?

Hon Dr NICK SMITH: The member makes a very good point. Between 2000 and 2008 the rate of rejection of sensitive claims grew from just 5 percent to 41 percent. [*Interruption*] The member Annette King is shouting out about caring. Where was she? What did she or Lynne Pillay do when 2,400 sensitive claims were rejected in 2008? They were silent, and that shows that this is simply about Opposition politics, rather than genuinely caring for people who have been sexually—

Hon Gerry Brownlee: I raise a point of order, Mr Speaker. This question relates to matters that are extremely sensitive, yet I think the Minister is doing his best to answer. It does not help when a Labour front-bencher is calling across the House: "You are a liar." I think the Hon Ruth Dyson should be asked to apologise for making those comments.

Mr SPEAKER: Because I did not hear them, I have to ask the honourable member whether she made that interjection. If she did, I would ask her to withdraw and apologise.

Hon Ruth Dyson: Yes, I did, and I withdraw and apologise.

Mr SPEAKER: I realise that this is an issue on which people have very strong feelings, and that is why I do not insist on silence. This is a place of passionate debate. I felt the Minister was handling the level of interjection pretty competently, and that was why I did not interfere, but that kind of interjection is unacceptable.

Lynne Pillay: Was the decision to deny counselling to sexual abuse victims part of the directive from the Deputy Prime Minister, Bill English, to cut low-value spending, and how long will it be before the Minister realises he cannot continue to cut services to people without disastrous consequences?

Hon Dr NICK SMITH: I have made it abundantly plain to ACC that I have no expectations of any cost savings in respect of sensitive claims. I have had no involvement in the changes that have been made in this area, and members opposite know that. The changes are based on Massey University's clinical guidelines, which were launched by the Hon Steve Maharey in 2008. The claims from the member are simply incorrect.

Lynne Pillay: Why would ACC host another costly workshop, advertised to be held on 7 May, to explore gaps in services that have arisen because of the guidelines; and if the Minister's own department knows there are gaps in services being provided to sexual abuse victims, why does not the Minister?

Hon Dr NICK SMITH: This Government is determined to ensure that people entitled to receive accident compensation cover in this highly sensitive area of sexual abuse or assault receive the care they need. That is why on Monday I announced an independent clinical review. I think it speaks volumes about the member that when I offered to consult her both about the membership and the terms of reference of the review, she said she was not interested. She just wants to play politics in this sensitive area.

Lynne Pillay: I seek leave to table an email advertisement from the Accident Compensation Corporation about its workshop identifying gaps in services for the victims of serious assault.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Hon Phil Goff: How does the Minister account for the fact that in October 2008, 300 victims of sexual abuse had been approved for counselling, and by February this year that figure had dropped to six?

Hon Dr NICK SMITH: The member's numbers are quite incorrect. They are not true. I would ask that member, if he wants to make politics out of something as tragic and difficult as sexual abuse and neglect—

Hon Phil Goff: I raise a point of order, Mr Speaker. [*Interruption*]

Mr SPEAKER: A point of order has been called.

Hon Phil Goff: The Minister answering the question is not answering the question. He embarked on a diatribe about my making politics of the issue. I asked a straight, factual question; he should address it.

Mr SPEAKER: The Minister did answer the question—in fact, quite specifically—the minute he said the member's figures were wrong. The Minister should not have gone on from that point, because it is correct that the question was not loaded with political comment. But the Minister's answer was that he considered that the member's figures were wrong.

QUESTIONS TO MEMBERS

Marine Reserves Bill—Date of Last Consideration

1. GARETH HUGHES (Green) to the **Chairperson of the Local Government and Environment Committee**: When did the committee last consider the Marine Reserves Bill?

CHRIS AUCHINVOLE (Chairperson of the Local Government and Environment Committee): The committee last considered the bill on 4 June 2009.

Gareth Hughes: When will the committee next consider the Marine Reserves Bill?

CHRIS AUCHINVOLE: The member will be aware that further information on the committee's consideration of this item of business remains confidential until the committee makes its final report to the House.

Metiria Turei: I raise a point of order, Mr Speaker. That was an answer to some other question, but it was certainly not an answer to this one. The question was "When will the committee next consider". What the member has attempted to answer is not a question about confidential information. I think that a better answer could be sought.

Mr SPEAKER: The member has raised an interesting point. Although we have to be careful with questions to chairs of committees, I think the member could indicate whether the committee is yet to decide when it might next have this bill in front of it. This matter is the subject of a committee decision. Therefore, when the member says that the matter is confidential to the committee, we need to respect that, but it may be possible to indicate that the committee is yet to make a decision on it, or whether the committee has made a decision. I leave it in the member's hands.

CHRIS AUCHINVOLE: Thank you, Mr Speaker, for your guidance. The committee will next discuss the report when it chooses to.

Marine Reserves Bill—Report-back Date

2. GARETH HUGHES (Green) to the **Chairperson of the Local Government and Environment Committee**: When will the committee report on the Marine Reserves Bill?

CHRIS AUCHINVOLE (Chairperson of the Local Government and Environment Committee): The current reporting date for the Marine Reserves Bill is 30 December 2010.

Gareth Hughes: Will the committee call for further submissions, given the 7-year delay since the last submissions?

CHRIS AUCHINVOLE: At the risk of sounding like a parrot, I say the member will be aware that further information on the committee's consideration of this item of business remains confidential until the committee makes its final report to the House.

Metiria Turei: I raise a point of order, Mr Speaker. I understand the need to have a defensive answer, but that was not an answer; it did not address the issue. A more reasonable answer could—[*Interruption*]

Mr SPEAKER: I apologise to the member, but I say to members that a point of order is being heard.

Metiria Turei: An answer that does address the question could be made. That answer certainly was not one that did so.

Mr SPEAKER: The area of what is confidential to the committee is a very difficult area. If the committee has made a decision with regard to hearing further submissions, it may well be that that matter is confidential to the committee. But what would not breach confidentiality, in my view, would be to give an indication of whether further submissions have been called for. Because the chair of the committee has a role in calling for submissions, I think it is reasonable that the chair of the committee answers questions in respect of calling for submissions. I do not want to be unduly unfair on the member, because he is quite right that decisions of the committee are confidential. But chairs have a particular role with regard to calling for submissions, so it may be possible to indicate whether the intention is to call for further submissions.

CHRIS AUCHINVOLE: Thank you again, Mr Speaker, for your guidance in answering this particular question. The committee will determine whether it will call for future submissions at such time as it gives that matter consideration.

OFFICES OF PARLIAMENT

Address to Governor-General

Hon GERRY BROWNLEE (Leader of the House): I move, *That a respectful Address be presented to His Excellency the Governor-General commending to His Excellency the appropriations and information for the 2010/11 financial year in respect of Vote Audit, Vote Ombudsmen and Vote Parliamentary Commissioner for the Environment.*

Officers of Parliament are independent from the executive. It is therefore appropriate that their budget-setting process is different from that of the Government. The Officers of Parliament Committee considers Budget requests from the three Officers of Parliament. It makes recommendations to the House. The House then sends an Address to the Governor-General requesting that the estimates be included in the main Appropriation Bill for the coming financial year.

Some features of the estimates worth noting here include a capital injection of half a million dollars to enable the Office of the Controller and Auditor-General to manage increased pressure on its capital requirements, an increase of $320,000 in core funding for the Office of the Ombudsmen for the next 2 years to deal with a rising backlog of cases—this reflects the busy work of the Opposition in many ways, but the funding will be reviewed as part of the consideration of the 2012 Budget—a further increase of $230,000 for the Office of the Ombudsman for the next 3 years to carry out monitoring under the United Nations Convention on the Rights of Persons with Disabilities, and a reduction of $150,000 of funding per year for the audit function of the Parliamentary Commissioner for the Environment. This occurs because the monitoring function that the commissioner performs in relation to the Electricity Commission is likely to be removed with the passage of the Electricity Industry Bill that is now before the House. These appropriations are the subject of the Address to the Governor-General. I look

forward to the House supporting them, as they obviously support the various Officers of Parliament through this process.

Hon STEVE CHADWICK (Labour): I rise to speak on the draft budgets for Officers of Parliament. The Officers of Parliament Committee is a very important committee of Parliament, as the Leader of the House pointed out. All parties act as the executive on this committee, and undertake the scrutiny of some very important votes: Vote Audit, Vote Parliamentary Commissioner for the Environment, and Vote Ombudsmen. I do not think many people know about the Officers of Parliament Committee in terms of parliamentary function, but I have found it a very important committee for the enactment of those different votes.

As the Leader of the House said, the Officers of Parliament Committee looked at Vote Audit. The Office of the Controller and Auditor-General has asked for another $500,000, which would still be subject to approval. The increase in this vote was because the office is revenue-dependent. Its costs are fully funded back, and have been since 2007. It has incurred some increased additional costs because it audited long-term council community plans—a very important role, which it has finished.

Another reason the office asked for the extra $500,000 is that there is pressure on its capital requirements. It has an extra 90 staff because of the audit functions that we have put on this vote. Over 6 years, there has been quite an increase in work. It also flagged to us that it is looking for alternative premises, which is something that, in the future, we will examine in terms of this vote. The department is managing—well, the Office of the Controller and Auditor-General is not really a department—on some quite outdated systems. There is an old document management system that has been going for 8 years, and a 10-year-old management system, which also needs to be upgraded. So we listened to all of that information, which was put to us very convincingly. We were aware of the very financially constrained times last year, and we are aware of some pressures going forward.

The Office of the Parliamentary Commissioner for the Environment is a very small office with a small number of staff, and it is a vote of only $2.7 million. Staff assured us that they are going through the same line-by-line, value-for-money approach that we thought was very important. They found lots of efficiencies as they carry out the functions they mentioned. They have outsourced their library services. They have really felt the squeeze, but they have gone to an open-plan system in their offices, which was impressive.

The Office of the Parliamentary Commissioner for the Environment has a very important role in terms of measuring the health of our environment and reporting back to Parliament. It also had to report on the new Environmental Protection Authority, which, I think, the Officers of Parliament Committee will monitor in the future. It has looked at a strategic approach to biofuel production. It has done a lot of work, and we commend it for its work. It has a small number of staff, but it manages to meet those requirements.

The last vote that we looked at was Vote Ombudsmen. The Office of the Ombudsmen is an interesting office that is under considerable pressure. It talked about 1,928 complaints that have not yet been assigned. That is a growing sign of pressure on the Office of the Ombudsmen. There has been a 22 percent increase in demand for its services, and the office feels it needs to be responding to this increase.

I think it was very interesting that Sir Guy Powles, who recommended setting up the Office of the Ombudsmen, said: “The Ombudsman is Parliament’s man, put there for the protection of the individual, and if you protect the individual you protect society.” The Office of the Ombudsmen takes that role very seriously. It was concerned about its unassigned cases, and it asked for one more investigating officer.

It was also very interesting for the committee to know that the Office of the Ombudsmen is now reporting on the United Nations Convention on the Rights of Persons with Disabilities, which was an additional compliance cost it had to meet. We took that into account in the draft budget that we put before the Minister of Finance in the House today. I am proud the United Nations Convention on the Rights of Persons with Disabilities was signed by the previous Labour Government in 2008.

Members of the Officers of Parliament Committee worked in a consensual way, under your leadership, Mr Speaker, as the chair of the committee. It is an enjoyable committee. We take the role very seriously. I believe that all of us agree that the budget pressures on all these votes need to be taken seriously, and I believe we responded seriously to their requests.

Dr KENNEDY GRAHAM (Green): I rise to address this motion, which the Green Party is, of course, prepared to support. Generally, we believe that these three agencies, the Audit Office, the Office of the Ombudsmen, and the Office of the Parliamentary Commissioner for the Environment, all do excellent work. They have a special role to play as Offices of Parliament. They are independent of the executive branch of government, and they are, in fact, offices of this legislature, which is why we in the Officers of Parliament Committee get to determine their budget, as opposed to the Minister of Finance doing so. That is as it should be.

When we look at the three budgets—not that there is any inherent reason to compare them—it is noteworthy to see that the Parliamentary Commissioner for the Environment receives a small budget. It is $2.6 million in the forthcoming year, compared with $8.6 million for the Office of the Ombudsmen, and, in fact, compared with $61.7 million for the Audit Office. The Parliamentary Commissioner for the Environment not only has a small budget but has a small staff: only 15 full-time people. So one has to ask, with the greatest of respect for the individual competence of Dr Jan Wright and her colleagues, just how much can be undertaken to fulfil that office's role, important though it is.

When I look at the four statutory functions of the Parliamentary Commissioner for the Environment, I find two in particular attend to our interests: the first and third functions. The first function is to determine whether the current environmental laws are working adequately, and the third one is to advise the Parliament and the Government on environmental issues. Well, of course, that third remit produces different effects. It is one thing to advise the Parliament, but it is another thing to advise the Government. The Parliament debates matters, and the Government decides on them. So the advice, which may be the same, that goes to both Parliament and the Government may end up having a different outcome. In fact, one could legitimately ask how much notice is taken—at least by the Government—of the advice of the Parliamentary Commissioner for the Environment. We could look at climate change to see an example of that.

In the annual report of the Parliamentary Commissioner for the Environment dated 30 June 2009, the parliamentary commissioner acknowledges that "climate change is the environmental challenge that dwarfs all others." Yet the parliamentary commissioner made eight recommendations in her submission to the Finance and Expenditure Committee in October last year. They were very important recommendations to the Government pertaining to the proposed legislation. I take this opportunity to read them out. The first is that the allocation of free carbon credits should be granted only if there is a genuine reason for it, and that the reasons should be stated publicly for each particular activity. The second is that New Zealand should not align itself with Australia's proposed scheme—and that issue is of considerable pertinence to us today. The third is that a cap on the number of carbon credits freely allocated is vital in order to create the right incentives and reduce fiscal risk for the Government and policy uncertainty for business. The fourth is that the phase-out of free carbon credits is

far too slow. The fifth is that the allocation to the agriculture sector should be reviewed. The sixth is that transparency should be increased, particularly regarding allocations. The seventh is that the allocation provided to protect competitiveness should be reassessed more regularly than 5-yearly. The eighth and final one is that the provisions that are meant to reduce the negative impact of the emissions trading scheme on the tree weed problem should be strengthened.

Those eight different recommendations were made to the Government in accordance with the statutory functions of the Parliamentary Commissioner for the Environment. Which of those eight were adopted by the Government? I stand to be corrected, but my understanding would be none. So one could, perhaps, conclude that there might be some merit in having a budgetary line item—not necessarily tucked into the budget for the Office of the Parliamentary Commissioner for the Environment, because one would need it to be independent of that office—to determine how much general advice from the parliamentary commissioner to the Government has, in fact, been adopted.

I will draw one more issue to the attention of this House. True to the principles of the Office of the Parliamentary Commissioner for the Environment, members will find in its annual report that the office does, in fact, produce its own carbon footprint for analysis. It emitted 15.8 tonnes of carbon emissions over the last year, which was a slight decrease on the amount in the year before that. That, I think, also posits a question for the attention of this House: should it be the case that Government departments—the Office of the Parliamentary Commissioner for the Environment not being a Government department—also produce their carbon footprint for scrutiny and analysis by the House or by the public? We remember that the previous Government had a scheme, which I think was called Govt³, in which the three lines of sustainability—environmental, social, and economic—were to be scrutinised, Government department by department. The present Government saw fit to abolish that scheme in March of last year. My question is, why? Would it not have been in order for Government departments to continue to provide that information? Certainly the Parliamentary Commissioner for the Environment is setting out its own model in that area.

Finally, I note, in the context of the good work that the Office of the Parliamentary Commissioner for the Environment does, its latest report to the OECD, which was only about a week or so ago. I noticed on page 39 of that report, entitled *How clean is New Zealand? Measuring and reporting on the health of our environment*, a recommendation that the Government should at least advance national environmental reporting legislation. The Green Party strongly supports that recommendation from the parliamentary commissioner. I personally shall be exploring, I hope in dialogue with the Government, ways in which the idea of sustainability indicators can be produced and integrated into Government legislation.

With those words, I endorse the motion and pay tribute to the Office of the Parliamentary Commissioner for the Environment and to the other two independent bodies for the work that they do. Thank you.

RAHUI KATENE (Māori Party—Te Tai Tonga): I take the opportunity of this Government motion to commend the work that the Parliamentary Commissioner for the Environment is doing. The Māori Party places enormous significance on our roles to protect natural values, to achieve sustainable development, and to keep our environment healthy, safe, and intact for everyone and for future generations. We start, of course, from the perspectives of whānau, hapū, and iwi as tangata tiaki to take whatever measures are necessary to ensure the well-being and future good health of the environment. This is the goal that all of us take very seriously, so we have been very impressed by the work of the Parliamentary Commissioner for the Environment in trying to set in place roles and responsibilities for regular reporting on the state of the

environment to different public entities. The report she issued last week encouraged us to consider the value of a national environmental reporting Act. The Māori Party is interested in this idea as a mechanism to report in a systematic way on the state of the environment. In fact, it was a bit of a shock to learn from Dr Wright's report that we are the only country in the OECD that does not have a formalised process for regular national reporting on the environment.

Hon Steve Chadwick: I raise a point of order, Mr Speaker. I want to raise an important issue. This is the draft Budget debate on these Offices of Parliament; it is not about the value of these votes. I have not heard anything about the Budget.

Mr SPEAKER: The member makes a very good point. I have not wished to intervene with members, because one could argue that statements of intent and that kind of thing do relate to Budgetary documentation, and, therefore, one could argue that the work programme of these offices is relevant to that extent.

I must tell the House that I have a growing concern that members are coming to this House with a typed-out speech and reading the speech to the House. This is a House of Representatives where members debate issues. The question we are debating at the moment is that a respectful Address be presented to His Excellency the Governor-General commending to His Excellency the appropriations and information for the 2010-11 financial year in respect of those votes. I expect to hear some debate around that motion—that is what this House is debating. I am concerned that too often we are hearing speeches prepared by party research units read out to the House that form no part of any recognisable debate whatsoever.

I do not want to be unfair to any member, so I say to the honourable member Rahui Katene that I am not being critical of her. I just want to alert the House to the fact that this is something I will be discussing further with leaders in the House. I am very concerned that we are seeing this place as no longer a place of debate but a place where, too often, prepared speeches are read to the House. This is a House of Representatives. The freedom of speech in this place was hard fought for over many years, and we should not throw it away lightly. I apologise, but the member should be mindful of the motion we are actually debating.

RAHUI KATENE: Thank you, Mr Speaker, and I take your point. This report is money well spent by the Parliamentary Commissioner for the Environment. We hope this House will be taking up the suggestions she has made in this report, because it will show that the money has been well spent if we listen to them.

We want to bring attention to the fact that the commissioner's work programme has increased over the last little while. We note that on the basis of this increased demand, the report recommended that the commissioner's annual appropriation be reduced by only $150,000 of the recommended $312,000 annual provision for the Electricity Commission audit function. Although it may appear to be a bit of a Clayton's provision, it provides ongoing support to endorse the work of the Parliamentary Commissioner for the Environment. We need to make it clear to the House that what this office is doing is very important and that we see the importance of what it is doing. We see that it is very important that we bring this into the House to look not only at hard economics but also at what those economics are doing to our environment. We have a longstanding interest in measuring indicators and the economy in a way that encourages everyone to take responsibility for the good health of the environment. For that reason, we hope this House takes seriously the work of the Parliamentary Commissioner for the Environment. Thank you.

Motion agreed to, and Address agreed to.

WAIKATO-TAINUI RAUPATU CLAIMS (WAIKATO RIVER) SETTLEMENT BILL

In Committee

Hon CHRISTOPHER FINLAYSON (Minister for Treaty of Waitangi Negotiations): I seek leave for all the provisions of the bill to be taken as one question.

The CHAIRPERSON (Eric Roy): Leave is sought for that purpose. Is anyone opposed to that course of action? There appears to be no one. Leave is granted.

Preamble, clauses 1 and 2, Parts 1 and 2, and schedules 1 to 6

Hon PAREKURA HOROMIA (Labour—Ikaroa-Rāwhiti): I am pleased to be here today in this historic debate on the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, and I commend and support the Minister regarding the way that he wants to get through this bill. I thought it was nigh on time, in the Committee stage, to mention that I lay claim to supporting and ensuring that this bill got here today in this form. I recognise Michael Cullen and a whole lot of other people who aided in the bill getting here, and I commend the Minister.

Quite clearly, in Part 1 the bill gives effect to the settlement of the raupatu claims under the 2009 deed. I think that the Hon Tau Henare spoke as well as I have ever heard him speak the other day, in the sense of describing where things have got to. Just in case I forget to do so later, I will now mention the Māori Affairs Committee, given that we put it all together. The initial settlement was signed between Waikato-Tainui and Michael Cullen in August 2008. The preliminary provisions are quite clear as to the overarching purpose of the settlement. It is a new way, and certainly all those parts, particularly in relation to establishing the Waikato River Clean-Up Trust, hang on the efforts that were put in by Raihā Māhuta to ensure that people got what was theirs by right: to clean the river, and to recognise that it could supply them in a swimming capacity and with tuna, eels, that grow more healthily. It is to be cleaned up. Recognition of the redress to Waikato-Tainui and of the Kīngitanga accord is something that I think people will look forward to as they go along.

I do not think I would be exaggerating if I said this settlement is an international test, and that is why I have always believed that Māoridom generally, in the sense of sorting things out, are way ahead of people in a whole lot of other countries. Certainly, this is brought to the test in the sense of the guiding principles of interpretation. There has been a fair bit of tension around the vision and the strategy, and those issues were brought forward by people with different world views. We had the sticky Pākehā view and the sticky local view—people who are used to holding power and designating the direction in relation to a settlement like this. The guiding principles are quite clear. It is an agreement that was expressed in the 2009 deed, and it has taken a lot of work and goodwill. I want to mention Tainui, not only as an iwi but also for being responsible for carrying on Kīngitanga for the nation, and for the effort that they have put in on all of the issues that they have been tested by. The interpretation of the authorities and of the Waikato River Authority will take into account all the wishes that the Tainui people have been keen on.

I think that this debate is a great sign from Parliament that all parties—all but one party, that dastardly deed maker over there—are drawing together to get through the Committee stage of this bill and come to a more than amicable agreement. The ACT Party is outrageous. It talks about hocus-pocus, and that is shameful—it really is. That sort of comment is unfit to be put out on something that is dear to people's hearts. Everybody, including the Minister, has put effort into trying to bring us together. I have heard the leader of the ACT Party preach about nationhood, but what a lot of garbage

that is when he starts to mention hocus-pocus. This is a dream. There are issues that are relevant to Tainui's inherited rights that were tuku-ed by the tūpuna—by their ancestors. Tainui have a right, and it should be affirmed by this Parliament. They do not bother to go overseas and do hocus-pocus, like that leader, in order to get things done there. ACT does that. We have been involved with this development all the way through. The council and local authorities have had challenges, but I am very proud to have been part of this discussion.

Hon NANAIA MAHUTA (Labour—Hauraki-Waikato): In speaking to the Committee stage of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, I want to reaffirm the positive sign that Labour will continue to support it, and to highlight a number of issues I think should be raised for consideration in the House and be put on the record. In the first instance, it was the Minister's suggestion to have another look at this legislation. Let it be a salient lesson to everyone in the House how difficult it is for iwi to move forward on Treaty claims. When this settlement was reached with Labour on 22 August 2008, there were clear undertakings agreed to by Waikato-Tainui. Then we had the subsequent election and the consideration of the current Minister of whether this current Government could work through the provisions of that agreement.

When the independent review panel was instituted, with the Minister's view in mind to look at co-management provisions and the streamlining of those, it took over 12 months to then revisit this settlement. That period of gestation was felt not only with a certain amount of goodwill on the part of Waikato-Tainui but also with a high level of difficulty in terms of trying to get traction and movement in finalising the terms of an agreement that Waikato-Tainui thought had been agreed to.

I raise that with the Minister in the chair, the Hon Christopher Finlayson, because in his attempt to look at a better way of addressing this it left a gestational period that in many respects was a difficult period for Waikato-Tainui. In recognising that, I make the point I raised earlier in the second reading that although the Minister's attempt to look at streamlining the co-management provisions may have been achieved, I reinforce that it would not be Waikato-Tainui's view that this settlement is a one-size-fits-all approach. Every iwi that has a river and that wants to go through settlement will come up with various mechanisms that are more workable for it.

I raise that with specific regard to the establishment of the Waikato River Authority. That provision was implemented largely as a result of recommendations of the independent panel, largely to condense the five statutory boards in the original settlement to one river authority. There is some rationale that may lead people to think that having everybody sitting around the same table is a good thing. Certainly Waikato-Tainui have said they will have a look at it and try it out, and that it is a matter that might need to be looked at in the review. I think that it is helpful for all iwi along the Waikato River to be able to sit around the table together and have a say in what is happening in the integrated management of the river. That is a positive move, and greater benefit could be derived from that when we look at the river system as a whole and at what happens on the land and in the waterways.

But I say that if we were to apply the same thinking to, for example, the Waipā River, where there are only a couple of iwi along that catchment, and if we were to transport the other iwi from the Waikato River Authority on to a Waipā River authority, I think there would be some difficulty. I urge the Minister to consider the application of his streamlined provisions in a very pragmatic way that looks at the reality of how river systems operate and where iwi actually reside along a river. It is understandable for Waikato; not so for Waipā. I raise that as an early issue that needs some further clarification in debate and thinking, not for the purposes of this settlement but for the

purposes of what the Minister proposes to do, which is implement a streamlined approach for the co-management of waterways.

I also say in relation to the role of the Waikato River Authority that it was with some trepidation amongst Waikato-Tainui that it conceded having only one iwi member alongside the other four members of this authority. Many of those within the iwi felt that their voice and their view in relation to the priorities for managing the catchment from Karapiro down would be lost amongst the voices of other iwi who were in the upper catchment. Obviously there will be offsets between interests in the upper catchment vis-à-vis interests in the lower catchment. But it is worth a go. It is worth a shot. Probably the point to mention now is that if it is worth a shot, then we should have a look at it.

DAVID GARRETT (ACT): My understanding is that as we are debating the Committee stage as one question we can start at the beginning and work through. I have read this bill with great interest, including the preamble, which, in my opinion, illustrates a number of things. Firstly, it certainly educates those who do not know anything about the history of confiscation in the Waikato area. It also illustrates the dangers of omission and that the Māori people are willing to play a very, very long game.

I refer specifically to the part of the preamble that sets out a series of what I understand to be correct historical facts about the invasion—and that is what it was—of the Waikato in the early 1860s, allegedly on the grounds that Tainui were rebels, and I will come to that in a moment.

The preamble sets out a couple of major steps: the Crown military forces crossing the Mangatawhiri River in July 1863; the Crown occupying Ngāruawāhia in December 1863; and the confiscation of lands that followed in 1865. The preamble then goes on to say, correctly, that the Crown assumed control of, and exercised jurisdiction of, the river thereafter. But a bit further on—after a couple of recitals that do not say very much—it is very interesting to see these recitals: "(11) In the changing legal and political landscape of New Zealand, Waikato-Tainui have always maintained the importance of their unique relationship with the River, and the need to respect and restore its well-being: (12) Robert Te Kotahi Mahuta, who led the Kiingitanga search for justice from the 1970's …", etc.

So we have a little jump there from 1865, when there were widespread confiscations not just in Waikato but elsewhere, to the 1970s. That little section omits some crucial parts of history. It is a myth that used to be long promulgated that Māori grievances about confiscation were dreamt up in the recent century. That is certainly not so. My understanding from a study of history is that there were indeed complaints right from the beginning, and there was an assertion that land—and resources, but particularly land—had been wrongfully confiscated in the 1860s.

In the 1920s—omitted from the preamble here—no doubt at the urging of the Māori leaders of the day, an inquiry called the Sim Commission was set up. In 1928 the commission made a report that was quite startling. It stated: first, that Waikato-Tainui were not rebels; second, that their lands had been wrongfully confiscated from them; and, third, that there should be full and generous compensation forthwith. That report was issued in 1928.

For just under 20 years nothing happened, and, sadly, that has been the history of these disputes in this country. But in the mid-1940s—which, again, has been completely omitted from this potted history—the then matriarch of the Tainui tribe, Princess Te Pūea, when asked to agree to conscription of Māori into the armed forces refused unless the Raupatu confiscation grievance was addressed.

What happened in the 1940s culminated in the Waikato-Maniapoto Maori Claims Settlement Act 1946. It is very interesting that it mentions the Sim Commission of 20 years before in its recommendations. Its title reads as follows: "AN ACT to effect a Final Settlement of certain Claims relating to the Confiscation of Māori Lands in the Waikato District, and to provide for the Control and Administration of the Moneys granted as Compensation."

The central provision of the Act is remarkable for its day in its clarity and lack of ambiguity. It states in section 3(1): "In settlement of all claims and demands which have heretofore been made, or which might hereafter be made upon His Majesty's Government in New Zealand in respect of or arising out of the confiscation of lands in the Waikato district (being the areas of land shown …), there shall be paid to the Tainui Maori Trust Board … the annual sum of five thousand pounds payable on the first day of April in each and every year: Provided that … there shall be paid … without further appropriation … (a) As soon as practicable … the sum of five thousand pounds … and … the annual sum of one thousand pounds,".

In the early 1990s, when the last settlement was made with Tainui, some people raised the 1946 Act and it was decried for three reasons. Firstly, supposedly, these settlements were for derisory amounts. Well, I have done some research. In 1946, £5,000 was the value of a dairy farm, so today it is $2 million or $3 million. Let us be conservative and say that it is $2 million. So they were not derisory sums at all. The second reason was that, supposedly, it was negotiated with the wrong people. Well, I have read the account by Michael King of the final settlement between Princess Te Pūea and her lead advisers and Peter Fraser himself, the Prime Minister of the day.

I will paraphrase, not quote directly, the crucial chapter, which says something like this: when Te Pūea heard Fraser's offer of £5,000 per year, she was so surprised that she urged X to his feet to accept before Fraser could change his mind." I am confident that that is a very accurate paraphrase. Where did I get that? As I have said, it is from Michael King's *Te Puea: A Life*. Who pointed me in that direction? I will tell members: the then lawyer for Tainui. I said that I wanted to get some balance on what was being argued at the time. She told me to go and get that book and read it. She said it is the best account there is. After I did so I thought that she could not have remembered what was in it, because it was quite clear that the deal was settled back then.

The third ground is that that supposedly derisory amount of $3 million a year was eroded by inflation. Certainly it was, but everyone was affected by inflation in the years from 1946 to 1990. If one retired in 1970 on a handsome pension of $65 per week, by 1975 one would be in major trouble because of 5 years of 18-percent inflation. Inflation affected everyone. It has become a bit of an old cliché. I sold my first house for $18,000. It was sold the other day for $360,000. I am not entitled to go and get back that money.

I come back to the bill. There is talk that in the 1990 settlement the river was reserved. Well, I read the 1946 Act word for word this morning, very carefully. There is absolutely no mention of the river, at all. I will not repeat that section, but it was a full and final settlement of grievances. The claim in this bill that we are talking about today is that back in the 1990s the river was reserved. It probably was, because it is a very long game. That is why this "DRIP"—the Declaration on the Rights of Indigenous Peoples—has been sanguinely declared on this side of the House to be meaningless and of no effect; we do not have to worry about it. They said similar things in the 1980s.

The illustrious former Prime Minister and premier lawyer of the country, Sir Geoffrey Palmer, said at the time that section 9 of the State-Owned Enterprises Act was meaningless window dressing. Sir Roger Douglas was in Cabinet at the time. It was meaningless window dressing to keep the Māoris happy and it will not have any

effect—that is what Sir Geoffrey Palmer said. Yet 25 years later we are still debating and still having court cases about what that means. That led directly to the principles of the Treaty, which was dreamed up across the road by the late Sir Robin Cooke and others on the bench. They said: "Well, Parliament must have meant something; it cannot have meant nothing. They have not said what the principles are so we will make some up." That is effectively what they did.

Hon Parekura Horomia: Sit down, you blimmin dopey runt.

DAVID GARRETT: Oh yes, the member has got very noisy, but I say to Mr Horomia that he was very quiet early on. When I was recounting the early bit, the stuff that he did not disagree with and did not hurt him, he did not say a word. But now he is getting very noisy.

This bill is a very dangerous bill. National has said that it is a one-off, but we heard from the other side of the House immediately—and we heard it just a second ago—that it is a model for the future.

Hon TAU HENARE (National): I was going to wait until the Minister for Treaty of Waitangi Negotiations, Mr Finlayson, spoke on the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, but I though that I might as well get in while the going was good. A while back—a long time ago—my nana used to say to me that when I was perturbed at somebody saying something, I should just ignore that person. I will just stay on Part 1 of this bill. It sets out what this bill does in a way that nobody could misunderstand if he or she were to read it. It is about the restoration and protection of not only a body of water but also, I think, a people's relationship with that body of water. It is not just about protection and restoration today; it is about it being restored and protected for the sake of generations to come.

Part 1 gives effect to a deed of settlement that has, in fact, been signed twice: not only by Michael Cullen but also by our side of the House. It essentially recognises the significance of both the role that the river plays for the iwi and the effect that the iwi has on the river. If I can be so bold as to do this, I will tell the people who stand up and say this legislation is not democratic that democracy is not about only the principle of one vote. Democracy is about participation. Democracy is about getting on and coming to the right decisions. It is not how we come to those decisions but actually getting there that is important. I think that what we see in front of us is all about participatory democracy rather than the one person, one vote, old-hat stuff that a lot of people pull out of their bag when they argue a point.

I will finish on this note. I am no scholar of history, but I believe—and I can be corrected if I am wrong—that the people in Tainui who refused to be conscripted were interred at Narrow Neck between 1914 and 1918, not in the 1940s as Mr Garrett has said. In the 1940s Tainui made up some of the very strong members of the Māori Battalion. It was from 1914 to 1918 that the Government conscripted members of the Tainui iwi, and it was because of raupatu that Te Pūea said they would not fight on behalf of the Crown. I say that just to correct something that Mr Garrett said. [*Interruption*] Oh, now he agrees with me—now he agrees with me. I think the great thing about this place is that one can go back, read one's *Hansard*, and then come back into the Chamber to apologise. But that is OK.

One of the terrible parts of our history was the flu epidemic in 1918. My own great-grandmother died in the flu epidemic. It had an effect on the people who lived along the river. To my amazement even today, when I look back on it and at what Te Pūea did, I see that the epidemic's effect on the people was devastating—it was absolutely devastating.

All that I will say is that this bill is a new era in co-management: a new era in trying to work together for a common purpose. This legislation is not about someone saying he

or she has $200 million in a pocket; this is about the Crown, iwi, and local authorities trying to get together in order to clean up a waterway. It is a significant waterway, not only to folks in Auckland who get their water from it but also spiritually to the people who live along, and whakapapa to, the river.

Hon MITA RIRINUI (Labour): I thank the Minister for Treaty of Waitangi Negotiations for seeking leave of the Committee for the provisions of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill to be heard as one question. I think it would be very difficult to focus on various parts of the bill without going beyond those parts and talking about other issues that are important to the whole process of treaty settlement.

I listened very carefully to Mr Garrett's contribution. I think he is somewhat confused about what we are talking about this evening. The Waikato raupatu settlement was about land—it was about land. Mr Garrett also failed to acknowledge that, regardless of what happened prior to 1995, the Crown acknowledged that Waikato-Tainui had been dealt with unfairly and that there were good reasons to revisit and settle all land confiscation matters pertaining to Waikato-Tainui.

That was about compensation. This Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill is about reinstatement—the reinstatement of a number of things. It is about the reinstatement of the health of the Waikato River, which is important to all the people of Waikato, and it is also about the reinstatement of a longstanding relationship. Like David Garrett said, this is a longstanding issue. Members would have heard it said in this Chamber on many occasions: "Waikato taniwha rau, he piko, he taniwha, he piko, he taniwha."

[*Waikato of a hundred chiefs, at every bend of the river is a chief*.]

In other words, for all the tribes of the Waikato River, wherever there is a bend there is also a rangatira of Waikato-Tainui. Through the actions of the Crown, the particular relationship that those iwi had with each other and with their ancestral awa was broken. The Minister for Treaty of Waitangi Negotiations, the Minister in the chair, acknowledged the importance of that relationship during the second reading of this bill.

To return to what David Garrett said about time lapses from 1865 onward, and about things that were mentioned and were not mentioned, I am reminded of the statement made by Sir Robert Te Kotahi Māhuta in 1975, when he said: "Nō tātou te awa, nō te awa tātou. E kore e taea te wehe, te iwi o Waikato me te awa. He taonga tuku iho nā ngā tūpuna. E whakapono ana mātou—"

David Garrett: I raise a point of order, Mr Chairperson. I am genuinely sorry to interrupt, but the interpretation is not audible and I would very much like to hear it.

Hon MITA RIRINUI: I will accommodate that.

The CHAIRPERSON (Eric Roy): Thank you. Proceed.

Hon MITA RIRINUI: He was saying in terms of the relationship between Waikato-Tainui and the river that nō tātou te awa, we are of the river, and the river is of us. Waikato-Tainui can never be separated from their river—the Waikato River. It is a treasure handed down to them from their tūpuna, and they are faithful to their tūpuna, and they are faithful to their river. What they are saying is that their particular ownership, when defined, comes in the form of a responsibility: a responsibility to take care of the river, a responsibility to ensure the health of the river, a responsibility to ensure the sharing of the river, and a responsibility to ensure the legacy that is passed on to future generations is a sound legacy, a legacy that future generations will be proud to receive and take responsibility for. So that is what I mean when I talk about this particular bill being about reinstatement. It is different from the approach of the Waikato raupatu settlement, which David Garrett referred to.

I also found interesting the comments made by my colleague Nanaia Mahuta on the history of Waikato-Tainui, and on the contributions that many people have made over time, and also the sentiments she expressed not only during her second reading speech but also during the Committee stage of this bill about that particular relationship. She mentioned that when the iwi of Tainui resisted the actions of the Crown in order to protect their estates, they were branded as rebels, which was the sort of stigmatisation that no iwi could be proud of. That being the case, they are seeking more than just reinstatement of the health of the river; they are also seeking the reinstatement of their integrity, and, in this case, the Crown apology will be very, very important, if it is worded properly.

My people of Tauranga Moana joined Waikato-Tainui when they took up arms and resisted the actions of the Crown, and they were also branded, or stigmatised, as rebels. The Minister for Treaty of Waitangi Negotiations will have the opportunity to meet Tauranga Moana iwi to talk about such issues, about the relationships that we have with our waterways, with our moana, with our awa, with our maunga—with our lands—and how important it is for that relationship to be reinstated. I am sure this particular bill will provide the Minister with considerable insight into how to deal with those matters. He will find that, as with Waikato-Tainui, he will be dealing with a people of immense integrity; a people who want to deal with the issues of the past, put them behind them, and move on. They want to share their development and their triumphs with the people of all of Tauranga, regardless of who they are and where they came from originally.

I take this opportunity to take a call to emphasise the importance of reinstating a relationship, a relationship which can be defined, in the case of Waikato-Tainui, in many, many different ways. I look forward to the Minister's response to the speeches made today, and I hope he will provide us with some insight into how he will deal with similar matters in the future.

DAVID CLENDON (Green): I will take just a short call on behalf of the Greens, primarily to simply affirm our continued support for the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. We believe that the bill is a step towards both restoring the mana of the affected iwi and hapū and acknowledging what was taken away from them, and going some way towards restoring what was taken away. It might also lead to some very positive environmental and social outcomes, which will be very positive—and far from incidental—but additional benefits from this sort of settlement bill.

I preface my comments by echoing my colleague who spoke when this bill was last debated in the Chamber in regretting the recent loss of Lady Māhuta, who did an extraordinary amount of work for her iwi and, indeed, for the entire country, specifically in advancing causes like the restoration of the management of the Waikato to its rightful owners.

As a default position we support these settlement bills. It is timely to recall that the delay in bringing them to fruition has been a characteristic of the process over many years, and we have seen too many generations of elders of all iwi fail to see the beneficial outcomes of many of these claims. We urge this and indeed every Government to adequately or even generously support, resource, and facilitate the conclusion of many of the outstanding settlements, all of which have a common aim of settling claims in a proper, fair, and sustainable manner.

We heard in an earlier discussion this afternoon, and it has been stated many times, that New Zealand's natural environment is in a very poor state—an indefensibly poor state—and our economic, cultural, and social well-being, and indeed our lifestyles, are threatened by the degradation. The proposed clean-up trust that this bill establishes is, to some extent, a novel initiative. It is also a long overdue initiative. The Waikato, along

with many of our rivers, is in an appalling condition. It is little short of a national disgrace. The sacrifice of the river—the quality of the river water—to the combined demands of farming, urban development, waste discharge, and excessive extraction needs to be stopped and, indeed, reversed. We see this settlement and the various agencies and practices it will establish as a very positive step towards doing that.

The co-management model that this bill proposes is not common in New Zealand; it is much more common overseas. I think it is useful for people to understand that co-management means much more than simply having two parties with an opinion, with an ability to influence outcomes. Co-management is quite a sophisticated structure in terms of land and, indeed, water management. It is an adaptive approach, which is to say that one learns by doing. It is adaptive in that one effects changes, one looks at the responses, both environmentally and socially, to those changes, and one continues to adapt to the real outcomes. It is not a theoretical approach; it is a very hands-on, grounded approach at the operational level, and that is one of the powers of a co-management approach.

It acknowledges the value of the scientific input of Western science, if you like, but also acknowledges indigenous knowledge. It has had significant success internationally in incorporating the best of what we call hard, or Western, science and indigenous knowledge that has accumulated over many generations—indeed, over centuries. It allows for putting a scientific assessment of water quality alongside a tool like a cultural health index, which informs people in a very rich and positive way about the well-being of that environment in cultural terms, and it puts things in a framework that both sides of a co-management arrangement can actually accept, deal with, and move on with.

Co-management works only with a very high and sustained level of stakeholder engagement. It will fail to the extent that all stakeholders are not engaged and do not feel that they are participating, and we hope that that will lay to rest some of the expressed opposition and some of the concerns of some of the opponents of this bill, who continue to fear that engagement will be taken away from them.

Finally, a co-management approach always obliges practitioners to look at the detail and also to keep coming out and looking at the bigger picture. One does not get lost in the small detail, and one does not get lost in what is happening on one site; one is obliged always to come out and have that wider look to take in that wider concern. So we actively and positively support the notion of co-management. Thank you.

PAUL QUINN (National): It is indeed a privilege to be able to speak to this bill during the Committee stage. I will comment on just a couple of points. The first is the fact that there have been some comments about the delay in bringing this before the House. I think it is appropriate to record that at the time this was brought before the first select committee, when I joined, five administrative bodies were involved in the framework in administering this river through the settlement process. I recall, without wanting to drop officials in it, turning to the officials and asking them whether they really and truly believed, and could look me in the eye and say, that creating a multitude of five bodies was an appropriate and successful way to administer the river. The simple answer is that it was not, and the Minister showed the leadership, along with the leadership of the tribe—and in that respect I acknowledge Tuku Morgan, who is here with us today—to provide a more streamlined administrative process in creating the river authority that we now have before us.

That leads me to the second point that I will address, which is that some concern has been expressed—in fact, I saw a press release today from Federated Farmers around the fact that this bill was going through and their objections to it, etc. A lot of that concern is around the vision and the strategy, how it takes precedence over this and drives that, and so on and so forth. I think it is misplaced concern, because in the first instance the

vision is, if you like, a dream that Waikato-Tainui, the Government, and local government have for the future of this river. Those broad statements of what people are looking for are set out in schedule 2; I think it is worth just touching on some of those. They are not, in my view, offensive; they are not going to drive people to the ends of the earth.

What is wrong with talking about, for instance, "the restoration and protection of the health and wellbeing of the Waikato River:"? This is, after all, what we all want in the environment. What about "the restoration and protection of the relationships of Waikato-Tainui with the Waikato River, including their economic, social, cultural, and spiritual relationships:"? These are visions, and it will be the job of the management to set out a process that over the long term will achieve the vision and the strategy. A further schedule, I think schedule 3, provides for this vision and strategy to be reviewed with the agreement of the authority. Again we need to record that the authority is made up of five Māori representatives and five Government appointees, with one of each co-chairing, so it will be a process of consensus. The whole way that it has been constructed, and the way in which Waikato-Tainui and the Crown have entered into these arrangements, is about building a relationship, building consensus, and achieving a great goal for this area of the country.

Hon NANAIA MAHUTA (Labour—Hauraki-Waikato): Without putting too fine a point on the issue of the Waikato River Authority moving away from the five statutory boards model, it needs to be noted that there were extensive consultations with a number of iwi along the river with regard to what would be the best management approach for the Waikato River. The statutory board model presented at the time was based, in fact, upon a lot of the feedback from those consultations and from those iwi. Notwithstanding that, it is important to again recognise that the co-management framework really applies from the Karapiro down, and that there are distinct variances or differences between the concerns and priorities of the upper catchment of the Waikato and those of the lower catchment. But everyone—each iwi along the whole of the river—recognises that if we are going to do it well, we all need to be involved in it. So I put on the record that that statutory board model actually recognised some of the peculiarities of iwi relationships, and, I guess, Waikato not wanting to impose something for upper catchment iwi that may not reconcile with their priorities and their imperatives.

I also relate some comment to the member for ACT. People should not be discouraged by the views presented by ACT on this issue. ACT voted for the first reading, but then it saw that it could not digest the progress of this settlement, and it has since said that it is not going to support it. But on the points of history, none the less I am so pleased that Mr Garrett has taken up the challenge of learning some of New Zealand's Māori history.

In terms of its Treaty settlement history, as it relates to Waikato-Tainui, that contribution needs to be considered quite strongly alongside another discourse—that is, that this settlement is preceded by the Waikato Raupatu Claims Settlement Act. In that Act is contained an extensive history, which details references to the Sim Commission. That point needs to be made, because there was no intention, at all, by simplifying, if you like, a preamble in the river settlement, to get away from the facts. The facts remain that Sim Commission clearly recognised the injustices of raupatu that affected Waikato-Tainui, and that the raupatu was illegal and unjust. That was clearly stated, with reference to the raupatu settlement. The history, I think, and the context for why this settlement is constructed in the way it is, is clearly cross-referenced to the previous settlement that was reached in 1995.

Mr Garrett went on to recognise the role of Princess Te Pūea. One of the things that had been very clear in the Kīngitanga experience was the fact that political relationships and alliances had had their time, and their place and purpose, and had achieved outcomes along the way. Indeed, it was as a result of some very strong political alliances that in the time between Te Pūea and Ngata, and various politicians of the day, much progress was made—that concerning development of lands, and the like. But I say to Mr Garrett that he forgets that in terms of Treaty settlement history it was not until 1975, when a Labour Government established the Waitangi Tribunal where claims could be heard, that we started to have the ability for these types of issues and claims to be aired in the public light.

We were failed by history; many iwi will tell that story. In 1985, when again a Labour Government made those claims retrospective, claims like this were coming to the fore. I made the point in my second reading speech that it was not until 1987 when my father, the Tainui Māori Trust Board, and Ngā Marae Tōpu lodged the statement of claim for the Waikato River, that this type of historical breach could be aired and given its true place in history to be rectified. And that is being done today. This is a dynamic and evolving opportunity not only for Waikato-Tainui but for the nation to say that we want to go in a different way when it comes to looking at the resource management of our taonga, our waterways. We are not afraid to be able to present that, with all its challenges, in this settlement, and to bring it to the House. I indeed support the intent and the overall aspiration of what is contained in this settlement.

There was a comment, and a very good comment, made by the Greens, with regard to a co-management model being adaptive and informed by evidence. I am very pleased that throughout the course of continuing to negotiate the finer points of this settlement, a scoping study has been undertaken to look at what would be some of the priority projects, if you like, to take place, in order to help to improve the health and well-being of the river.

The proof of the pudding, I agree, is in the eating. It is in the practical implementation of co-management agreements and protocols, which, at the coalface, will see riparian planting along our waterways. Farmers will be obligated to fence off waterways, and plant. We will see our local people employed through opportunities that will continue to lift the well-being of their local streams and tributaries into the river. That is where the proof of the pudding of this co-management model will be and should be. But I reiterate that the opportunity through the clean-up fund to have a contestable fund, which will be accessible by all peoples and many communities, to show their effort along the waterway is, I think, an exciting thing. It will build bridges rather than divide communities. It should incentivise people to look at the health and well-being of our waterways and to say "We want to continue to work to improve their health so that we can all benefit from that."

Paul Quinn said that Federated Farmers' objections should be noted, and I note them, too. But my response, and that of many communities where those similar types of objections have come up, is that at the end of the day Federated Farmers wants certainty in whom it is dealing with, in regard to the river. All I can say on that front is that this legislation will provide certainty. It is just that the landscape has changed, and that that organisation is looking at different faces on the other side of the table. So it should be; it is a sign of the times that Māori want to continue to be more involved in resource management, because models of the past, quite frankly, have failed us. They have failed the environment and failed our communities, so things need to change.

The question of whether that will lead to higher costs is the other criticism from the territorial authorities. Will this model lead to higher costs for ratepayers? There is no easy answer to that, but it is a legitimate concern that has been aired to negotiators.

Waikato-Tainui are mindful of that, and in working through a real and practical approach to co-management, as envisaged in this agreement, we would hope that over time investment in the river is a better value-for-cost contribution for everyone. That investment, I think, has to be something that is clear and reported back to communities. Those outcomes, again, should be demonstrated.

In relation to the intent of this settlement, I am pleased that the opportunity for joint management agreements are ones that will see, in an overarching way, more iwi commissioners come on to the scene to hear resource consents. I would like to hope that my own member's bill, which looks at elevating the recognition of iwi management plans in the planning cycle, will be a bill that will be supported across the House, because it attempts, basically, to streamline this approach and apply it in a very broad context. I think that that is a positive way forward.

I also say, just as a quick quip, with regard to issues raised regarding the Declaration on the Rights of Indigenous Peoples, that historically Waikato-Tainui have been to international forums to seek redress for raupatu, but each and every time they were told to go back to their own Parliament here in New Zealand. We know that any gain that will be of value to Māori, to iwi, will be made at home, when this Parliament starts to look at making laws that take account of the visions and aspirations of what iwi want to see, of what Māori want to see—that is, the better management of our resources in our areas. So nothing gained overseas will deliver more than the tin tacks delivered here, on the streets at home.

Briefly, I think that the opportunity again for Waikato-Tainui to continue to consolidate its relationship through the Kīngitanga Accord with the various ministries will be a good thing. When we look again at practical opportunities, let us look at Te Pūaha o Waikato, and let us look at what is happening with whitebaiting and the regulation of that down in that area. There is an expectation in that community that things could be done better and in a more integrated way. Perhaps, under this accord, under this sense of integrated management, we could get a win-win outcome for that community: the preservation of the whitebait fisheries and a better management of it. These are but some of the opportunities that can fall from this particular agreement.

I also point to the fact that the vision and strategy have now dropped from having recognition in the national policy statement to being in the regional policy statement. At the end of the day, what people want to see is that the vision and strategy are embraced at a real level in the plans and rules of the regional council, so that everything that happens within the domain of the Waikato River hinges on those high ideals and principles that are contained in the vision and strategy.

In saying that, I point out that the Guardians Establishment Committee—Gordon Blake, Tukoroirangi Morgan, and every member who participated on that committee—worked long and hard to ensure that the vision and strategy was not an airy-fairy document but something that many communities, many people, and Waikato-Tainui can hold as solid aspirations to be achieved and realised through the implementation of this settlement. That process, in itself, was again a bridge-building one, and should be commended. To all the members who were on that committee, I offer my personal thanks for their commitment and tireless effort to produce a vision and strategy of which I think we in this Parliament can all be proud, should members take the time to read it. It is one that I think other iwi may want to look to as a starting point for conversations about what they want to see for their rivers and waterways. Those are the types of issues that I think are important to highlight in the Committee stage. They should not be ignored.

Can I just make a final point to the Minister, while I have the floor, and it does not require a response. When it comes to the application of the streamlined model, I urge

horses for courses and that the model, where it fits, should be looked to as a positive one. But where it does not fit—and iwi will soon tell us that these are the clunky bits, and are very pragmatic about it—I urge the Minister to consider that, especially as it applies to the Waipā River. It was no coincidence, when the Waikato Maniapoto Maori Trust Board was established, that that relationship was an inherent one relating to our whakapapa connections. Also, in history, when the confiscations affected Waikato so traumatically, it was Maniapoto that looked after Waikato. There are deeper connections in that, but in its simplicity, when we try to look for a solution for the Waikato River, we cannot have a clean Waikato River without a clean Waipā River. The solutions are really hand in hand, in terms of what the Minister does in negotiating forward a Treaty settlement and a model to help Maniapoto clean up the Waipā River. We cannot have a clean Waikato River without a clean Waipā River. That is the reality. It is the biggest tributary going into the Waikato River, and affects the health and well-being of it. When we are looking at a sustainable model for waterways, in this instance we have to see the two as hand in hand. Kia ora tātou.

The CHAIRPERSON (Lindsay Tisch): Just before I call the honourable Minister, I advise members that the interpretation problems that we had earlier have been remedied.

Hon CHRISTOPHER FINLAYSON (Minister for Treaty of Waitangi Negotiations): I acknowledge the comments of the previous speaker, Nanaia Mahuta, and because of her contribution I think it is appropriate, now that she has finished her call, to make a couple of comments. I acknowledge the very lengthy gestation period of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill; it was long. I have already paid tribute to the negotiators for Waikato-Tainui and the iwi itself, because I thought their performance was a classy one. They were prepared to allow additional time for the incoming National Government to take a look at the arrangements in order to see whether something more streamlined could be developed, and indeed it has been.

The second point that the member raised was the issue of costs. That is a very important issue. I think there are a few myths about costs in this whole exercise. It is fair to say there is an ongoing debate about costs as they relate to the implementation of Treaty settlements. The joint management agreement mechanism provided for in the bill is an existing mechanism under the Resource Management Act 1991. In this instance it has been tailored to provide more effective participation for iwi, and I do not believe that the implementation of the Waikato River joint management agreements will be at an additional cost to ratepayers in the region.

The other point I would make about costs—and it is borne out in the settlement—is that as part of the settlement the Crown has provided a $210 million contestable clean-up fund for iwi, local and regional authorities, stakeholders, and the public to use for river clean-up activities. The Crown will also pay for the ongoing costs of the authority, for the fees of members of the authority, and for iwi participation in the arrangements. So a very generous contribution has been made by the Crown to the costs of implementing this settlement.

The member also raised the issue of the vision and strategy, and Mr Quinn referred to the review of the vision and strategy. I thought that was a most helpful intervention on his part. I think it would be helpful for those who are concerned about the reviews to take a good, hard look at clauses 13A to 13C of the bill, and at schedule 2B. One can see that the review process set out there is a very rigorous one that permits good engagement by all relevant parties in the community and members of the public, to ensure that the review is done well. I note clause 13A, which states: “Within 3 months of the settlement date, the Authority must begin a review of the vision and strategy—”. As Mr Quinn observed, clause 13B provides for regular subsequent reviews. So I do not

think that there can be any cause for concern about the review procedure for the vision and strategy, if people take the time and trouble to read the particular provisions of the bill that I have referred to.

Another point—and I thought it was a very valuable one—was made by Mr Henare, quite apart from his correcting the historical account given earlier in the debate by Mr Garrett. It was about the idea of democracy being one person, one vote. As Mr Henare observed, that is one aspect of democracy, but it is not the only one. I do not know whether the ACT members are suggesting that in order to have a pure Athenian democracy in New Zealand, every single person who plays a role in the State should be elected. I would caution him against that, by reference, for example, to—

Hon Shane Jones: Yeah, we might end up with his younger brother.

Hon CHRISTOPHER FINLAYSON: I was thinking of elected judges. I always recall the first time that I went to the United States. All around San Francisco there were signs stating "Bye-bye Birdie". It was a reference to the Chief Justice of California, who was up for re-election. The right-wing lunatics—or probably in San Francisco they were left-wing lunatics—had put those signs up all around Russian Hill and Nob Hill. It was a most odious performance, in my view. Of course one person, one vote is a very important matter, although our system permits one person, two votes. But I do not necessarily think that because of the way that the river authority is structured, there is some kind of democratic deficit, even though that seems to be of much concern to the ACT Party.

Hon MARYAN STREET (Labour): I am pleased to rise to speak in the Committee stage of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. I rise—having been conferred with a new status, it would seem, today by the Minister of Māori Affairs—to speak as a native of New Zealand. I am pondering on that and on what its various combinations, permutations, and interpretations might mean for me. However, I will work my way through that in due course. I dare say there are a number of other people around the country who might have been watching question time who are reflecting on their status as a native of Aotearoa New Zealand.

With that novel approach I want to discuss a number of things, and, because we are debating the Committee stage as one question, as I understand it, I am able to address Part 2 as much as any other part. First of all, I welcome the comments of the speaker from the ACT Party—not because they were inherently worthwhile, although some of them probably were—in part because it was a much better speech than I thought it would be. We were treated to some fairly despicable comments made by ACT Party members last week, when this Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill came before the House. The reference to hocus-pocus and to that categorising of another world view I thought was disrespectful, unfortunate at the very least, and despicable at worst. At that time I said that although I do not have, share, or was born into the same ontological perspective or world view that Māori have, that does not stop me from appreciating an ontology that is different from my own.

However, one of the things that I celebrate and appreciate in different ontologies and different world views is that this legislation sets down in black and white some very significant and unique language that would be found nowhere else in the world. I think that is significant and that it should be brought to the attention of this Committee. For example, in Part 2, the "Statement of significance of Waikato River to Waikato-Tainui" states: "The Waikato River is our tupuna (ancestor) which has mana (spiritual authority and power) and in turn represents the mana and mauri (life force) of Waikato-Tainui. The Waikato River is a single indivisible being that flows from Te Taheke Hukahuka o Te Puuha o Waikato (the mouth) and includes its waters, banks and beds (and all minerals under them) and its streams, waterways, tributaries, lakes, aquatic fisheries,"

and so on. It goes on to state: "as well as its metaphysical being. Our relationship with the Waikato River, and our respect for it, gives rise to our responsibilities to protect te mana o te Awa and to exercise our mana whakahaere in accordance with long established tikanga to ensure the wellbeing of the river. Our relationship with the river and our respect for it lies at the heart of our spiritual and physical wellbeing, and our tribal identity and culture."

That is to be celebrated. It is to be celebrated that that kind of characterisation, that kind of description, of a relationship that is from an ontology that is not universally shared but may be appreciated is part of the foundation of this nation. I understand what it means to be a native of Aotearoa New Zealand as a partner in Te Tiriti. I understand that. I recognise that this is the way that indigenous people may achieve recognition, status, respect, legal recognition, accord, and, in this case, authority over a natural resource. I welcome that. I think that it is part of where we have come in our journey in working through Treaty settlements.

I said last week that I thought that the co-management model in Part 2 was unique. I have since read something that the Minister for Treaty of Waitangi Negotiations wrote a little while ago, where he was quoted as saying that it is not unique and that, in fact, in the 1990s the previous National Government had a similar co-management model with Ngāti Whātua o Ōrākei at the Michael Joseph Savage memorial at Bastion Point, or Takaparawhau, in Auckland. There was a co-management model between the Auckland City Council, I think, and Ngāti Whātua. Even if this is not unique, I still consider it to be an evolutionary development of the kinds of solutions that may be found for the modern day. As we proceed through Treaty settlements and as new issues emerge—because they will emerge and they are emerging—we can find novel ways of addressing them.

The other point I will just make is in relation to clause 9. Again, I think it is important to bring this to the attention of not only the Committee but also the New Zealand public. The subheading above clause 9 is "Te Ture Whaimana". As I understand it, that is the authority of this model. It states the scope and vision of the strategy. It recognises right at the outset: "(1) The Waikato River and its contribution to New Zealand's cultural, social, environmental, and economic wellbeing is of national importance." That is something for everybody. That is something for Māori and Pākehā alike. The Waikato River and what it contributes to one of the most fertile and productive parts of Aotearoa New Zealand is of economic significance and importance to everybody, but it is also important to New Zealand's cultural, social, and environmental well-being. That is the stuff that underpins this legislation.

I congratulate the Māori Affairs Committee. There has been a number of amendments, and I also notice a Supplementary Order Paper dated today in the name of the Minister for Treaty of Waitangi Negotiations, I presume. Some small, technical details still require a little bit of amendment, but I think that the work the select committee has done on this bill has been very significant. I congratulate the select committee members on that. In this bill we have a number of landmarks, signals, and signs in this co-management authority model that can be used for future settlements. They can be used as issues arise as our partnership under the Treaty of Waitangi matures, develops, and evolves over the next century. This has been and is a significant moment for the passage of this legislation.

JOHN BOSCAWEN (ACT): I firstly acknowledge the contribution of Nanaia Mahuta, who went to great pains to point out that the Committee should not be disappointed with the contribution of ACT or with ACT's view. She is absolutely right, because we are presenting a unique view. We are presenting a view that is different from that of any other party in this Parliament. Mr Garrett took considerable time and

effort to explain some of the historical background to the negotiations between the Crown and Tainui over the last 150 years. I see that the Minister in the chair, the Minister for Treaty of Waitangi Negotiations, is smiling. Well, I am not sure whether he listened closely, but Mr Garrett explained that in the 1940s, before Princess Te Pūea would agree to conscription she required that a settlement be reached. There had been a demand for a settlement previously, but she demanded that a settlement had to be reached before she would agree to the conscription of Māori. That settlement was reached, and Mr Garrett pointed out that it was an immediate payment of £5,000 and an annual payment of £5,000 thereafter. Those payments continued until the early 1990s.

As Mr Garrett freely acknowledged, that £5,000 payment—$10,000 in today's terms—has been eroded by inflation. But, interestingly, inflation in New Zealand really took hold only from about 1975 onwards. Mr Garrett also pointed out that in those days £5,000 was the value of a dairy farm. In essence, there was a full and final settlement that was worth one dairy farm initially and was then worth one dairy farm every year thereafter, ad infinitum.

What was Mr Henare's contribution? Mr Henare said that Māori were locked away. He said that Māori went to jail during the period from 1914 to 1918. That may well be so. Mr Henare may be absolutely right. But that is not what Mr Garrett said. He did not even comment on the period from 1914 to 1918. He said very clearly, and I invite any member of the Committee to challenge it, that before Princess Te Pūea would agree to conscription during the Second World War she required a settlement, and she got that settlement.

It was also interesting that Mr Henare made that claim, and he made it by saying that he was no scholar of history. He actually acknowledged, before he uttered those words, that he did not know anything about the subject, but he offered to make those comments. But it was worse than that, because we heard absolutely condescending comments from the Minister for Treaty of Waitangi Negotiations, who said that Mr Henare correctly corrected Mr Garrett's historical account. So there we have it. The Minister said that Mr Henare, who freely acknowledges that he is no student of history, corrected Mr Garrett. Once again, I see the Minister smiling. Well, it has come as a shock to me this afternoon, and I do not think I would have understood it myself unless I had actually heard it with my own ears, that the Minister for Treaty of Waitangi Negotiations, the Hon Christopher Finlayson, is challenging the whole basis of our democracy. He knocks the concept of one person, one vote. He made the condescending comment—

Hon Nanaia Mahuta: I seek leave to have the Hansard transcript changed from "should not be disappointed" to "should be".

The CHAIRPERSON (Lindsay Tisch): That is not a point of order. The interruption of a member's speech is not something we should encourage.

JOHN BOSCAWEN: While I am on the subject, something else is quite unique about the view of the ACT Party. In this very House last week we were the only party that stood up to support moves to reduce youth unemployment. We proposed a member's bill to bring back youth rates, which would have done something about Māori youth unemployment. If the member had been concerned about it, she might well have spoken in favour of it, and voted in favour of it.

Hon Tau Henare: I raise a point of order, Mr Chairperson. I do not know what that has to do with the Waikato River legislation.

The CHAIRPERSON (Lindsay Tisch): Thank you. I am sure the member will come back to the subject. We are debating the Waikato River legislation.

JOHN BOSCAWEN: I certainly will. I would not have believed it unless I heard it with my own ears. The Minister for Treaty of Waitangi Negotiations said that it was

cheating the concept of one man, one vote. He said that in New Zealand we have a one person, two votes system. Yes we do; we have a party vote and an electorate vote. I say to the Minister that we may even have one person, 100 votes. Someone who owns 100 separate pieces of land in 100 separate territorial locations has a vote in each of those local body elections.

I noticed that the Chairperson allowed Nanaia Mahuta to speak for 15 minutes, and I intend to speak for no more than only—

The CHAIRPERSON (Lindsay Tisch): The Chair decides the relevance of a speech, and also who gets the call. I have given the member the call, and we will carry on from there.

JOHN BOSCAWEN: Let us move to the issue of co-governance. This bill sets up the Waikato River Authority, which is charged with governing the Waikato River. Currently, the Waikato River is governed by the Waikato Regional Council. Every person in the electoral district of the Waikato Regional Council gets a vote. It is one man, one vote. That may seem a bit strange because earlier this afternoon we heard from Tau Henare, who said that one person, one vote was old hat. Well, I wonder how many supporters of the National Party understand that the whole basis of our democracy is under threat this afternoon, and I do not make that claim lightly. The Waikato River legislation appoints the Waikato River Authority, and it allows the iwi of the Waikato area to appoint half the members. The other half are appointed by the Crown. The Waikato River is currently managed by the Waikato Regional Council, and every member of that council gets to vote.

I noticed that Maryan Street commented earlier this afternoon on Rodney Hide's contribution to the second reading of the bill. She said that his comments were at best disrespectful and, at worst, despicable. Rodney Hide was speaking up for the people of New Zealand. He was speaking up for democracy. He was speaking up for the principle of one man, one vote. Maryan Street also talked about evolutionary development. She said that if the Waikato River Authority is not a unique order, if it has not previously been copied, and she gave the example of Bastion Point in Auckland, then it may well be unique now, but it will be developed. We will have further evolutionary development. So I take it from that comment that Labour is very happy to put in place management structures and governance structures that are anathema; the concept of one man, one vote is diametrically opposed.

David Bennett: It's a shame the ACT Party isn't run by one man, one vote.

JOHN BOSCAWEN: That is right. I hear clapping from Hone Harawira. He absolutely believes in that.

One of the other things that the ACT Party presents a unique view on in this House is the Government's decision last week to affirm the United Nations Declaration on the Rights of Indigenous Peoples, and in particular article 26. Mr Harawira, who is sitting beside me and clapping, would be well aware that the first point of article 26 states: "Indigenous peoples have the right to the lands, territories and resources which they have traditionally owned, occupied or otherwise used or acquired." When Mr Hide stood in Parliament last week and asked the Prime Minister what lands, territories, and resources Māori did not have before the arrival of Europeans, the Prime Minister could not tell him. Now, Maryan Street may think that Rodney Hide is being despicable or disrespectful, but he is speaking up for the people of New Zealand. He is speaking up for the concept of one man, one vote. If we are the only five members in this Chamber who are doing that, then I am very proud to be one of them. Thank you.

KELVIN DAVIS (Labour): We have a tendency to overcomplicate some of these issues. The Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill is about restoring and protecting the health and well-being of the Waikato River, not just for this

generation but for the generations to come. Why are we doing that? We are doing it because right now the river is polluted. It has had years and years of herbicides, pesticides, and effluent dumped into it. That has made it unsuitable for swimming and for gathering food. Māori cannot gather their traditional food sources. That is the reason we are here debating this bill. What is the alternative? Is it to continue to dump herbicides, pesticides, effluent, rubbish, and goodness knows what into the Waikato River? That is not an option. That is why we are here debating this bill.

I really struggle to see what the ACT Party has against the bill. The bill talks about a single co-governance entity. Well, what is wrong with that? The bill previously provided for a number of entities to look after the river, which would have led to confusion and ambiguity over roles. It would not have led to the river being cleaned up. What is wrong with having a vision and strategy for the river? What is wrong with having a vision of a river where our kids can swim without jumping into a pile of rubbish and where native eels are not overrun by exotic species? There is nothing wrong with having a vision for the river and putting in place a strategy to ensure that that vision is fulfilled.

What is wrong with having the Waikato River Clean-Up Trust, a group to sort out the clean-up of the river? What is wrong with iwi participating in the resource consent process concerning the Waikato River? The attitude that Māori should not have the right to be involved in that process is wrong. That sort of argument builds up resentment and anger within Māori, because we have been excluded from decision making over our resources for way too long. I believe that this whole bill is long overdue. What is wrong with having joint management agreements? What is wrong with sharing the decision making? There is nothing at all wrong with it. It is long overdue. What is the problem with recognising customary activities?

When the Māori Affairs Committee was at Hopuhopu, I recall a farmer who spoke about his farm, which was next to a lake. Over the years the water level of the lake had been reduced, and he was able to get a whole heap of extra land for his farm so he could raise more cows, or do whatever he did. He had absolutely no concern about the rights of iwi to continue to fish for eels in the swamps that had been drained and to gather food in the traditional Māori way. He could not see that an injustice had been done to Māori. He believed that his method of growing food and gathering food was far more important than the way in which Māori had gathered food traditionally over the years. He just did not care that Māori rights, the Māori way of doing things, and our lifestyle had been diminished and harmed. What is wrong with a cultural harvest? In the legislation there is a provision that talks about cultural harvest.

Let me tell all the Tainui-Waikato people listening to this debate that I had a friend who was a navy diver, and he had the job one day of swimming into the intake pipe that goes from the river under the road into the Meremere power station. His job was to clean it. He told me that as he was swimming up the pipe to clean it—and he is a naval diver; he has been in many dangerous diving situations—the moment he was the most fearful was when he swam into a nest of blind eels. "Talk about pollute the Waikato River!", he told me—not in those words. At the moment he swam into that nest, he did in fact pollute the river. It was the scariest moment of his diving career.

There are many eels and other native organisms and species that Māori have had access to over the years, and this bill will help Māori to reclaim that access and be able to continue with those traditional practices.

I will address, finally, what Rodney Hide spoke about the other day. Rodney Hide was not speaking about the principle of "one man, one vote". He was speaking about the hocus-pocus—those were his words—of the Māori understanding of, and the Māori relationship with, the Waikato River. He does not believe—and that is fair enough; that

is his right—that the Waikato River is an entity. He does not have that emotional, cultural, and spiritual connection with the river. [*Interruption*] I am not from Waikato-Tainui; I am from up north. I have a spiritual, cultural connection with the Taumarere River up there, but those two rivers do have a connection in our family whakapapa and history. That is because of a place in the Waipā tributary, a place called Te Rore, where my tupuna Pomarenui met his Waterloo.

Te Rore was the place where he camped overnight, and, unfortunately for him, a few of his Tainui enemies caught up with him and happened to kill him. It was said that when they were preparing him for dinner, they found corn kernels from his morning meal inside his stomach. They planted those kernels and from there the corn crops around Tainui and Waikato grew.

Hon Shane Jones: Cultural harvest!

KELVIN DAVIS: So there we are; we are talking there about a cultural harvest.

But the point I really am trying to make is that Māori have an emotional, spiritual, and cultural connection with our rivers, with our mountains, and with our lakes. It is because over the centuries things have happened that tie us and bind us to these particular features. It reminds me of mountaineers. When they go climbing mountains, they say one has to respect the mountain. Commercial fishermen out on the sea say that one has to respect the sea. That concept is similar to the concepts Māori have in respect of our rivers, our lakes, and our tīpuna maunga.

So with that, I thank you, Mr Chairman, for the opportunity to speak on this bill. I say again that I cannot understand why the ACT Party is so opposed to all these different opportunities to co-manage and clean up this river so that our kids can swim, our people can gather food, and all the pollution, which has had a negative effect on the river, can be cleaned up. Kia ora.

CATHERINE DELAHUNTY (Green): He mihi nui ki Tainui-Waikato, tēnā koutou. I was not going to take a call on the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, but sometimes the rhetoric around one is overwhelming. I am very excited that we are moving into a more sophisticated era under Te Tiriti o Waitangi, and we are moving beyond the limited concept of conservative Pākehā that one man, one vote is the only manifestation of democracy possible in Aotearoa. I stand as a Pākehā, proud to live with Te Tiriti o Waitangi as our founding document, and absolutely committed to finding new ways through the colonisation effects of the past. Only people who do not understand what colonisation means would say that this is not a step forward, and that the co-management that is being proposed is not an incredibly positive model for Pākehā, for tangata Tiriti, for tauiwi katoa as well as for Māori. It is said "He piko, he taniwha", and the terrible, terrible thing is, through the governance of the Crown and Environment Waikato, it has become "He piko, ngā paru". Waikato-Tainui has every reason to seek redress. It has found with the Crown a positive way forward in the situation, because this river, like so many awa across the motu, has been deeply abused.

Maybe the ACT Party do not get it, but for me as a Pākehā, rivers are the veins of the land, they are the sources of life, and they are part of my spiritual identity, not at all through whakapapa—my whakapapa goes back to Ireland—but through experience of living in this country. It is so important that we start growing up and stop relying on the failed policies of regional authorities to address the issues of tangata whenua, and the constant tokenism, the constant setting up of liaison people or advisory groups, when what we need is co-governance. What we need is respect for the Tiriti and rangatiratanga to be upheld.

So members should think about Waikato. I stood with Pakihana Hawke from Ngāti Whātua o Ōrākei when they were talking about putting that pipeline from Waikato into

Tāmaki-makau-rau, and Waikato's river is so dirty, but the Franklin District councillors were happy to license it to be pumped with all that pollution into Tāmaki for the people to drink—that is what has been going on. It is not the fault of the tangata whenua; it is the fault of the people who are on those committees, those wonderful democratic bodies that have allowed us to pump polluted water into Auckland to drink, let alone the abuse of tangata whenua.

I also think about what is really going on and what the big challenge is for co-management and for clean-up of Waikato, because Waikato is like another awa, the awa Tarawera. Both of them have pulp mills that have used and abused them. Waikato has been abused by the Kinleith pulp and paper mill for a very many years whereby the effluent from that pulp mill goes to Lake Maraetai through a tributary into Waikato, and that effluent is full of organochlorine chemicals. That is just one major abuse that has been vested upon the people who might have liked to be able to exercise their customary rights over the Waikato River.

So co-management and a facing up to the vision that this bill is helping to facilitate cannot come too soon for the Green Party in terms of the life force of that river. It is very important for us to acknowledge that the regional councils around this country, particularly with reference to Waikato and places like Tarawera, have continued to license and issue resource consents that have destroyed the mauri and the mana of the rivers. I remember when we were fighting the issue about the water going into Tāmaki-makau-rau that there were more than 40 resource consents for tanneries, dairy effluents, the pulp mill, and also the toxic dumps that are actually on the banks of the Waikato, and all of that was being licensed. It was not some kind of accident, it was something facilitated by district councils and by regional councils of elected members who said they were democrats but who were actually abusers.

I cannot wait for the day when we have a proper dialogue at a regional level where tangata whenua can educate people who do not have a concept of what customary knowledge is, what the life force of a river is all about, and how we maintain and sustain it for the well-being of everyone in the community. I welcome this fund that will allow us to contest the best ways to clean up rivers, because we are tired of having to listen in court hearings to tangata whenua asking for their rights; they should be granted. Kia ora.

HONE HARAWIRA (Māori Party—Te Tai Tokerau): Tēnā koe, Mr Chairman. Hoi nō, hei kōrero tuatahi, me mihi au ki a rātau te hunga kua w'etūrangitia, rātau e whai nei i tenei ture i te wā e ora ana. Nō reira, rātau ki a rātau, tātau anō ki a tātau e hui tahi nei i roto i tō tātau Whare, tēnā koutou huri rauna kia ora tātau. Kia ora tātau. Tēnā koe e Tuku kua tae mai nei i roto i a tātau, kia rongohia i ngā kōrero a te kiore e whai nei i tōna whiore i tēnei rā, ki taku taha matau.

Te rongo anō ki ngā kōrero, ā, kia tautoko i te tū rangatira a Waikato-Tainui me tō rātau awa. Mai i nohinohi ana kua rongo mātau i tērā kōrero "Ko te awa ko au, ko au ko te awa." Nō reira me mihi au ki a koutou i tata oti nei i tēnei hīkoi kia w'akatutukitia ai te kaupapa o taua kōrero. Hari ana kei konei mātau katoa ngā mea Māori e kōrero tautoko ana tātau i a tātau i runga i te whakaaro rangatira, tērā kia whakahokia mai te mana o tō tātau taonga ki a tātau anō rā. Nō reira, tēnā tātau. Tēnā tātau, me tērā whakaaro kua kōrerohia nei, e te kiore e kōrero nei i taku taha mō tēnei mea te moni kua tukuna e te Kāwanatanga i ngā tau kua pahure ake nei. I te mea, ka hoki taku mahara ki tētahi atu kōrero e mea ana, mēnā ko te whenua i riro atu, ko te whenua me hoki mai. E tika ana taua kōrero. Me te mea anō hoki mēnā e hiahia ana te tangata nei ki tōna moni, ka pai. Engari, whakahokia mai te katoa o taua whenua kua tāhae nei i ngā tau kua pahure ake. Nō reira, hari ana au kia tū nei i tēnei rā ki te tautoko i tēnei kaupapa me te

mōhio anō hoki, kei reira tonu wētahi whakaaro kia whakamana tūturu ai i a Waikato-Tainui me tōna awa.

Nō reira hari ana au i te mea kei konei a Reipa, kei konei a Nāhinara, kei konei te Pāti Māori, kei konei te Rōpū Kākāriki e tū kotahi ana, ki te whakamana i tēnei whakaaro, me te mihi anō hoki ki a koe e te tuahine e Nanaia e kōrerohia ana kei roto i tēnei pire wētahi huarahi mō ā mātau nei whanaunga puta noa i te motu. Tērā kia hanga i tētahi rōpū mā te iwi, mā te Kāwanatanga hei tohungia, hei kawe i te mana mā tētahi rōpū anō hei whakahaere i te taonga. Nō reira, i roto i tēnei ngā whakaaro pai mō mātau anō hoki pea kei roto o Te Tai Tokerau, engari i tēnei rā, he tū poto tēnei ki te mihi atu ki a tātau anō rā, ngā uri o Ueoneone, me Reitū rāua ko Reipae e nohonoho nei i roto i tō tātau Whare. Tēnā koutou, me tā tātau nei awa. Tēnā tātau, kia ora tātau katoa.

[*Greetings to you, Mr Chairman. Indeed, I acknowledge in the first instance those ones who have passed away and who followed this bill when they were alive. So I say unto them, you, the dead, remain there, and we, the living, the ones assembled here in our House, to ourselves, greetings throughout. Greetings. Greetings to you, Tuku, who have arrived here in our midst to hear the squeaks from the mouse on my right-hand side, chasing its own tail.*

But you have also heard supporting statements in regard to Waikato-Tainui's noble stance about their river. From the time I was a toddler, I heard the expression "I am the river, and the river is me." So I commend you as this journey draws to a close and the nub of that expression reaches fulfilment. How overjoyed I am that we, the Māori ones, are all here supporting each other with one noble thing in mind, that control over our resources be returned to us. So congratulations to us all. Greetings to us, and that thought put forward by the mouse beside me about the money given by the Government in previous years. It brings to mind the expression that if the land is taken, then it must be returned. That is correct. If a person covets money, that is fine. However, return all of the land that was stolen in the past.

So I am pleased to stand today to endorse this bill, in the knowledge that there are other ideas around formalising Waikato-Tainui control over the river. I am glad, too, that Labour, National, the Māori Party, and the Greens are standing together to endorse this bill. I also acknowledge the member Nanaia, who spoke on the bill, and about initiatives that our relatives around the country could pick up on: that is, to establish a group working for the people whom the Government will appoint to manage the resource. Perhaps there are positive elements for us to adopt in the far north, but today I take this short call to acknowledge all of us, descendants of Ueoneone, Reitū, and Reipae, seated about this House. Greetings to you, and especially our river. Greetings to us, and thank you all.]

Hon PAREKURA HOROMIA (Labour—Ikaroa-Rāwhiti): E tautokotia atu ngā kōrero a te tangata o te nōta, a Hone, mō te āhua o te awa nei. E mihi kau ana ki a rātau e mau kaha mai rā nō, te whakatikatika o tēnei tino take. E kite atu tātau te tīmata a Bob mā, a rātau mā i whai i muri mai o tēnei, tae mai ki te wā nei. Kei te kite atu ki te kaha rawa i roto i a tātau, i a koe e Tuku, tēnā koe, me te tuahine a Nanaia. Engari e tino mihi atu ki taku hoa, ki te wahine rangatira a Lady Raihā mō tōna kaha rawa. Ahakoa e kore i konei, e mōhio atu tātau e tinanatia tōna kaha i roto i te pire nei. Nō reira, tēnā tātau.

[*I endorse the statements made by the member from the far north, Hone, in respect of this river. I also acknowledge those who worked hard, right from the outset, to settle this important matter. We saw the initial work by Sir Robert, and by others who followed to the present day. We note how hard we have worked, including you, Tuku—congratulations, and to you as well, fellow member Nanaia. My highest accolade goes to my friend Lady Raihā; her efforts were untiring. Although she is not here, we know that her efforts are embodied in this bill. So greetings to us.*]

Nearing the end of the select committee hearing at Hopuhopu, Lady Raihā Māhuta, the last speaker, suggested that it was like being on a stage set for a Shakespearean play. She pontificated about Shylock chasing his pound of flesh. She said it felt like that—Shylock chasing the pound of flesh. I have listened to the ramblings of the ACT Party today. They smacked of *King Lear* and *Much Ado About Nothing*. That is what they sound like.

It is interesting that those members utilise the actions of Princess Te Pūea. Why she was chasing the beginning of a settlement was not just about conscription; it was because of what the British had done to Waikato-Tainui. The British took gunboats up the river and set to on every corner, as history tells us. The better parts of Michael King's writings suggest that, along with Parihaka, it was one of the worst instances—not too dissimilar to what happened at Ngātapa in Tairawhiti—of setting on a people anā. And they were a people who chased and embellished paimārire.

It was interesting to listen to Mr Garrett quantify. He is a bit of a mathematical wizard, and he suggested that £5,000 at that time is now worth $1 million.

David Garrett: No, $3 million.

Hon PAREKURA HOROMIA: I got the figures wrong—£5,000 then is now worth $3 million. He went on and on and waxed lyrical about gaps in the summaries up to the finality of this Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. He talked a whole lot of rubbish, because he left out hang of a lot of things about the crude profit made by the British farmers. One would not have to be a rocket scientist or historian to understand that the British were not silly. They saw the flat, rolling lands of Waikato and Taranaki and they wanted them. It was no accident; they knew what they were doing. With subtle debauchery, they put asunder cultural practice that had been very, very strong. When members starts to quantify, to align figures with figures, and to make excuses, saying that was the size of it and it should be this amount of money now, I say that that is a whole lot of rubbish. This issue is not just about money; this is about Māoris who stand up to speak on the marae and say: "Ko Titirangi tōku maunga. Ko Ūawa tōku awa. Ko Ngāi Tahu tōku iwi." They always embellish the signature statement of where their mountain top is by their river—every one of them. Whether they are from up Kāretu, or from down Mangatuna, or from Hauraki, they always do that. It is significant that people continue to do that today.

The reference to conscription and the scaremongering about weakening democracy are a farce. I have to say that to Mr Boscawen, because what the heck is going on with Environment Canterbury? Why should there not be four Māori seats on the new Auckland Council? That would be a nice touch. I agree with the spokesperson for the Greens, Catherine Delahunty, who suggested that we could progress in harmony. Let us not preach and teach about nationhood, then bugger off and use redneck tactics. It is outrageous. Let us take leadership from the chair of the Māori Affairs Committee, who in a bold effort has ensured that the Waikato River Authority is real. Everybody has a vision and a strategy. I refer to the joint management and to those issues built up by Gordon. There were great efforts made in this journey. One should be proud that this country is taking a turn to understand and imbue something that is real partnership. We do not have to go offshore. Labour started it, and we support it at the end. We commend the Minister, Chris Finlayson, for completing it, and we do not do so lightly.

The cultural activities are as important as the monetary return. Whatever one may say, this issue is not just about money. I suggest to my two ACT parliamentary colleagues sitting opposite that they take a lesson from Māori and wallow in the energy that will come about after the settlement is signed off. They should wallow in what Māoridom do know about—kotahitanga.

How can those members sit there and say that this is wrong? We all have cultural connections. Catholics still do things they were doing 5,000 years ago. I am not very Christian, because we do get jumbled: my mum was a Mormon, my dad was a Ringatū, and my nanny brought me up as Church of England. But nobody says anything about that. People still skip around the maypole, and nobody says anything about that. They still have Christmas.

David Garrett: I'm going to say something about it in 2 minutes, if you wait.

Hon PAREKURA HOROMIA: Those members are too mean to have Christmas. But people still have Christmas. This is no different. We are ensuring that cultural activities, customary issues, passed on by our ancestors that have stood the test of time continue, and this bill does that. This is a great bill. It is one of the better pieces of legislation in this country.

DAVID GARRETT (ACT): I am glad that Tau Henare is still in the Chamber, because I always like to correct things when I have got them slightly wrong. On this occasion, having checked the reference, I am very happy to say that Tau is correct and that Princess Te Pūea suspended the dispute about the raupatu claim for the duration of the war. The events that I described took place in 1945, so Tau was correct there. He could have taken a wager off me, but he chose to be kind, and I am grateful to him.

I think it is worthwhile recording the circumstances of that settlement in 1945, and I will read from Michael King's book *Te Puea*, published in 1975, at chapter 13, "Raupatu and other causes". King says this: "The eventual offer made on the marae the following day was for £6000 per year for 50 years, and £5000 thereafter in perpetuity. The boldness of the move took the conservative spokesman by surprise. Before disagreement could erupt yet again, Te Puea told Roore Edwards to get to his feet and accept. He stood up and said,"—and I will do my best—" 'Kua oti te take nei,' which Mick Jones translated to Fraser"—that is, Peter Fraser—"as 'the matter is finalised satisfactorily'. In this manner, a sore that had festered for eighty-two years was at last on the way to being healed." So I was slightly incorrect, and I am very happy to acknowledge that.

I have learnt a new word here tonight from the Hon Maryan Street—ontologies. I have not had time to check the dictionary, and I do not have a laptop, but I suspect from the context that it means world views. The Hon Maryan Street talked about competing world views, and that is absolutely fine. I do not care whether someone believes that the Waikato River is a living entity with a life force. I do not care whether Mr Finlayson still holds to the religion I was imbued with as a young boy that states that a piece of wafer, on the ringing of a bell, literally becomes the flesh and blood of Christ. As a man of 51, I find that absurd. But if the Hon Chris Finlayson wishes to continue to believe it, that is his business. I have no problem with that. If other people wish to believe in the tooth fairy, I have no problem with that. In the last 20 years or so a number of New Zealanders have declared their religion as Jedi, which I believe is taken from a series of science fiction films of the 1980s. Who cares? That is their business.

But what we have here is a world view of a specific, narrow group of Māori that is being foisted upon not just Pākehā New Zealanders, but also other Māori. We are supposed to have a secular Government, yet highways have been delayed because of the alleged presence of a taniwha. This is the same kind of thing. No one in this country, whether Māori, Pākehā, Chinese, or whatever, should have his or her plans and life—

Catherine Delahunty: Disrupted by—

DAVID GARRETT: —no, "disrupted" is not the word I was looking for at all—governed by the ontology, religion, or superstition of others. That is very, very easy when we get this kind of bill, full of vague, undefined terms. The writer on environmental matters, Owen McShane, has said that many landowners and resource

users will find that they are having to deal with evidence based on religious beliefs rather than scientific or experiential evidence. One can measure environmental and economic impacts, but it is impossible to calculate the impact of any kind of development or use on a life force. We cannot do it. That will not stop those with vested interests, whatever race they are, from doing it. It will be very tempting for them to claim some damage to the river's life force, or mauri, which I understand is the Māori word, in order to block competition with their own economic projects. It is tempting, and, I daresay, inevitable.

The Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill gives control to a tiny, elite group backed by those hard-core environmentalists who are opposed to any kind of development. In this ancient, animistic religion, it is a vehicle to assist their own fringe causes. The people of Auckland should be worried about this. The Waikato River is an important source of water for the Auckland region. How will the co-governance model respond to the demands of a growing population north of the Bombay Hills? Will the needs of the human population be too much of a strain on the metaphysical being that is allegedly the Waikato River? Will its mythical inhabitants, or its mori—

Catherine Delahunty: Mauri!

DAVID GARRETT: Mauri; thank you, I am trying my best. Will that be more important than the very people whose actions—

Hon Clayton Cosgrove: Well, try harder.

DAVID GARRETT: Mr Cosgrove should give it a go. He never even bothers.

Hon Clayton Cosgrove: I do all the time.

DAVID GARRETT: Does he? He is not very good. Will that be more important than the real human beings whose actual life force depends on that water? This bill is packed with phrases that will not mean anything until case law defines them, and we have seen that before.

Hone Harawira: Ka pai.

DAVID GARRETT: Mr Harawira is affirming that that is so. We have an activist Supreme Court in that edifice across the road that will be quite happy to define things that are left vague in this bill. It has done it before and it will do it again. It is looking forward to it, I am sure. This is another example of how a very few Māori in the elite have gained disproportionate power thanks to the Māori Party's deal with the National Party. The only reason the emissions trading scheme—

Hon Parekura Horomia: I raise a point of order, Mr Chairperson. The member alluded to the "elite". This is about a whole lot of people and a whole lot of different levels in society. It is outrageous.

The CHAIRPERSON (Lindsay Tisch): I hear the member. Those are debating points and that is not acceptable.

DAVID GARRETT: The member has successfully disrupted my flow, which I am sure was his intention, so I say well done to him.

Hon Member: Your life force has been disrupted.

DAVID GARRETT: Yes, my life force has been disrupted so I will have to just ad lib from here as best I can. Put in a couple of sentences, our objection to this bill is that it allows control by an elite according to a particular world view. Or, if we forget about the elite, it is control of an important resource according to the world view of a very few. That is dangerous and it is undemocratic. We are opposed to it, and we will continue to oppose it as long as we get the chance, in this bill and in any other bill that contains similarly bad principles. Thank you.

Hon SHANE JONES (Labour): A, kia ora anō tātau. I te tuatahi ka tukua ki roto i te reo Māori ēnei kōrero ōku. Ētahi wāhanga hei tirohanga mā tātau i roto i tēnei pire. I

te tuatahi, kua tukua te hōhonutanga o te Tiriti o Waitangi kia whai waewae ai ki roto i tēnā iwi o tātau, arā, a Waikato-Tainui. Kua tukua te Tiriti o Waitangi me tōna ūpoko tuarua, kia whiwhi ringaringa ai i roto i te mana whakahaere kua waihangatia ki roto i tēnei pire.

Ehara i te mea he rā hari tēnei, kāo, he rā pōuri nā te mea i rainei roa i te tatari rātau kia whiwhi reo ai rātau mō ngā taonga e hāngai tonu ana ki ō rātau whatumanawa, ki ō rātau ngākau. Nā reira e tika ana tātau kia mihi atu ki te iwi nā rātau te kaupapa nei i poipoi, nā rātau te kaupapa nei i manaaki i tō rātau wā. Mā te wā e titiro pēhea kē rānei ngā uri whakatupu me tā rātau taka, tā rātau poipoi i tēnei kaupapa. Otirā mihi noa atu tēnei ki a rātau i ngā taha e rua, i hahau, i manaaki, kātahi ka whakapuāwaitia i tō tātau aroaro i tēnei rā. Nā reira, tēnā tātau katoa.

[*So greetings to us all once again. Firstly, I would like to make some statements in Māori in respect of some provisions for us to consider in this bill—in the first instance, the provision for the Treaty of Waitangi and its enormous implications in the bill, which gives traction to that tribe of ours, Waikato-Tainui. Article 2 of the Treaty of Waitangi provides the governance entity created in this bill with the tools and mechanisms to carry out its functions.*

It is not as though this is a joyous day—no, not at all. It is tinged with sadness, too, because they have waited a very long time to have a say in how things so close to their hearts and very existence are managed and conserved. Therefore, it is appropriate that we acknowledge the people who nurtured and took care of this matter when they were alive. Time will tell how the younger ones treat and nurture what this bill will generate. Indeed, I acknowledge those on both sides of the House who fashioned and developed the bill that is before us today. Thank you.]

There are two aspects to the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill that are very deserving of some focus in the most positive way. The first is the real meat that is given to the concept of co-management. I refer here to the obligation on those statutory authorities to work with the tangata whenua to detail plans that deal with plant life, ngā hua whenua, the flora and fauna, customary practices—not the least of which is fishing—and a host of other things. It is a genuine attempt to try to build into the machinery of the law some processes where both perspectives can be brought to bear. That is not easy. This most certainly will be not the last attempt that is made. I dare say that refinements will take place on this bill in the future. But unlike colleagues from that side of the House, we have to trust ourselves. And we have to trust the people to whom we are bequeathing this responsibility, not only physically but also in a chronological and a generational sense, so that they will want to carry this perspective forward, so that we can create, in our resource management and with those ancestral treasures, as the Waikato refer to them, something larger than ourselves.

That is what is sadly missing in this bleak, impoverished view being given on that side of the House. It is not so much that those members do not believe in themselves; it is that they do not seem to believe in anything. They seem to think that their status will rise by deriding and attempting to humiliate or to belittle those features of identity in the current cultural mix that represent modern New Zealand society in so far as we are dealing with the implementation of the Treaty settlement. I think that that is probably the most worrying aspect.

But we can derive great solace from the fact that those members will not be here for long anyhow, and the Waikato-Tainui will be here well beyond us and our families, as they are a group whose identity is derived from a cosmic metaphor. It is a blend of the taha wairua and te taha tangata. That is what will go on to define New Zealand when we celebrate 200 years of the Treaty of Waitangi and well beyond, not the view reflected in this sort of "Prendergastian" blast this afternoon. All that that is doing is reminding

voters that we must never surrender the future of New Zealand's race relations stewardship to such barren minds, who have a very narrow and self-serving agenda, which is to cause themselves to grow and to try to impoverish the rest of us in our zest to hand on something better to our mokopuna, to our children, so that these ancestral squabbles can pass by.

That is why it is a pleasure to stand with our colleagues today. Who knows? Maybe Waikato-Tainui will one day be able to stop the State-owned enterprises from privatising that Huntly power station, because it will have the first right of refusal. This is a great day. Kia ora tātou katoa.

Hon CHRISTOPHER FINLAYSON (Minister for Treaty of Waitangi Negotiations): I thought that I would make brief reference to the spiritual and cultural references in the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. I thank members for their very helpful contributions. As Maryan Street said, it is a very interesting ontological argument. I have to confess that I was looking up the etymology of that word and Mrs Chadwick must have pimped on me to Maryan Street, because she came along and said to me "Don't you know the meaning of ontology?". But, anyway!

A number of points have been made, but I just refer Mr Garrett to clause 8(1) of the bill, which says: "The Crown recognises the statement of significance of the Waikato River to Waikato-Tainui as stated in this section.", and that statement is set out. The inclusion of those references was made at the request of Waikato-Tainui, who wished to articulate their relationship with the river in their own words. Those references are carefully defined, so I do not believe that the potential confusion that has been suggested by Mr Garrett and his colleagues, will occur. I can recall, a couple of years ago actually, making a speech that was not as intense as Mr Garrett's contribution, but it was critical of some references to this sort of thing. I think it was in the Te Arawa lakes legislation. I would like to think that a few years on not only have I grown older but I have grown up, because I think those references are appropriate in this bill.

I do not think that it is very helpful for any member of this House to indulge in some form of cultural imperialism: that if there are references to Western Christianity, or something like that, then it is acceptable, but references to this sort of thing represent, as the *National Business Review* foolishly said on Friday, some kind of challenge to the separation of Church and State. It is nothing of the sort. It is not a challenge to the separation of Church and State, and I think the member demeans himself in relation to that kind of thing. I simply say to him, and it was a point made, I think, by Mr Horomia—who referred to Christian practices going back 5,000 years; actually, I think it is about 2,000 years, but maybe he has a greater insight into these things than I do—that it is very easy to diminish Seder dinners, masses, and things like that. People find their own way to happiness and their own way to eternity. My very strong advice to Mr Garrett is to bone up on hell and purgatory. After that contribution I think he is in dire, dire need of some study, because I say on balance that I think he is headed there.

JOHN BOSCAWEN (ACT): It seems to me that there are two ways we can conduct this debate. We can actually talk about the issues that are in this bill, the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, or we can use the opportunity to attack people and to attack the way they present their arguments. That is what we heard from Parekura Horomia and, sadly, Shane Jones.

Mr Horomia talked about *Much Ado About Nothing.* He said the implication was that the objections of the ACT Party are much to do about nothing. He talked about Mr Garrett and me, and he certainly implied that Mr Garrett and I were scaremongering about democracy. Mr Jones said that ACT Party members do not seem to believe in anything, that they belittle this debate, and that we must ensure that New Zealand's race relations are never surrendered to the ACT Party, or words to that affect. I could

respond in kind. I could attack Mr Jones. I could attack Mr Horomia. I do not intend to do that.

What I want to do, though, is to answer the question of Kelvin Davis. Mr Davis asked what was wrong with the bill. The objectives of the bill are to clean up the Waikato River and to reduce the pollution, the fertilisers, and the nutrients that flow into the river. There is nothing wrong with that. There is absolutely nothing wrong with that.

Let me restate our objections to the bill—slowly, clearly, and succinctly. Under the way this country is governed right now, we have a series of regional councils throughout the country. They are elected. There is the odd unitary council.

Hon Shane Jones: No, you don't. You've got nothing in Auckland and nothing in Canterbury.

JOHN BOSCAWEN: Let me speak specifically, then, about Waikato. Its resources—the air, water, and soils—are currently governed by the Waikato Regional Council. People living in that electoral district have a vote. They can vote for that council. The council has the obligation to manage the water, control and issue water rights, and create property rights in respect of water. What is the option for people who do not like the decisions of the Waikato Regional Council? At the next election they can stand and oppose the people who currently run that council.

This bill proposes setting up the Waikato River Authority. It will not have elected representatives. Half of its representatives will be appointed by iwi, and the other half will be appointed by the Crown. We can ask what is wrong with that. Well, this country is a democracy—one person, one vote, and no taxation without representation. The ACT Party objects to this bill doing away with those principles.

We heard from Maryan Street that the concept is probably unique, and that it will lead to evolutionary development of our democracy as the years go by. In fact, we heard from Catherine Delahunty that she was just enthralled at the prospect that we would move away from the concept of one person, one vote to the concept of co-governance, where there will be the fifty-fifty management of our resources between iwi and non-iwi. That is not a democracy. Mr Chairperson, I understand you represent the seat of Waikato. I cannot believe that the farmers you represent—

The CHAIRPERSON (Lindsay Tisch): Order!

Hon Parekura Horomia: Mr Chairperson—

The CHAIRPERSON (Lindsay Tisch): I am on my feet. The member cannot bring the Chairperson into the debate. Even though I do represent the Waikato, the member cannot bring the Chairperson into the debate.

JOHN BOSCAWEN: I apologise, Mr Chairperson. I acknowledge that I am still learning.

Let me try to summarise the ACT arguments. We have a democracy in this country.

Hon Clayton Cosgrove: Not in Canterbury.

JOHN BOSCAWEN: We have just celebrated Anzac Day, I say to Mr Cosgrove. People gave their lives to fight for their democracy. They went across to the other side of the world and made sacrifices to fight for something that is absolutely fundamental in a democratic country, and that is the right to have free elections on the basis of one person, one vote. We have just recognised the 95th anniversary of Anzac Day. It was good enough for our Prime Minister to go to the other side of the world to acknowledge the sacrifice that was made in fighting for our freedoms. Something that was absolutely fundamental to that is the principle of one person, one vote.

I stand in the Chamber today with opponents all around me. Only my colleague Mr Garrett and I are standing up for that view. I am very, very happy to carry that responsibility. There will be people listening to this debate on the radio and there will be people watching it on television. I am standing up for those people who believe that

New Zealand is founded on a democracy, that we should have one person, one vote, and that everyone should have an equal say. So if there are farmers in the Waikato who are not happy with the allocation of water rights, they continue to have the right they currently have, which is to petition or lobby the elected representatives of the Waikato Regional Council. If they are not happy with the result of that, they have the right to stand for election themselves and challenge the councillors, who are democratically elected.

Hon Clayton Cosgrove: They want to with Environment Canterbury, but you've already sacked them.

JOHN BOSCAWEN: This bill sets up the Waikato River Authority. It is not a democracy, and Mr Jones, Mr Parekura Horomia, and Mr Cosgrove can sit there and smirk, smile, and shout as much as they like, but I am prepared to stand up for people in New Zealand who believe democracy is very, very special in this country. It needs to be fought for, and if I am one of only five people who are prepared to do so, I do that with pride.

Hon CLAYTON COSGROVE (Labour—Waimakariri): I seek leave to table a document. The document is a statement by the Minister of Local Government and ACT leader, Rodney Hide, and it states that he and his colleague Nick Smith sacked the democratically elected body Environment Canterbury.

The CHAIRPERSON (Lindsay Tisch): Is this a public document in the public domain?

Hon CLAYTON COSGROVE: Media clippings, statements—everything.

The CHAIRPERSON (Lindsay Tisch): I will not accept that.

Hon PAREKURA HOROMIA (Labour—Ikaroa-Rāwhiti): I will stand quickly to commend the Minister and all the support for this great bill, the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. I especially commend Labour members, including former member Michael Cullen. I make a special mention of the Māori Affairs Committee and our colleague on that committee, Nanaia Mahuta. I thank Hone Harawira for his kind words, and everybody else. This is a great bill. Kia ora tātou.

The question was put that the following amendment in the name of the Hon Christopher Finlayson to the amendment set out on Supplementary Order Paper 119 in his name to clause 34P be agreed to:

to omit from subclause (14) "management".

Amendment to the amendment agreed to.

The question was put that the amendments as amended set out on Supplementary Order Paper 119 in the name of the Hon Christopher Finlayson be agreed to.

Amendments as amended agreed to.

A party vote was called for on the question, *That the preamble, clauses 1 and 2, Parts 1 and 2, and schedules 1 to 6 as amended be agreed to.*

Ayes 117

New Zealand National 58; New Zealand Labour 43; Green Party 9; Māori Party 5; Progressive 1; United Future 1.

Noes 5

ACT New Zealand 5.

Preamble, clauses 1 and 2, Parts 1 and 2, and schedules 1 to 6 as amended agreed to.

Bill reported with amendment.

The TEMPORARY CHAIRPERSON (Steve Chadwick): I move, *That the report be adopted*.

A party vote was called for on the question, *That the report be adopted.*

Ayes 117

New Zealand National 58; New Zealand Labour 43; Green Party 9; Māori Party 5; Progressive 1; United Future 1.

Noes 5

ACT New Zealand 5.

Report adopted.

Sitting suspended from 6 p.m. to 7.30 p.m.

PRISONERS' AND VICTIMS' CLAIMS (EXPIRY AND APPLICATION DATES) AMENDMENT BILL

First Reading

Hon SIMON POWER (Minister of Justice): I move, *That the Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill be now read a first time.* At the appropriate time, I intend to move that the bill be referred to the Justice and Electoral Committee for consideration, that the committee report finally to the House on or before 1 June 2010, and that the committee have the authority to meet at any time while the House is sitting except during oral questions, during any evening on a day in which there has been a sitting of the House, and on a Friday in a week in which there has been a sitting of the House, despite Standing Orders 187 and 190(1)(b) and (c).

The Prisoners' and Victims' Claims Act 2005, passed by the previous Government, contains two important provisions that are due to expire on 30 June 2010. First, the Act restricts the awarding of compensation to prisoners to those situations where no other remedy is deemed appropriate. Second, if compensation must be awarded, the Act allows victims of the prisoner to claim against it before the prisoner can access the money. This amendment bill extends these provisions for a further 2 years to ensure that victims are not locked out of this process from 1 July of this year. This is a transitional measure to ensure that victims' access to prisoners' compensation does not lapse prior to the introduction of further legislation in this area later this year.

The Prisoners' and Victims' Claims Act, I am afraid to report, has not worked as well as what, perhaps, was intended. At the time that Labour introduced the legislation the then Minister of Justice, Phil Goff, predicted that it "will restrict compensation for inmates to exceptional cases … Where payments are made, it maximises the prospect that victims will be the beneficiaries, and I make no apology for that,". Since the Act came into force 17 awards of compensation have been subject to the victims' claims process and finalised, totalling over $139,000. The Act has allowed over $25,000 of that amount to be paid in reparations owed to victims. However, only four out of the 17 awards have been the subject of successful victims' claims, totalling over $38,000 paid out to victims. This has meant that prisoners have still received over $60,000 at the end of the process. Unfortunately, payments to prisoners on 13 out of 17 occasions can hardly constitute exceptional cases. It has to be said that without the victims' claims process put in place by this Act, admittedly, and giving credit to the last Government, prisoners would have received the whole amount. But clearly—and, perhaps, understandably—there is reluctance on the part of victims to claim against an offender's payout, and that is working to the benefit of the offenders.

The Government's policy, as outlined before the election, is to provide that when compensation is awarded to a prisoner, anything remaining after the prisoner's victims have sought redress will be redirected to the victims' services appropriation. As the House will be aware, the victims' services appropriation is being used to fund additional services and entitlements for victims generally. This appropriation already includes funding from the disestablished Criminal Justice Advisory Board—that seems like a long time ago now—and the Sentencing Council, and will be accompanied by revenue generated by another Government initiative: the $50 levy to be imposed on offenders from 1 July 2010. In October last year I announced eight new initiatives to be funded by the appropriation. Three are already under way, and the remaining five will commence on 1 July. Until legislation is ready to redirect unclaimed compensation into the victims' services appropriation, this bill is necessary to ensure that the direct victims of prisoners continue to have priority in compensation awards.

The previous Government also predicted that the Act would deter further compensation claims by inmates, "as there will be no financial incentive for them to do so … if … the first call on any damages given to any prisoner who is wronged goes to the victims the offender has wronged." However, there are currently a further eight awards at various stages of the victims' claims process; a much greater number of outstanding claims still exist as a result of the behaviour management regime, which was found to breach prisoners' human rights when it operated at Auckland prison from 1998 to 2004. Most important, this bill ensures that those claims will continue to be covered by the existing prisoners' and victims' claims regime. The bill also clarifies that if a prisoner makes a claim before 1 July 2012, any compensation payable as a result of that claim will be subject to the victims' claims process in the Act, regardless of whether the claim is resolved by that date.

The applicability of the process was previously in doubt due to a drafting ambiguity. The Government does take the matter of prisoner mistreatment seriously. The best way to reduce such complaints from prisoners is to stop these breaches from occurring in the first place. However, where breaches occur the responsible agencies need to be held to account, and retaining compensation as a remedy will continue to act as a disincentive for ill treatment. I commend this bill to the House.

Hon CLAYTON COSGROVE (Labour—Waimakariri): I say from the outset that, given that the previous Labour Government drafted and passed the original legislation, we will support the Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill. It is, in essence, a technical amendment to further extend and to bridge for some 2 years the provisions of the Prisoners' and Victims' Claims Act to, as the Minister of Justice said, ensure that current claims will continue to be covered by the legislation.

I suspect even the most hardened souls in this Parliament, although I wait in anticipation, would acknowledge that two wrongs do not make a right. I do not think that anybody in this House thinks that a prisoner should be assaulted; nor would anybody agree that a prison officer or anybody else should be assaulted or experience inappropriate behaviour towards them. That in no way, of course, negates the gravity of what a prisoner had done to the primary victim—the victim in the community, who may well have been raped, assaulted, or worse. We are in danger, as politicians in this Parliament, of sometimes pontificating at people. I am one person in this Parliament who has to acknowledge that I have never been a victim of a crime. It is easy for me to be, as it were, less emotional and possibly more logical because I have not had a loved one who has been dealt to by an individual. I always acknowledge that and am mindful of that as we have these debates. I suspect that had I or a member of my family been dealt to in tragic circumstances such as we have read about in the papers over the last

year or two, I would probably be rather more animated and probably less tolerant in respect of my response to that crime. That being said, as I have said before, I do not think anybody would tolerate a wrong being done to a member of the community; likewise it serves no just purpose for a wrong to be done to somebody who is incarcerated.

However, in my view, it also serves no just purpose that a person who has wronged a member of our community gains compensation for a wrong done against them. That is not appropriate, and that compensation should be put up for the original victim of the crime to access. That was the intent, if you will, of this legislation. I quote from Mark Burton in 2004: "The reason that Parliament passed the Prisoners' and Victims' Claims Act was precisely to recognise that victims have the right to make a claim against any such compensation and to simplify the procedure for doing so." The Minister is correct that there have been some difficulties with that legislation. Its intent, I think, was absolutely clear. Despite some political comments that I am sure will be made by people other than the Minister, the legislation showed that the previous Government's intent was to deny those who had done wrong the opportunity to be compensated—and, also, that that compensation was a sanction imposed on those who had offended against that person in incarceration—and, equally, to allow the victim in the community to take advantage and to gain some of the money or resources in respect of that compensation.

The Minister was right when he said that the easy way to fix this was to stop breaches against prisoners' rights. However, I note, in passing, the Government's measures to cut the budgets of our correctional institutions and organisations like the Prisoners Aid and Rehabilitation Society, a 132-year-old institution, which I call a protector of victims' rights. Some would say that that is rehabilitation, which does not work so they are against it. I say that that organisation is actually a protector of our community, because it tries to change the behaviour of people who have committed wrongs inside our prisons, in the hope that they do not offend again and create further victims, future victims, in our community. The Prisoners Aid and Rehabilitation Society is actually a victim protection organisation, a community protection organisation, yet this Government has chosen to cut the resources to it.

It is interesting also that the Minister talked of victims' rights, and I support him in his comments. Despite all the political rhetoric we heard before the election from some minor party now represented in this House, I wager that not one member on any side would say that he or she was not prepared to stand by and support victims. I wager that not one member on any side of this Parliament would say that we should not have victim support, but that it is a right for victims to be supported, whether that is by having a shoulder to cry on, or whether it is counselling support or monetary resource.

I note that victims of sexual crime—some of the most heinous and disgraceful crimes against innocent members of our community, whether children, young women, young men, or elderly folk—had been eligible for accident compensation and counselling, and for psychiatric assistance. They have been through physical torture, and then go through mental torture for the rest of their lives. Yet, as we debate a victims' rights bill and a victims' support bill—this is germane, I tell the House—this Government has told the Accident Compensation Corporation to cut costs. Now victims of heinous sexual crime, who are tortured mentally every day of their lives, are being denied basic counselling services. I am told—and I am not trying to be grotesque about this—that a number of those victims have taken their own lives recently. That is sad; that is a tragedy. That is a responsibility that will be visited upon those who denied them that assistance.

I say that this bill is appropriate. It is a technical bill, and we will support it. But when we come to talk of victims' rights, I am waiting for the ACT Party to get up and give us its view on the denial of counselling services to victims of sexual abuse and

sexual assault. It is interesting that during the debate on the accident compensation aspects of the bill, where victims are now being denied those basic services as they go through life, there was not a whimper, not a word of protest, from the ACT Party or Mr Garrett, who purported to be the only person—I think he once said—who stood by victims. I wait with great interest, as we debate this technical bill that has bipartisan support, at least, for Mr Garrett and his ilk from the ACT Party to tell us whether they support the Government decision to deny those who have been assaulted or worse through sexual crime, the basic counselling services they need to get through their lives. That is what is happening every day in our community. I would wager that in every electorate office around this country, whether those offices are Labour or National, Green or ACT, women and men have come into our offices after tragic circumstances, who cannot in any way now access those services through ACC.

There are those in our community, and some commentators, who say "Hang on, that is not an accident. That's not something ACC should cover." Well, I ask them who should cover it if they were the victims. I do not care who covers it. I say that the State should cover it, and I say that the State has a responsibility to be the shoulder that that victim can cry on, and the agency that provides the services, counselling, and support that the victim needs. The State has a responsibility.

Labour will support this legislation—we wrote it and we passed it. I acknowledge, as the Minister has said, that it has had some difficulties. I look forward to some of the learned professionals who claim to be the ones who stand by victims, who claim to have victims' rights at the heart of their political policy, and who say they have stood by victims in other places outside this House, to get up and address that issue. I know of no other issue that is more important than that. We have men and women in our communities who have no support, apart from their whānau or loved ones, if they have them. They have no professional counselling, because that has been denied to them. If we are really serious about victims' rights, I say that that, along with this legislation, is something that fundamentally we must and should address.

CHESTER BORROWS (National—Whanganui): I thank the previous speaker, Clayton Cosgrove, for his contribution and for a number of the comments that he has made.

One of them was that the Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill is a technical piece of legislation—and it is. It will receive support, as I understand it, from across the House, and so it should, because all of us would agree that the offender who finds himself in custody, and then through some other circumstance finds himself with access to a significant amount of money, should be forced to pay his victims out first; or, at least, his victims should have the opportunity to make a claim against that new-found wealth, no matter how it was achieved. Unfortunately, if the offender happens to win it in Lotto, victims will have to go through protracted court proceedings to get their mitts on any money that he may have. But, under this legislation, victims have the ability to make a claim before the victims' special claims tribunal to access money.

The bill will be referred to the Justice and Electoral Committee. I thank the committee members who have served on that committee from time to time. This is the 17th piece of legislation that has come before that committee over the term of this Government, and 12 pieces of legislation have exited and been reported back to the House. We would just like to pat ourselves on the back for a moment, and say that that is more legislation than has been reported back from any other select committee. We look forward to discussing these matters when they come before us.

This legislation shuts another door. What I am mindful of is that, over the course of this Government and previous Governments, we have shut a number of doors in respect

of those who find themselves in custody. What we also know from experience, and from our learning over generations, is that a number of people who find themselves to be offenders and quite rightly behind bars have found themselves at some stage to be victims, too. We, as a civilised society, must stop closing our minds to that. We need to address things within the history of those inmates in prison, so that they do not go on to create further victims. So, whereas I fully support this legislation, I also fully support any move to assist in the rehabilitation of offenders or to run programmes of a restorative nature in prison.

I will pick up on something that the previous speaker said. Clayton Cosgrove was saying that the victims of sexual abuse and other abuse had traditionally had their counselling paid for by the Accident Compensation Corporation (ACC). For a number of years now, especially since 2003, report after report has asked whether ACC should be the agency dealing with these matters. The throwaway line that the member used was "Well, abuse is not an accident." Actually, if we scrutinise it, we see that it is not an accident. What we do know is that successive Governments, in spite of that fact, have allowed ACC to become the provider of all those counselling services, when those services could quite rightly and quite justifiably sit more appropriately under a mental health cap, for instance, or under a Ministry of Social Development cap. That is where they should be.

Lynne Pillay: No funding; there's no funding.

CHESTER BORROWS: I will take the point of Ms Pillay, who is calling out right now, and say we do not care whose bucket it comes out of, as long as the taxpayer—

Lynne Pillay: I raise a point of order, Mr Speaker. I take issue with that. I did not say that we do not care. I said that this Government has cut the funding.

Mr DEPUTY SPEAKER: That is a debating point.

CHESTER BORROWS: I want to make it quite clear that I was not saying that she does not care.

Hon David Parker: I raise a point of order, Mr Speaker. What recourse does the Opposition have when a Government member deliberately misrepresents an interjection from the Opposition?

Mr DEPUTY SPEAKER: If the member has taken offence, under Standing Order 116 she can state her objection. But a member cannot litigate a debating point; that is a matter of debate, whether or not the member likes it. But if the member has taken offence, Standing Order 116 allows some recourse.

Lynne Pillay: I raise a point of order, Mr Speaker. I have taken offence, given that that is certainly not what I said.

Mr DEPUTY SPEAKER: We are not getting into a debate of whether it is right or wrong. I hear the point. I ask the member to withdraw the comment.

CHESTER BORROWS: I withdraw and apologise. I apologise because I was not clear enough in what I said. I did not say, and I certainly did not intend to say, that the member had said "We do not care." or imply in any way that the people on the other side of the House or in any other part of the House do not care.

The point that I was trying to make was that we, as citizens of this country, do not care who, or what bucket, what portfolio, or what Government agency, gets dipped into to pay for funding for counselling. We only care that it is funded. Surely the member has no complaint about that. Because we quite rightly expect that if someone who has been abused as a result of an attack—whether it be sexual abuse, physical abuse, or anything else—needs counselling, then the wherewithal to cover the cost of that counselling will be met by the taxpayer. My criticism has been that we have traditionally allowed ACC to do that, when quite rightly it fits within other portfolios, which have escaped it. That is what the Government is trying to put right at this stage.

This bill will receive support from across the House, and so it should. But the point I am trying to make is this: while we run around within the criminal justice area, shutting doors on free and democratic rights in a civilised society that it is incumbent on the State to provide for people in its custody, we must remember the other side of their offending, which needs to be addressed. To leave them without access to rehabilitation—as successive Governments have done, which, as we are addressing now—was wrong. We need to recognise them for the people they are, and to recognise all the things that interact to affect their behaviour and their existence, with the result that they offend against victims of crime. I hope that at some stage this House will scrutinize as to exactly what we provide for people behind bars as closely as we scrutinise what we provide for people outside. Thank you.

LYNNE PILLAY (Labour): On behalf of the Labour Opposition, I stand to add my comments to those of Clayton Cosgrove, who spoke previously, that we support the Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill. I will talk briefly about the purpose of the bill and give some history.

The original bill was introduced by the Labour Government in 2004 and came into effect in 2005. It regulated the awarding of compensation to prisoners for breaches of their rights. The Act also provided a regime whereby victims of compensated prisoners can claim for damages, payment for which would come out of the prisoners' compensation awarded. When Labour brought the bill forward, it was done as a matter of justice so that victims of crime would get some redress.

We are supporting, effectively, a roll-over or an extension of 2 years of the application of this Act. The Government has said that it will be introducing a second prisoners' and victims' claims amendment bill later this year. Certainly, we see this amendment bill as a minor technical change. The Government will have no opposition from this side of the House to legislation that will improve services and support to victims.

My friend Chester Borrows, who spoke previously, began very well by commending the Justice and Electoral Committee, and I think that was a very sensible thing to do, because the committee is hard-working. But I was very, very disappointed in Chester Borrows—I did not take offence at his comments because I do not think there was any malice intended—when he talked about the accident compensation scheme maybe not being the appropriate vehicle for compensation for victims of sexual assault. That may not be the case, but that is the system we have in place. That is the system whereby victims of sexual assault and serious crime receive the counselling they need and deserve. It is the only, and currently the appropriate, way for those victims to receive counselling. Chester Borrows simply did not understand that. But I will not stand in this House and blame him. Do members know why? It is because the Minister for ACC does not get it, either.

The Minister for ACC, despite the advice he is given, does not understand the reality for victims of sexual assault in New Zealand, as it is at the moment. Despite professionals, psychotherapists, counsellors, and survivors of sexual assault writing to the Minister, this unfortunate experiment that is happening, as Chester Borrows spoke of previously, is not providing victims with the support they need and deserve. That is a very, very serious situation. I know that the other two speakers before me have made considerable comments on that point, and I feel it is appropriate, given Chester Borrows' statements, that I clarify to the House that that is certainly not the situation. The cutting of services and support provided by accident compensation has been absolutely dreadful. Although the intention was to save the Accident Compensation Corporation money, in terms of providing counselling services, the human cost is absolutely immeasurable.

I commend Simon Power for some of the work he is doing for victims' rights, but I urge the Minister to talk to Nick Smith and explain the situation to him—in fact, I suggest that they have a caucus session on it. Clearly, Chester Borrows, who is a well-meaning member, who has been very committed in terms of the Justice and Electoral Committee, does not understand. I can see that there is clearly a big communication dysfunction within the National caucus. Perhaps if that was cleared, then we would not have the sad situation that we see for victims of—

Simon Bridges: No problems in your caucus!

LYNNE PILLAY: I will not respond to that joke at the moment. I do not think this is a joking matter.

Simon Bridges: You were just being sarcastic about—

Mr DEPUTY SPEAKER: The member cannot bring the Speaker into the debate.

Simon Bridges: The member was just being sarcastic about this side of the House.

LYNNE PILLAY: In terms of the challenge that I am being sarcastic, I am merely speaking the truth. The truth is that going from 300 to 400 cases a month down to six cases receiving the support they need and deserve is a travesty; it is an absolute travesty. That member needs to take note of what is happening, and needs to raise the issue in his caucus, as indeed I hope that Simon Power, the Minister of Justice, will.

I want to move on and talk about some of the other issues for victims of crime in this country. The previous Labour Government passed the Sentencing Act, which went quite a considerable way in terms of victims' rights. In respect of restorative justice, the Labour Government passed the Victims' Rights Act in 2002, which gave victims the right to information and the ability to have input into sentencing decisions. That went a long way towards providing more support for the victims of crime in our country. As we know, the aim of the Prisoners' and Victims' Claims Act 2005 was to ensure that victims of inmates could claim against any compensation that those inmates were awarded. I look forward to further improvements to what has already been put in place being brought into this House, as the Government has said it will do.

Also, very important in terms of victims' rights, we can look at the introduction of the Victims Charter in February 2008. That was developed so that victims would be aware of the services and support that were available to them. At this time I acknowledge all the good work that many agencies throughout New Zealand do for victims, including Women's Refuge, Victim Support, and those who operate the 0800 line that was introduced under the previous Labour Government, which gave more support to victims. More funding was also introduced by Labour to support victims of domestic violence through the processes of the Family Court. There was also the introduction of independent victim support advocates, who provide support for victims of domestic violence.

Although we have seen some progress on victims' rights, and I acknowledge that, it is very sad—as many people in women's refuge organisations have said—that we still have a very good bill dealing with domestic violence victims' rights languishing on the Order Paper. Why? It is because it is a Labour bill. I ask this House to consider putting aside party politics and to look at what is best for victims. I take this opportunity, if I may, to request that the Government give very careful consideration to moving that bill forward on the Order Paper so that real improvements are made with regard to victims' rights and there is more support for victims of domestic violence.

As I said before, there will not be any opposition to this bill from Labour members. Indeed, any bill that provides support or services for victims has our support. But I would also say that it is a pity that the Minister for ACC does not have in his mind the same principle of supporting people who are victims and survivors of serious sexual assault. Thank you.

DAVID CLENDON (Green): Kia ora koutou. I fear that I will disappoint an earlier speaker in his assumption that no opposition to this Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill would be spoken in the House. In the very short time since we have had access to this proposed legislation, we have been confronted with the difficulty that the Greens supported the final reading of the legislation that this bill now seeks to extend for a further 2 years. On balance, however, we will oppose this bill, as we think it is unfortunate that only a matter of a few months before the sunset clause in this 5-year-old legislation takes effect, there is a somewhat belated attempt to leave in place inadequate legislation while work is done to develop a better alternative.

It has been admitted by members who have spoken from both sides of the House so far that this legislation has not been a success. It has not generated or presented the outcomes that were hoped for it, and we think time and energy would be better spent finding more positive and long-term solutions to the undoubtedly important task of securing just and fair outcomes for victims of crime, while also ensuring that the basic human rights of prisoners are acknowledged and preserved, in line with both our domestic and international law and conventions.

We can safely predict that this position will once again make us vulnerable and will stimulate certain parties to accuse us again of being soft on crime or of being out of step with public expectations and preferences. In fact, we believe that the public mood is for outcomes that genuinely work, rather than those that reflect the very narrow and very punitive approach of a few. That is a point that I will refer to later.

The 2005 Act restricts awards of compensation sought by specified human rights claims made by persons under the State's control or supervision. It provides for the making and determination of claims that the victim of a prisoner may make against compensation paid in respect of specified human rights claims made by a prisoner. It is a somewhat convoluted and complex solution to what was a very real problem. It is worth recalling that at the time, the legislation was triggered by findings that there had been systemic breaches of the New Zealand Bill of Rights Act, particularly under the so-called behaviour management programme at Auckland prison. These breaches included a failure to allow inmates on the behaviour management programme adequate opportunities to exercise, a failure to notify the medical officer when inmates were put under the programme, and issues related to basic hygiene, cell cleanliness, and access to clean clothing. Strip-searches were routinely undertaken by officers with an inadequate understanding of the grounds for conducting such searches. Many of those searches, therefore, did not comply with sections of the Penal Institutions Act. The court held that taken individually, these unlawful acts would not have been sufficient to breach the New Zealand Bill of Rights Act, but taken in combination they revealed treatment falling "well below standards that befit a human being", including the treatment of a person behaving badly in prison, and, therefore, constituted breaches of the New Zealand Bill of Rights Act.

We originally opposed the 2005 bill that became the Act that the Government is seeking to extend due to our concerns that it could be seen to violate prisoners' rights. It removed a mechanism for stopping abuse in prisons and went only a short way towards meeting the needs and legitimate expectations of victims of crime. We listened to the debate at the time and we changed our position to support its third reading, on the clear understanding that there would be a comprehensive inquiry into prisoners' rights. This inquiry was duly put in place. It reported back to this House in December 2007. It must be said that that report contained some very good recommendations, but there is too little evidence that those recommendations were picked up by the previous Government or, indeed, the present Government. For example, the report proposed in 2007 a one-

stop shop for victim support—a properly resourced agency that would ensure victims had access to adequate information, services, and outcomes that were appropriate to their needs. It would be an agency that did not rely solely on the goodwill of many hundreds of volunteers. Too much of the victim support work being done in this country now is left to non-governmental organisations and to poorly resourced voluntary and private organisations.

The report proposed in 2007 the establishment of a compensation regime focused on recompensing victims for their loss. It recommended a gap analysis to identify where victims' needs were not being met, and various other quite admirable proposals were made. Some good advances have been made since then. The Victims Charter was mentioned earlier. That was a positive outcome. But it is difficult to support an argument that the victims of crime are substantially better off now than they were 5 years ago.

There is a still glaring need to establish an independent prison investigative authority, which the Greens have long advocated for. We could model such an agency on the very good examples established in Britain or Western Australia. We will oppose this legislation, which, in its present form, has been more symbolic than real. Very few victims have benefited from it. Very few affected prisoners have taken advantage of the provisions within it. Arguably, very few of them know of it or would choose to use it.

The legislation overall and its continuance are symptomatic of the view that prisoners should lose any rights, which was specifically proposed by a Government member speaking earlier in this debate about prisoners' voting rights. Treating prisoners as non-citizens, as people not possessing rights or not deserving of rights, is entirely counter-productive and worsens post-release integration problems. There is ample reason to adopt a more enlightened approach.

Evidence from Scandinavia, and especially from Norway, shows that those systems that give most regard to human rights, and impose the fewest denials of human rights on convicted people, deliver the lowest levels of reconviction. Norway, for example, has a reconviction rate of 20 percent, whereas ours is effectively double that. Imagine the financial savings and the benefits in terms of social and individual well-being we might see if we could emulate that reconviction rate here, if we could cut our reconviction rate in half.

I mentioned that the provisions of this legislation are complex. In Finland we know that victims of crime are compensated by the State, which then enacts appropriate measures against offenders to endeavour to recoup some of what has been paid to the offender. It is a much cleaner, more straightforward, and much more appropriate mechanism than this rather convoluted legislation that we are confronted with. The concern that prisoners might somehow gain financial benefit that is denied to the victim is very easily resolved, and that point was made by the Minister presenting the bill. If we put in place more and better mechanisms to protect the human rights of prisoners and ensure they are treated in accordance with national and international law and convention, then there will be no avenue for offenders to gain financial redress.

There are solutions available to the admittedly very complex problem of needing to provide fair recompense to victims of crime without compromising our commitment to humane treatment and human rights for all citizens. But those solutions will not be found in perpetuating inadequate and dated legislation. Thank you.

TE URUROA FLAVELL (Māori Party—Waiariki): Tēnā koe, Mr Speaker. Kia ora tātou katoa, e hoa mā, i tēnei pō.

Paul Quinn: You're back.

TE URUROA FLAVELL: I am back. From the Māori Party's perspective, I will cut to the chase straightaway. At the nub of the Prisoners' and Victims' Claims (Expiry and

Application Dates) Amendment Bill is the issue of human rights, including a person's right to a reasonable way of life, even when in prison. I refer the House to the International Covenant on Civil and Political Rights, under which our Government is required to ensure that inmates are treated with dignity, and that effective remedies are available when violations of those rights occur.

One would think that human rights should have always been up there in our history, but when we look back, it has not been so. One hundred and thirty years ago, this Parliament passed the 1879 Maori Prisoners Trials Act and the Maori Prisoners Act. That legislation was the Government's racist response to the passive non-violent land-rights occupation—well, it was talked about as being occupation, but in fact it was a stake in the land—for those people of Parihaka. Under those laws, prisoners were held indefinitely without trial, contrary to one of the most basic rights guaranteed to all British citizens and set out in the Magna Carta.

As a part of that history, an important player at the time was the member of Parliament for Northern Māori, a man by the name of Hone Mohi Tāwhai, who served in this House from 1870 to 1884. History tells us that he was asked to sit on what was called the West Coast Royal Commission on the grounds that he would be impartial, not having been in any war, and, for his part, he decided to take some pretty radical actions. He opposed the prisoners detention bill that was being rushed through the House. He refused to support blindfolded such a hurried set of measures. He publicly criticised the shipping of Māori prisoners from Taranaki to jails in Dunedin, because he knew that that was just a move to get rid of them. He also knew that they would die in the colder climate. He also refused to sit on a commission with a gentleman by the name of William Fox and another gentleman by the name of Francis Dillon Bell because of their involvement in the land confiscations in Taranaki. Mr Tāwhai, an honourable member of Parliament in his time, had one clear message during the discussion: laws not made in accordance with Te Tiriti o Waitangi would be the cause of ill feeling between Māori and Pākehā, and he urged Parliament not to pass laws from which such evils would flow.

I recall Mr Tāwhai as we consider this Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill, because it is desperately important that we remind ourselves always about our commitment to human rights, just as I also remind us of the 2004 United Nations Committee Against Torture review of New Zealand, which expressed the concern about "the findings of the Ombudsman regarding investigations of alleged staff assaults on inmates, in particular regarding the reluctance to confront such allegations promptly, and the quality, impartiality, and credibility of investigations." That is a damning finding, which emerged, as members may well recall, from the inquiries into the running of the Mangaroa Prison in Hawke's Bay some years ago. The inquiries found systematic beatings and torture of prisoners by senior prison officers. They used hit squads to beat the inmates. They held inmates naked in overnight pens and lock-ups outside. They also denied inmates medical attention for injuries for injuries such as bruising, black eyes, and cracked ribs. The key is that although the public expressed its outrage that the nine prisoners were awarded compensation and a public apology, very little attention was given to the fact that some of the prison officers who committed those criminal acts were later re-employed and apparently compensated for wrongful dismissal.

So, yes, let us have a debate about the definition of rights and victims, but let us also be clear that the people whom we do not like are not always the offenders, and the people whom we want to feel sorry for are not necessarily the victims. Yes, we are comfortable in talking about the role of the State in punishing offenders and depriving

them of some of the privileges of citizenship, but we cannot sanction the violence against inmates that some people in this House may well turn a blind eye to.

Offenders lose their freedom when they get sent to jail, but that does not mean they should also lose their lawful human rights. Imprisonment is the punishment, not the site for ongoing additional punishment that goes way beyond the scope of the court sentence. Yet we know that the rights of prisoners are breached on a daily basis. Article 10 of the International Covenant on Civil and Political Rights says: "All persons deprived of their liberty shall be treated with humanity and with respect for the inherent dignity of the human person." It also says: "The penitentiary system shall comprise treatment of prisoners the essential aim of which shall be their reformation and social rehabilitation." Yet member of the House have just spoken recently to a bill that would deny inmates the right to vote. We are about to get another bill denying them compensation.

The Māori Party supports the rights of victims to be restored to their full potential, and we welcome a broader approach to victim support that strengthens and empowers individuals and their families. But we cannot ignore the fact that prisoners, who are themselves vulnerable to violence, who have nowhere to escape to and no one to turn to, often become victims themselves of brutal rape, assault, and murder in jail. Those inmates will not be in jail for ever. They will return to our communities, and if they have been taught that extreme violence is their pathway to success, and that a brutal ignorance of the law is acceptable and accepted management practice, then that will be the future they will bring back into society.

The Māori Party supports a radical rethink of our penal system, but not along the lines of the uninformed comment that the Ombudsman referred to in his 2007 inquiry into the criminal justice system, which stated that denying prisoners their human rights and booting them while they are down would simply not work. So, in closing, we urge this House to think about ways in which we can create a more effective criminal justice system, a system that punishes offending, supports victims, and helps offenders become more positive members of our society. The Māori Party will not be supporting this bill at its first reading.

SIMON BRIDGES (National—Tauranga): I want to pick up on what my colleague from the Māori Party, Te Ururoa Flavell, was saying. On the face of it, I suppose it was a reasonably powerful point that Paul Quinn's member's bill, the Electoral (Disqualification of Convicted Prisoners) Amendment Bill, takes away prisoners' right to vote, and with this bill, the Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill, we are taking away their right to get compensation. We have, apparently, done that previously, and we are continuing that with this bill. But I do not think that is the case. In fact, as I understand this bill and previous bills, none of them have done that. They have not said that prisoner A, who has suffered an egregious harm in prison, cannot go to court or to the independent authority and get compensation. That still occurs, and, in egregious cases, compensation is forthcoming. What Acts passed under the previous Labour Government did, and what this extending of that regime does, is simply state that, if prisoner A does get that compensation, it is right and proper that he or she also is legally obliged to pay reparation, or the like, to a victim or to various victims. That money can be used for that. When members think about it, that is no different than what happens in civil cases where someone goes to court, wins compensation, and that money goes to pay other debts. So I do not think it is necessarily a bad thing at all.

With the exception of the Greens and maybe the Māori Party, as well, this bill really has widespread support, because it is just technical. I think the explanatory note puts it well when it states that it is a bill that "bridges the gap between the expiry of the current

regime and the enactment of a second Prisoners' and Victims' Claims Amendment Bill to be introduced in Parliament later in 2010." So this is no great shakes. It is not, in any sense, doing anything controversial or anything radical; it is continuing what we have. As I have already said to the House, I think what we have at the moment is pretty good. There is room for improvements, and that will come in legislation to be introduced later this year. But what we have is, nevertheless, a good start.

I think the other thing I will say, lastly, is that this bill can be located in a wider context, and I appreciate that the Opposition has some difficulties with that. But last year, and continuing on this year, the justice policy and theme of this Government is to put victims at the centre of the justice system in order to do better by victims. So it is good that this bill is continuing that. We will expand upon that, making things even better with a bill in the same vein later this year, which will improve on previous law in the area of compensation for victims.

CARMEL SEPULONI (Labour): The Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill seeks to extend the Prisoners' and Victims' Claims Act 2005 passed by the fifth Labour Government. That Act regulated the awarding of compensation to prisoners for breaches of their rights, and this is in line with our international obligations and with the practice in other Western democracies.

The original Prisoners' and Victims' Claims Act was about respecting the rights of both perpetrators and victims of crime, allowing prisoners compensation for breaches of their rights while at the same time providing a regime whereby victims of prisoners who received compensation could make claims for damages, payments of which would come out of the compensation.

The bill currently before the House is a minor technical change extending the restrictions on the awarding of compensation for a further 2 years, from 1 July 2010 until 30 June 2012. It will ensure that the victims' claims process will also apply to compensation awarded in respect of a prisoner's claim made between 1 July 2010 and 30 June 2012

Paul Quinn: It's only a two-page bill; you don't need to read from speech notes.

CARMEL SEPULONI: While the current Act states that the awarding of compensation expires on 1 July 2010 and the victims' claims process applies only to compensation claims before that date, this bill extends the provision of the Act by 2 years, I say to Mr Quinn.

Labour will support this bill going to the Justice and Electoral Committee as it makes only a minor technical change. But we do have a question for the Government. When will the Government act on the promises that it made at election time? They were promises made to protect the rights of victims of crime, but to date we have seen no evidence whatsoever of that happening. These promises were made during the election campaign, yet since then victims have been worse off in practice. In particular, sexual abuse victims are worse off. They are no longer able to access the support that they need under accident compensation, because of new rules put in place by National. Instead of struggling with the barriers to accident compensation funding that National has put in place, sexual abuse victims have turned to Rape Crisis centres for help, but these centres have had their funding also cut by National. Sexual abuse victims feel betrayed by this Government, which promised to make their lives better but, in fact, has made them worse.

We heard Mr Chester Borrows earlier discussing the fact that it does not matter which bucket of funding is being accessed to address the needs of these victims, but the issue is that this Government is not making any funding available for victims. So when the Government takes away the opportunities through accident compensation that were afforded to victims for the counselling that they need, there is no other avenue for them

to go down with regard to getting the support that they need, which is sometimes a matter of life or death for individuals and has far-reaching impacts in terms of repercussions. The fact that victims are unwell and have not received the support that they need has impacts not only on them as individuals but also on their wider family network, and on New Zealand as a society.

National promised action on crime rights so that fewer New Zealanders would be victims of crime. However, the latest crime statistics show how hollow that promise really was. The number of crime victims is growing, not decreasing, under this Government. In 2009 violent crime rose by close to 10 percent and murders rose by 25 percent, and this is unacceptable. Those voters who bought into the National Party slogan that it was basically going to do away with crime altogether must be sitting there now and asking themselves what they voted for. Although National and ACT claim that their "three strikes" law will help to prevent crime and deter criminals, officials have warned us that it may even force our homicide rate up even higher.

I challenge this Government to act on its election promise. Fewer New Zealanders should be victims of crime, and those who are victims should have their rights protected. We do not need hyped-up policies like a "three strikes" law that may not change crime statistics at all, or may even result in more crime. We need a society where New Zealanders are safer from crime and a society where victims are helped, not hindered, on the road to recovery. The current Act states that the awarding of compensation to victims expires on 1 July 2010, and the victims' claims process applies only to compensation in respect of claims made before that date. This bill will basically extend that provision to 30 June 2010.

National made some lofty promises at the election about looking after victims' rights, but in practice victims are worse off under this National Government. Sexual abuse victims are no longer able to get the support they need under accident compensation, thanks to the changes that the National Government has made. National and ACT are pushing through a "three strikes" law that officials have warned will make things worse, not better, for victims. It will result in fewer guilty pleas and more appeals, meaning that more victims will have to go through lengthy and difficult trials and appeals processes. Officials have also warned that the new law could lead to an increased rate of homicide. Why is the Government not doing anything to prevent more people from becoming victims of crime? The latest crime statistics show that the number of victims is growing, not decreasing, under that Government, and that is something New Zealanders are genuinely concerned about.

I want to touch on Labour's record on victims' rights because it is pertinent to what we are discussing at the moment. In 2002 Labour introduced and passed the Sentencing Act, which introduced a presumption in favour of reparation, and it resulted in the sentence being used more frequently. In 2002 the Sentencing Act also recognised the potential of restorative justice processes to make offenders more accountable to victims, and it enabled courts to take both financial and non-financial offers of amends by an offender into account.

Labour introduced and passed the Victims' Rights Act in 2002. It extended a number of rights to victims, such as rights to information and the ability to have input into sentencing decisions through victim impact statements. In 2003 the Ministry of Justice launched a campaign to trace those who owed money, and it spent $385,000 on advertising an 0800 number for people to call. The establishment of new collection centres further bolstered the collection and disbursement of reparation, and $9 million was allocated in the 2003 Budget for that purpose.

Labour passed the Prisoners' and Victims' Claims Act in 2005. It ensures that victims of inmates who are awarded compensation could claim against that

compensation. Labour introduced the Pay or Stay initiative in September 2006, which enables the Ministry of Justice to stop people who have unpaid fines or reparations if they are travelling overseas, or stop them on their return to New Zealand. The Evidence Act 2006 provides for the needs of vulnerable witnesses and victims by making provisions for witnesses to give evidence in alternative ways, such as from behind a screen, via closed-circuit television, or on pre-recorded video.

Those are only a few of the things that Labour did to protect the rights of victims. I could go on with that list, but I will not. At the end of the day, we need to remind this Government that National campaigned very hard prior to the 2008 election on the fact that it would reduce crime and would protect the rights of victims. To date, 15 months later, we have seen no evidence of that.

Labour will support this bill at its first reading because we have a commitment to the victims' claims process and because we believe that the National Government can and should be doing more for victims' rights. Thank you very much.

KANWALJIT SINGH BAKSHI (National): I stand in support of the Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill, which is a technical bill. It amends the Prisoners' and Victims' Claims Act 2005. It will extend the restriction on the awarding of compensation to prisoners for another 2 years, from 1 July 2010 until 30 June 2012. This provision applies to the victims' claims process with regard to any compensation awarded to the offender. It will also apply to any settlement that takes place out of court. This bill recognises that victims should have the first claim against any compensation that is awarded to a prisoner.

Is it fair that victims of crime have been neglected for a long time? This National Government feels that it is time we gave them the support that they deserve. We are committed to addressing the physical, emotional, and financial stress that victims have faced due to crime. This Government wants to put victims at the heart of our justice system.

I have seen recent incidents where families are suffering both financially and emotionally because of crime. I cite the incident of Navtej Singh. He was a young man who was working at his shop when he was killed. His aged parents, his young wife, and his children are suffering both financially and emotionally. Another young man, Hiren Mohini, who was a taxi driver, was killed in Auckland while he was working the graveyard shift. I have full sympathy for his mother, wife, and two daughters.

This bill states that where a prisoner is awarded any compensation, the victim of that prisoner has the right to claim against that compensation. In conclusion, I say that victims' rights should come before the rights of offenders.

This bill will now go to the Justice and Electoral Committee, which is well chaired by Chester Borrows. We have a very good association with the members of the Opposition on that committee. We have very cordial relations with them. I commend this bill to the House.

Hon DAVID PARKER (Labour): I rise to support the first reading of the Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill. I refer to some comments made by Simon Bridges that I agree with. This bill does not take away all the rights of criminals to get compensation in some cases. We can all, at least in theory, envisage circumstances where the State, through prison officers, could breach somebody's rights. They could terribly brutalise them, torture them, or unjustifiably deprive them of their liberty. In those situations it is absolutely right and proper that prisoners, bad people though they have been, should have rights to guard against the State acting like that. This bill acts as a curb against inappropriate actions on the part of the State. It would be wrong for this Parliament to take away all the rights of prisoners in such cases. If we look for examples, we find some of the things that happened during

World War II where people were imprisoned and treated terribly. Of course those people ought to have had their human rights upheld. If their human rights are abused, then it is appropriate that they have legal remedies through the New Zealand courts. I agree with Simon Bridges that that is appropriate.

The original Act states that that is well and good, and this bill extends that provision to a later date, and that is well and good. However, when a criminal has harmed someone else and that other person may have a reparation order that has not been paid, or the victim had a right to take a civil action against a prisoner and receive some form of compensation but did not or could not because the prisoner was broke and it would be like getting blood from a stone—there was no likelihood of being paid—why would they waste their time and effort on making a claim against that person in prison?

Where there is a change in circumstances as a consequence of compensation being awarded in favour of the prisoner, we need to preserve that money so that the victim of the prisoner's crime has the ability to make a claim against the prisoner and effectively attach the claim to the money that otherwise would be paid out to the prisoner. That, of course, is very appropriate. I think that just about everyone in this House would agree that, whilst not taking all rights away from a prisoner who has been abused, rare though those cases are, when compensation is paid to a prisoner—and let us not forget that there are high tests before a prisoner would get any compensation, as people will not have sympathy for prisoners; there has to be a pretty gross violation of prisoners' rights before they get any compensation—it is important that we preserve the sum of money, where appropriate, so that someone who has been injured by the prisoner and who had a right to compensation or reparation can have recourse to the money that would otherwise go to the prisoner.

That is the balance that this legislation sought to achieve. Indeed, if we had gone further and had completely banned any right of compensation, we would be going a step too far and we would be in breach of various United Nations conventions. We would be doing something wrong.

Paul Quinn: DRIP.

Hon DAVID PARKER: I do not know what the member means. This legislation gets the balance right. I will respond to some of the suggestions that were made earlier that tried to defend the Government's record in respect of victims' compensation.

Compensation for victims and the treatment of victims in New Zealand largely rely upon the accident compensation system, in terms of the counselling victims receive following a traumatic injury. Nowhere is that more true than in respect of people who have suffered sexual crimes. The victims of sexual crimes are often left in a depressed state, and their lives can fall to bits. If the person who abused them was a family member they can have problems with keeping or making good and strong personal relationships in their lives. I do not think there are many people in this country who do not think that the victims of sexual crimes should have access to proper counselling; they most definitely should. Yet this Government, through Dr Nick Smith as the Minister for ACC, has overseen a huge decrease in the approval of people for counselling. So marked is it that on a year-by-year comparison 300 claims per month were approved in the prior year, compared with six claims this year.

Three hundred claims, compared with six claims, is more than a 95 percent decrease in the approval rate. I do not think that makes sense. I think anyone can see that something has gone seriously wrong. It was pointed out to the Minister last year that this was seriously wrong. It was pointed out by the Labour Opposition, and by the psychotherapists and the psychologists. It was pointed out by the Massey University academics whose work Dr Smith was purporting to rely upon, but which they say the

Accident Compensation Corporation has misused under his supervision. For the Minister to now turn round and say that we have to have some sort of inquiry to see what has gone wrong, without restoring the prior status quo until it is fixed, is adding insult to injury on the part of the women, mainly, who have been abused and cannot now receive counselling in New Zealand.

I think that is disgraceful, to be perfectly frank. I think that the very least the Government and the Minister could do is say: "We've got this wrong; we're going to restore the status quo while we sort it out." But instead the Minister is hiding behind process. He is not willing to admit fault, notwithstanding the fact that the approval rate has gone down from 300 claims a month to six claims in, I think it was, February. The facts speak for themselves. More than 200 women in that month alone suffered the effects of sexual crimes, without receiving any counselling. Counselling sessions generally cost around $100 or more per session. Most of those women who have been abused, who have been the victims of some horrendous sexual crimes, cannot afford that and they have no avenue through which they can get counselling at present.

The Government is not addressing the issue. All that Dr Smith says is that we will have a review. But we know that it is patently clear that the first and foremost thing that should be done is to return to the prior system while the Government sorts it out, instead of persisting with this new system that, as I said, in February had only six approvals for counselling throughout the whole of New Zealand. Do we think that New Zealand is such a perfect society that only six out of those 300-odd applications were worthy? Are we saying that the other 294 women were lying? Are we really saying that they had some sort of pre-existing mental illness that meant that they deserved what happened to them? Are we saying that they should not get treatment?

I really take issue with some of the comments that have been made by National members in this debate. They raised the issue of accident compensation, and tried to say how well they are doing for the victims of crime, when this is the real situation and these most-damaged people, in respect of being the victims of violent sexual crimes, are getting no help whatsoever.

In returning to the Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill, I can say that we support the bill. Thank you.

PAUL QUINN (National): There is really not much more that I can add, other than to say I compliment the last speaker for the front end of his speech, which I think explained in some detail what this bill sets out to achieve. But he was slightly verbose, and could have been much more succinct. None the less, he covered the detail. As he said, all this bill does is extend an existing provision for another 2 years until a more permanent solution is implemented by this Government in the future.

As other people have mentioned, this is a very technical bill. It is only 2½ pages long and, like members on both sides of the House, I look forward to its expeditious consideration by the select committee. With those few words, I commend the bill.

Hon STEVE CHADWICK (Labour): I rise to take a short call on this bill because we cannot miss an opportunity to attack the Government. It is bringing in a bill that we will support because it is about extending the dates for the legislation that we brought into the House in 2005, but we cannot miss an opportunity to attack National members who went out at the election and said that they would fix law and order issues—that was one of their major aspirational goals—and that they were going to put victims of crime at the centre and look after them.

The Government can bring this little, technical bill to the House today to extend the time frame for another 2 years until 2012, but it cannot admit that it has sexual abuse victim services completely wrong. The Minister in the House, at question time today, when put under some pressure, said: "Oh, but I have set up a review committee.", and

he has some very respectable people on the committee, but he does not need to do that. He knows full well that he got the criteria for referral to a treatment pathway for victims of sexual abuse completely wrong. David Parker said that the number of cases being approved per month has gone from 300 down to six, yet the Government is still refusing to say that it has got it wrong. It has put in another review team that will report back. What a waste of time that is, while victims of sexual abuse are suffering every single day. The trauma to a victim of sexual abuse—a child, a woman, or a man—will extend on to the full family. That family belongs to a community, and that community also wears the effects of the lack of treatment services and correct intervention pathways for victims.

Yesterday I met Louise Nicholas, who said to me that this Government has got things completely wrong in relation to sexual abuse care and treatment pathways. Three hundred sexual abuse counsellors in this country have already lost their jobs. They had been working with victims of sexual abuse but they no longer have that work. It is not rocket science to see that if we have reduced the number of cases each month, from 300 down to six, then those skilled health professionals have no work.

What will happen when the review committee comes back with the inevitable finding? And it will. This is just a time-wasting mechanism that the Minister has set in place. He cannot admit that he has got it wrong. We will need to re-enact and get those counsellors back into the workforce to meet the demand. It is wrong. It is a crock. It is everything but putting victims at the centre of crime. I think that the Government will pay a price for this next year during the election campaign because this is an issue that is affecting the well-being of our children and our families. But, not only that, National was going to fix crime. It was going to address the drivers of crime, but the latest crime statistics show that the number of crime victims is growing under National, not decreasing. Crime rates rose by 4.6 percent in the 2009 calendar year, and violent crime increased by 9.2 percent. The rate of murders has increased by a massive 25 percent, yet National members said that they were going to fix crime. When we were on the campaign trail every National candidate blamed the Labour Government again and again for not fixing crime. We will have a Budget in the next couple of weeks. Will that do it for families that have been dispossessed and disconnected? I do not think so.

This Government needs to hang its head in shame over its entire efforts to address the drivers of crime. We support this bill only because it extends the time frame on the legislation that we brought to the House in 2005. National said that we did nothing about the victims of crime or about compensation. I could not resist taking the call. I think this is a disgrace. It is a sad day when the Government has the energy to get this bill before the House but it cannot simply fix the correct service pathway for the treatment of victims of sexual abuse. The Government cannot do that, but it can bring this bill to the House.

A party vote was called for on the question, *That the Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill be now read a first time.*

Ayes 108

New Zealand National 58; New Zealand Labour 43; ACT New Zealand 5; Progressive 1; United Future 1.

Noes 14

Green Party 9; Māori Party 5.

Bill read a first time.

Hon KATE WILKINSON (Minister of Labour) on behalf of the **Minister of Justice**: I move, *That the Justice and Electoral Committee consider the Prisoners' and Victims' Claims (Expiry and Application Dates) Amendment Bill, that the committee report finally to the House on or before 1 June 2010, and that the committee have authority to meet at any time while the House is sitting (except during oral questions), and during any evening on a day on which there has been a sitting of the House, and on a Friday in a week in which there has been a sitting of the House, despite Standing Orders 187 and 190(1)(b) and (c).*

Motion agreed to.

EMPLOYMENT RELATIONS (REST BREAKS AND MEAL BREAKS) AMENDMENT BILL

First Reading

Hon KATE WILKINSON (Minister of Labour): I move, *That the Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill be now read a first time.* At the appropriate time, I intend to move that the bill be referred to the Transport and Industrial Relations Committee.

This bill has been introduced out of necessity, for the sake of common sense. Statutory rest and meal breaks were added to the Employment Relations Act under the previous administration last year and came into effect on 1 April 2009. National supported that legislation then as it gave statutory recognition of breaks, reflecting standard practice across New Zealand. This Government still supports the intention of that law, and wants to assure all New Zealanders that their right to adequate breaks will retain statutory protection. To make that perfectly clear, I say all workers will remain entitled to reasonable rest and meal breaks under this bill. I expect that, as was the case with the original law, most workers will see no change to their arrangements under this bill.

If the existing legislation provided sufficient flexibility, this bill would not even be before the House. The fact is that the existing law has created a number of problems due to its being overly prescriptive both in terms of what constitutes a break and of the extent of flexibility about when breaks may be taken. Although professions such as sole-operated air traffic control towers had functioned quite happily for 60 years without issue, they now find themselves to be in breach of the law. Labour claims that its amendments fixed that issue, but that is not the case. The Civil Aviation Authority made it clear that if towers were to be closed as required under the law, they had to be shut at the same time in order to ensure that pilots were not forced to deal with a forever-changing timetable of closures around the country. That meant that New Plymouth, Napier, Gisborne, Rotorua, and Invercargill would all have faced disruption to their schedules, cancelled flights, and a resulting loss of revenue.

It is not only air traffic controllers who have been caught out by this law. Pharmacies, schools, and sole-charge operations such as petrol stations have all struggled to implement it. School principals have raised concerns that, if insisted upon, the current law could push out the hours that a school has to stay open to beyond 4 p.m. It is important that the law is workable and practical for every school. Other hard-working New Zealanders have also felt the impractical effects of the current law. For example, I received a letter from a mother who works part-time as a night-fill staffer for a supermarket. She was unhappy about the changes. She and her colleagues have always worked from 7 p.m. until 11:30 p.m., with a 15-minute paid break at 9.30 p.m. The new law has resulted in them now taking a 30-minute unpaid break at 11 p.m. and returning to the job for the final half hour, eventually knocking off at midnight. None of the staff

want to have that 30-minute break; all they want is to do the job and go home to bed before midnight, not to sit in the staffroom doing nothing. It was suggested that in order to avoid taking the break they cut back their hours to work 4-hour shifts, but that would mean a loss of income. Clearly, there is a practical problem here, and that is the fundamental concern with regard to the law as it stands.

No one opposes a worker's right to have meal and rest breaks, but dictating a general rule for every single situation does not allow enough flexibility. Instead we are left with instances where many employers are faced with two choices: either to continue as normal and break the law, or wear the cost of compliance and inconvenience. Neither is an appealing option, especially when the staff and the employer had their own arrangements that have long been agreed to. I have received letters from employers and employees about this issue, questioning why they cannot just keep to their arrangements, which have worked without complaint for years. Unfortunately, the practical implications of the current law simply do not match up with its intention.

This bill is about common sense. The National Government supports all workers' right to take breaks. That was why we voted for the amending legislation in 2008, but the principal Act needs to be fixed. Its prescriptive nature means that it is being used to cause disruption and create difficulties that did not exist before. On paper it might have appeared sound, but practically it is flawed.

This bill will amend the principal Act so that it provides a requirement for employers to either allow for rest and meal breaks that give employees a reasonable opportunity for refreshment or make compensatory provision. These amendments will move the law from prescription to flexibility, encouraging employers and employees to negotiate terms that best suit their workplace. This will maintain service or production continuity and is more in line with the flexible arrangements that work so well across the country. This bill will provide flexibility, so that the timing of rest and meal breaks suits, as far as is reasonable, the continuity of service or production at the workplace. The nature of breaks varies according to the nature of work. The bill provides for employees and employers to negotiate alternative compensatory measures in lieu of breaks, such as later start or earlier finish times, or accumulated time in lieu. Such arrangements are not facilitated by the current legislation.

A code of practice that provides additional guidance for employers and employees on determining suitable rest and meal break arrangements will also be developed. This will help small and medium sized businesses to identify some workable solutions on the duration and timing of breaks in different circumstances. Employers' obligations under the Health and Safety in Employment Act 1992 will continue to apply; so too will the duty of good faith under the principal Act.

This amendment will preserve the legislative intent to provide breaks that support employees' well-being, but it will offer greater common sense and flexibility in order to ensure that our laws support productivity in New Zealand. I commend this bill to the House.

Hon TREVOR MALLARD (Labour—Hutt South): The Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill is an interesting bill from the Minister of Labour, Kate Wilkinson. It was very, very urgent. In fact, if one looks at the bill, one can immediately accuse the Minister of two things: first, of being very, very slow to get her legislation into the House, and, secondly, of being lazy and not even getting clause 1, "Title", correct. She has stated the wrong year in that clause, for example. That is just a sign of how poorly this Minister has focused on her legislation and on the requirement to get it right.

I will also quote from the material that the Minister has supplied to us. The "Consultation" section of the explanatory note of the bill states: "Officials have advised

they have concerns about developing the proposed amendments to the rest breaks and meal breaks provisions of the principal Act at speed and without adequate consultation. This may result in policy being designed and implemented with unintended consequences, including unforeseen regulatory compliance impacts and administrative costs."

We have now the major embarrassment of a Minister who introduced a bill nearly a year ago as something that was really, really urgent, but badly drafted, badly consulted on, and not worked on properly. Then she left it just sitting on the Order Paper for that period of time. What did she say at the time was the reason for the bill? She said there was an urgent problem with regard to air traffic controllers. Do members know what the urgent problem was? It was that some dipstick in the Civil Aviation Authority had indicated that everyone had to have meal breaks, all around the country, at the same time, and that pilots were too thick to work out that when their flights were delayed they had to contact air traffic controllers to say they would be late. Pilots do that anyway. When pilots are off their schedule, they always contact air traffic controllers. It comes up on the screens of the air traffic controllers, so they know whether a plane will be late and whether their meal or rest break might be delayed. It is a basic safety thing. There was never a problem, other than one that was very close to being a figment of the imagination in the mind of the Minister of Labour, who was scrambling for an excuse in order to tip the existing legislation over.

But of course what the Minister forgot was that as the amending legislation was coming through the House in 2008, she was less than full and frank. She did not really tell us what she thought. She was in a pre-election sort of phase of not wanting to disturb anyone and of pretending that she was friendly to workers, especially women workers. She was in that sort of phase at the time, and she made some really interesting comments on that legislation. She said: "it merely codifies what is already happening in most workplaces", and it "should have been relatively uncontroversial." So what has changed? What has changed in workplaces since that time?

Sue Moroney: Ah, air traffic controllers.

Hon TREVOR MALLARD: Well, air traffic controllers and nothing else.

Then there was a lovely statement. I very rarely agree with the Minister, but it was one she made on the third reading of the amending legislation in 2008. She said "Rest breaks and meal breaks are not there just for health and safety issues, of course; they are also there for the socialising impact between employees so that they get to know each other and it can be a happy and productive workplace, and we certainly support that." That is what the Minister said, and she is right. We have a cup of tea together, we have a break and a chat, we get to know our workmates, and we have a happier workplace and are more productive. That is a good thing. Why is she wrecking that now? Why were productive workplaces important before the election but not important after the election? There has been very little in what the Minister has said that would convince us that they are at all important.

What we are seeing, though, is something that comes from a Minister who, before her time in Parliament, was one of the main promoters of the Employment Contracts Act. Kate Wilkinson has had quite an interesting history in industrial relations law over a period of time. We are seeing her get back to her natural roots. She is getting back to the point of supporting the sweatshop employers whom she supported and represented in the past, when she represented them from outside Parliament. Now she is representing them from inside Parliament; she is doing their bidding here tonight. Notwithstanding her fine words before the election, when she was pretending to be friendly to workers, especially women workers, she has now turned her back on them. She has rejected them, and she is saying that she does not care if they do not get a break.

She is saying they can work right through that time and have a break at the end of their shift. It is sort of wonderful: one of the things that will flow out of this legislation is that people will work for their 8 hours, and will then be allowed to take their two 10-minute breaks and then half an hour.

Darien Fenton: Unpaid.

Hon TREVOR MALLARD: Unpaid for the half-hour. That is the sort of approach that this Minister is promoting at this stage.

The Minister should just admit that this bill is badly drafted. She has not used the last year, in which time the bill has been sitting around, to get it updated. She has done no further consultation on this bill in that time, and she was too damned lazy to update it.

Carol Beaumont: Shoddy.

Hon TREVOR MALLARD: It is shoddy—like John Key with his trust, really.

Sue Moroney: Sloppy.

Hon TREVOR MALLARD: Sloppy is the word. Like the Prime Minister, the Minister has been sloppy in her approach to her work. She is so far out of date that she did not even have the good grace to get the bill printed with the right date in it. Now we have the Minister of Justice in the House, and he has a much better reputation than Kate Wilkinson for consulting on these things. He certainly would never get to the first reading of a bill and have the wrong date in it. He would never do that; he is far too competent to do that. At some time over the next 10 minutes it would be good if Simon Power had a word in Kate Wilkinson's ear and told her that when she introduces legislation, she should not be sloppy but should just get the date right to start with.

DAVID BENNETT (National—Hamilton East): I rise to speak on the first reading of the Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill and to say that we give our full support to our very diligent and hard-working Minister of Labour. The previous speaker, Trevor Mallard, did not understand the nature of this legislation. He looked at it from a purely political perspective, not from the practical perspective of trying to encourage New Zealanders in the workforce to do their jobs to the best of their ability and to achieve the degree of efficiency and productivity that everybody wishes to see in the workforce.

As chairman of the great Transport and Industrial Relations Committee, which will consider this bill—

Allan Peachey: Outstanding.

DAVID BENNETT: —it is an outstanding committee, is it not—I say that we look forward to debating this bill in the committee. No doubt the Labour members of the committee, who are very constructive members, will be speaking later in this debate. They will assist us in the process of going through the public submissions and looking at the heart of this legislation.

Carol Beaumont: Always want to hear from the public.

DAVID BENNETT: Yes, I know. We always want to hear from the public, and that is the whole point of the submission process. But I think the public also has to have a little bit of a reality check about what the previous Government did in passing the existing legislation.

I know that Sue Moroney, my colleague across the Chamber, used the existing legislation as the defining feature of her being in the previous Labour Government for its final 3 years. That legislation was the thing that she passed. It was her pride and joy. The thing is that the previous Government had to pass it under the cover of other debatable issues in the labour relations area, rather than having it pass as legislation standing on its own two feet. In doing so, that Government created an environment in which many political parties voted for that legislation in this House.

Basically, this legislation is looking at a real issue in a constructive way. This Government looks at one issue and we work out the solutions for it. We are not trying to hide it in a series of pieces of legislation around other issues; we will be up front, let the public have their say, and work through this issue.

We need to have that flexibility in our workforce and in our employment relations for productivity and also for personal reasons. I think one thing the last speaker, Trevor Mallard, said that is true is that in an employment arrangement, there is the need for staff—employers and employees—to come together and have that time where they mix, mingle, and learn from each other about what is going on in their job and their business at that point in time. This legislation will do that, because we are giving more flexibility. We are not having a rigid approach that could potentially limit the ability of that relationship to develop.

We look forward to this legislation going before the select committee. It is all about providing flexibility so that the employment arrangement can develop and foster that degree of unity amongst staff in the business and employers, and so that we can achieve the best productivity and success for people working in a particular industry at a particular time. We look forward to the legislation coming before the select committee, where I am sure that all members will address the questions in a very open and fair manner.

SUE MORONEY (Labour): I think that last contribution to the debate on the Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill goes to show that National has no idea what meal breaks and rest periods are all about. Not once in that member's contribution, nor virtually at all in the contribution of the Minister of Labour, was the question of health and safety in the workplace addressed. That is exactly what meal breaks and rest periods are all about. It is not about people somehow having a right to spend some time chatting with their workmates; it is about all the research and evidence that exists not only in New Zealand but internationally that tells us that when workers are fatigued, and when they have not had the opportunity to rehydrate and eat, that is when things go wrong at work.

When I talk about things going wrong at work, I am not just talking about a widget not being produced properly; I am not just talking about shareholders not getting the maximum profit out of the workplace that they might have wanted on that day; I am talking about people losing their lives. That is the seriousness of the bill we are addressing this evening.

National says it is introducing flexibility, but it is actually giving these workplaces a recipe for disaster. The Minister spoke about giving flexibility so that workers could decide to have their break at the end of the shift. Well, let us think about that from a health and safety perspective. If someone is in an environment where they work for 8 hours before they get to have a break—because they have used the wonderful flexibility that this bill affords to not have a break for 8 hours—and on hour 7½ they make a big, fatal mistake that ends either their life or that of a co-worker, will the Minister stand up and take responsibility for that because she has allowed that flexibility into the workplace? That is exactly what National is proposing to introduce into a workplace where it knows the power relationship is uneven.

The idea that workers and their employers will sit down together and mutually agree that the workers will not have their break until the end of the shift is a complete nonsense, and National knows it. The employer will be making these decisions. That is what this bill is all about: giving carte blanche to employers to decide what is in their best interests in terms of productivity. Never mind the health and safety of the workforce! Never mind what workers actually want to do! National is giving that right over to employers to decide how they will do it. Well, that has had some really

disastrous results in the past, which is why the previous Labour Government brought a bill before this House and successfully put it through Parliament. Yes, I say to Mr Bennett that I am proud of that. As a member who has actually put some legislation through this House, I know that if Mr Bennett ever achieves that he might also understand how important it is that when one has actually gone through that process, a Government that never warned anyone it was going to do so does not come along afterwards and tamper with it and take the impact of that bill away.

When I came into Parliament one of the things I wanted to do was ensure that we had better work-life balance, not for people within this precinct—I am sure you understand that, Mr Assistant Speaker Roy—but for all New Zealanders. That is why Labour's bill was so important. It ensured that workers had the right to take breaks at work. From listening to National members debating this issue, one would think that Labour had put in place a bill that said people had to stop work at 10 o'clock and they had to stop work for 10 minutes. That Act of Parliament did no such thing. It simply provided for two 10-minute tea breaks and a half-hour lunch break for the average length working day. It was no more prescriptive or restrictive than that, yet National is pretending that there was a straitjacketed Act of Parliament that was creating havoc throughout the workplaces in this land. That is a load of rubbish.

Some of the stories that led me to argue for this area of law to be fixed up were from people in very vulnerable parts of our employment area. The particular group that came to see me were people working in service stations in the Waikato. They were in the position that they could not take a meal break at all during the day.

Hon Member: The Minister is laughing.

SUE MORONEY: Well, members opposite may find this extremely funny, but what had happened was that the staffing hours had been cut for the service stations right throughout the area. We all know that gas companies have been making money hand over fist, yet they were cutting back hours. They cut back the hours to the bone, and it meant that every time a car drove on to the forecourt the worker, who may have been trying to have his or her meal break, had to stop eating lunch, go out, and serve that customer. Repeatedly these workers were not getting meal breaks. That was the group that came to see me. On further investigation, I discovered that it was an even larger problem.

I wonder what investigation the Minister did before she went down this path. In 2006 there was an investigation into the causative factors associated with summertime workplace fatalities. It was an important piece of work because, amongst other things, it discovered that here in New Zealand there are two peak times when work-related fatal incidents are most likely to occur. I would really like the Minister to take heed of this because it is very important with regard to this bill. One of those peak times is in the late morning, between 10.30 and 12.30; the other is mid-afternoon, between 2.30 and 3.30. The trend is applicable to all industries, but is particularly relevant to the agricultural sector.

The Minister ought to be taking that sort of thing into account. It screams out to me that those are the times of the day when people ought to have had a break. They should have taken 10 minutes to have a drink of water—I feel like I will need to do that myself in a minute—rehydrate, get their energy levels back up again, take a little break from work, and then get back into it. The evidence internationally and in New Zealand tells us that this prevents deaths in our workplaces. That is the reason for rest periods and meal breaks; not so employers can shuffle it to the end of workers' shifts just before they are about to go off and have the big break anyway, but actually to prevent accidents from happening in the workplace.

I think it is very interesting that the Minister not only has not looked at the research that was done here in New Zealand, in preparing this bill, but also did not listen to her own officials when they warned her—and the official documents tell us that they warned her—not to have a knee-jerk response to the airline dispute that was happening at the time. They told the Minister that it was an industrial dispute, and urged the Minister not to have a knee-jerk, legislative response to it, because if she became the kind of Minister who uses legislation to intervene in industrial disputes, there would be no end to it.

Did that Minister listen? The Minister clearly did not listen; she went against her officials' advice. She has not looked at the research and evidence. She does not care about health and safety in the workplace. She does not understand the role of meal breaks and rest periods with regard to health and safety in the workplace, and she is putting New Zealand workers at risk.

KEITH LOCKE (Green): The Green Party will be opposing this Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill for many of the reasons that have been expounded by the previous speaker, Sue Moroney. It is an important bill on health and safety concerns; it undermines the health and safety of workers. Breaks and meal breaks are important, not only to prevent injuries and deaths but also so that people can have a rest, be human, and not be slaves to a clock, working hour after hour without proper rest.

If we look at the explanatory note of the bill, we see that there does not appear to be anything wrong with the status quo. The explanatory note states: "Under the status quo, employers and employees are encouraged to work out mutually satisfactory arrangements that fit within current legislative provisions, and can draw on the mediation services of the Department of Labour to assist them to do so." Apparently, the air traffic controllers, who have been used as an example for the bill going forward, have worked out the situation together with their employers, so that is not a reason to proceed with the bill.

I think that the greater harm—and it was outlined by the previous speaker—is that there is an unequal relationship in the workplace. Many workers in non-unionised retail outlets, restaurants, etc., work for long periods without breaks now. I know some of them myself. A young 19-year-old I know works in a shop. I talked to her recently and asked when she had her breaks. She said that they were very busy in that shop and sometimes they go for hours without a break. She was not even aware of the law; she was not a member of a union. That is happening in workplace after workplace already, so rather than make it easy for employers to get away without giving appropriate rest breaks, we should stay with the present law and not proceed with this amendment.

John Ryall, who is the national secretary of the Service and Food Workers Union, wrote an article criticising this new amendment. He said that his union made a submission to the Transport and Industrial Relations Committee. It brought forward the case of a union member, an Indian immigrant worker, James Joseph, who had the problem of working split shifts. He worked from 10 a.m. to 2 p.m., and then from 4.30 p.m. to 11 p.m. When he insisted on having a short break every 3 hours, he was called a troublemaker and was sacked. He was told by the employer that it was just not possible because the restaurant was too busy. That can happen in workplace after workplace.

To enable proper rest periods, sometimes the employer has to be subject to a certain inconvenience—that is the reality—in order to protect the health and safety, and the rest periods of workers. That is what, perhaps, some people in the National Government do not quite understand. National members have said that this legislation is important for sole-charge workers and for air traffic controllers. In the past, bus drivers have been used as an example. Well, it seems to me that the very people we would want to be the

most alert, and to have proper breaks, would be air traffic controllers and bus drivers, because it is not just their health and safety that is of concern. If a plane comes down, all sorts of people will be killed and all sorts of families will be left with a tragedy. It is similarly so with bus drivers. If a bus driver gets a bit tired and goes off the road or crashes into a car, what happens?

From any way we look at it, we should not allow a law that brings in the looseness of compensatory measures. Workers will be able to go without a rest break for a few hours, as long as employers provide compensatory measures. But those are very ill-defined as to their frequency and length. There is just a bit in the legislation to say that such measures can be time in lieu, or a different start or finish time. Exactly what that amounts to is not defined in the legislation. So things are being set up for the employer to determine the provision without the worker, who is often in a very disadvantaged position, particularly if he or she is un-unionised, being able to correct the situation.

I think that this bill is a departure from New Zealand's tradition. We have an old tradition going back through New Zealand's industrial history of awards of having clearly defined lunch and smoko breaks. It is true that we are a bit more flexible now, but we do not want to depart too much from the tradition where workers have smoko breaks—we would not call them smoko breaks now; we would call them morning and afternoon tea breaks—and at least half an hour for lunch. That is something we grew up with, something that we were proud of, and something that differentiated us from the United States, for example, which did not have such legislation. I was quite horrified many years ago, when I was in industrial situations where we had smoko breaks, lunch breaks, and very rigid times, to learn that in America they did not have any legislation protecting that situation, whatsoever.

We have to protect what we have gained over the years. The Green Party will be opposing this particular legislation.

TE URUROA FLAVELL (Māori Party—Waiariki): Tēnā koe, Mr Assistant Speaker, kia ora tātau katoa. Nā runga i te hiahia kia kōrerotia tō tātau reo Māori i roto i te Whare nei, kua kawe haerehia tēnei kōrero i roto i te reo Māori.

Ehara i te mea nō ināia tonu nei tēnei momo āhuatanga nō mua noa atu, nō ngā tau kua hipa. I a au e āta rangahau ana i tēnei o ngā pire ka āta kite atu, ā, i te tau 1908, i tū tētahi raruraru nui o roto i a koe pea i Te Wai Pounamu i te takiwā o Te Poutini, i te tāone o Blackball. E ai ki tā wētahi, kāore tētahi o tērā hunga, o tērā tāone, i whakaae kia mutu wawe nei tana kai. I te tekau mā rima meneti i whakaritea mai ai mō te wā tina. Ko te ingoa o te tangata nei ko Hickey. Ka mutu, nā runga i tana kore whakaae kia mutu tana kai i te wā whakaritea mai ai, ko ia me ōna hoa e ono i panaia i te mahi. Ā, i te kaiwaro tēnei o roto o te tāone o Blackball. I tērā wā ko te kaiwhakahaere o tērā wāhi, i hiahia ia kia whakarahi ake ngā hāora mahi mō te rā, ki te tekau hāora. Nā, nā wai rā, nā wai rā, ā, i pahū mai tērā mea e kīa ana ko te Blackball strike, ā, ka mutu, i puta mai te uniana me tana kore hiahia ki te whaiwhai haere i tērā tikanga, ā, he hiahia kē nō rātau kia waru hāora i te rā mō te wā mahi. Nā, i haere te take nei ki te kōti, ā, ka mutu, i whainahia ngā kaiwaro nei, ka mutu, kāore ngā tāngata nei i hiahia ki te utu i ngā nama, ā, i haria katoatia wā rātau taputapu i hokona, engari i tōna mutunga mai ka kī mai ngā kaiwaro kia kaua e hoko ngā taputapu e kōrero ake nei. E ai ki taku mōhio e toru ngā marama e pēnei ana te āhuatanga, ā, tōna mutunga mai me kī, i hoki ngā tāngata nei ki roto i wā rātau mahi.

Ā, i pēnei rā taku whakamārama ki a koe, Mr Assistant Speaker i te mea, anei tātau i tēnei wā tonu nei kotahi rau tau mai i tērā wā, ā, e kōrerohia ana tēnei pire, āhua ōrite tōna pūtake, tōna ngako, engari arā anō ētahi paku rerekētanga. E ai ki tā te pire, me whakarite i ētahi wā whakatā, ētahi wā kai, me te kī anō hoki me whakaaetia ngā wā me te roa o te kai i waenganui i te kaiwhakahaere rānei, te pāhi rānei, te rangatira rānei o te

mahi me te kaimahi. Koinei kei te pūtake. Ki te kore, ā, ka mutu, me whiriwhirihia ētahi wā e pai ana ki a rāua mō te whakatā me te kai. Nā, taku mōhio tērā pea ka ohorere ētahi o ngā kaimahi, ngā kaiwhakahaere o ētahi toa, kāore ētahi momo tikanga pēnei i ēnei, e whakahaeretia ana i tēnei wā tonu nei, arā, mō tētahi wā kia kai te tangata, te kaimahi i tāna kai. Nō reira, nā runga i tērā whakaaro, tērā pea e tika ana kia tae mai tētahi ture pēnei i tēnei, me kī, kia whai wāhi ngā tāngata ki ēnei momo tikanga, arā, mō te whakatā, te roa o te whakatā me te kai i wā rātau kai. Tērā pea i pōhehe ētahi, i reira tonu tēnei momo tikanga i mua i te mea, ko te nuinga o tātau he kapu tī, he kapu kawhe rānei me te miraka. Koinei te āhuatanga o wā tātau mahi, o wā tātau noho i roto i te Whare Pāremata, ka mutu, i roto i ngā toa. Engari, te āhua nei kāore tērā i te tika mō te katoa o Aotearoa.

I a au e āta titiro ana ki tēnei pire i rongo au, tata ki te 93 pai hēneti o ngā kaimahi kei roto, me kī, he kirimana ā-mahi wā rātau, ā, kei roto i ērā kirimana, he wāhi anō rā mō te whakatā, ka mutu, ko te wāhi ki te kai mō te kapu tī rānei. Nō reira tēnei ture e kore e paku pā atu ki tērā, nō reira he mea pai tērā āhuatanga ki a au. Ā, i a au e rangahau ana, ka kite atu anō hoki, e tata ki te 18 pai hēneti o ngā kaimahi o Aotearoa, kei roto i ngā uniana i tēnei wā tonu nei. Nō reira, te āhua nei ko te nuinga o te hunga kāore i te tino whai i te uniana, ana ko tērā te hunga kei roto i ngā mahi pēnei i te mahi hōtērā, te mahi hoko kai, tērā momo āhuatanga, nā runga pea i te āhuatanga o te hunga taiohi, o te hunga rangatahi kei roto i tērā momo mahi. Kāti, i roto i tēnei ao hurihuri he pai tonu kia pēnei tonu tātau, kia whai wāhi anō rā ki te whakatā me te kai. He mea pai kia whakaora i te tangata, pēnei i tā Sue Moroney e kōrero nei, kia whai wāhi te tangata ki te whakaora i a ia, whakapiki i tana ora, kia whakahihiko i a ia. Nō reira koia tērā te painga o tēnei momo pire.

Ka mutu, i a tātau e wetewete nei i tēnei pire, ko te mate kē, ana kei te pūtake o tana kōrero anō hoki, me whakaae ngā mea e rua, te kaimahi me te rangatira, arā, te pāhi o te mahi. Ki te kore e rāua tahi e whakaae ki te hāora, ki te roa rānei o te whakatā, ā, he raruraru kei te haere, he raruraru kei te haere. Nō reira, ki te kore rātau e whakaae, ki te roa rānei, kia pēnei rawa tana whakatā, ā, ka mutu, te tikanga ka waiho ake mā te rangatira, mā te pāhi rānei e whakatau. Anei, anei te roa, anei ngā hāora. Nō reira, tērā pea ka raruraru i reira, ka raruraru i reira.

Ka mutu, tērā pea ko te raru nui kei roto i tēnei kupu i te reo Pākehā, ana ko te "reasonableness" i te mea, kei a Stevie Chadwick te tikanga o tōna "reasonable", kei a Te Ururoa Flavell te tikanga o tōku "reasonable". He rerekē anō rā te tikanga o tēnei kupu "reasonable". Nō reira koinei tētahi whakatūpato i roto i tēnei pire i te mea, tērā pea nā runga i te tikanga o tēnei kupu "reasonable", ka pahū mai, ka raruraru ā te wā pea.

Nō reira, ko te Pāti Māori tēnei e whakaae atu ki te tautoko i te āhuatanga o te tiaki i ngā kaimahi, ā, ka mutu, me whakarite āhuatanga i te wāhi mahi kia noho hauora, kia noho ora ai te tangata i roto i ngā mahi katoa, kia kore ai a ia e raruraru nā runga i te āhuatanga o ngā raru o ngā pēhitanga kei runga i a ia. Ka mutu, arā nō nei ētahi mea me kaua e waiho kia iri hei mea tautohetohe i waenganui i te pāhi me te rangatira o te mahi. Nō reira, ko te pātai nui ki a mātau, ko tērā e pā ana ki te nohonga o te kaimahi me te rangatira, ko te chief rānei, ko te pāhi rānei o te mahi, nā runga i te tikanga o tērā kupu "reasonable".

Kāti, me kī ka waihotia ake tēnei hei mea tautoko mā te Pāti Māori i tōna pānuitanga tuatahi, ā, kia kite mai ai i te āhuatanga o ngā kōrero ka tae mai ki te komiti whāiti. Ka mutu tērā, ana ka āta titiro anō rā te Pāti Māori ki te hōhonutanga o ngā kōrero ka puta, ka whakatauhia ā muri ake i tērā. Nō reira, nā runga i tērā kōrerokia ora tātau.

[*Greetings to you, Mr Assistant Speaker, and to us all. Because of the desire for the Māori language to be heard in the House, this speech will be delivered in Māori.*

It is not as though the issue around meal breaks is a current one, but it has been around for a long time. As I researched this bill carefully among others, I discovered that a huge problem erupted on the West Coast of the South Island in the town of Blackball in 1908. According to some, a local of that town refused to end his meal quickly in the stipulated time of 15 minutes for lunch. Hickey was this person's name. Because he refused to end his meal in the allocated time, he and six of his workmates were fired. This took place at the Blackball mine. The manager of that mine at the time wanted to increase the working day to 10 hours. Eventually, the legendary Blackball strike broke out, when the union became involved because it did not want the working hours increased to 10 hours but kept at 8 hours. This matter was taken to court and the miners were fined. However, the miners refused to pay, and their possessions were seized and auctioned to raise the money to pay the fine. The miners told everyone not to buy the auctioned goods. As I understand it, this went on for 3 months, until the men were finally reinstated.

I have gone about it this way, Mr Assistant Speaker, because here we are again, 100 years from that incident, debating this bill today, and although the reason is quite different, there might be only some minor differences. The bill states that the duration of rest breaks and meal breaks should be agreed upon between the employer, boss, or chief, and the employee. This is the nub. If this does not occur, the two must negotiate the duration of the breaks acceptable to both. I think employers and shop managers will be surprised that laws were not already in place around the provision of meal breaks for workers. So perhaps it is time that a law like this is introduced that addresses the duration of rest breaks and meal breaks, although one would think it would be a case of basic rights, like providing tea, coffee, and milk. That is the situation here in Parliament in regard to our work and environment. It is like that in shops, as well. But that does not seem to apply to most of New Zealand.

In the process of examining this bill, I found out that nearly 93 percent of active collective agreements already provide rest breaks and meal breaks, and because this bill will not affect that at all, it is all good to me. During my research, however, I also found out that at the moment, nearly 18 percent of workers in New Zealand belong to trade unions. So it appears that the majority of those not in unions, and more likely to be affected, working in jobs such as those in the hospitality industry, hotels, fast-food outlets, and so on, are young workers. In this evolving world, we would expect employers to be already providing adequate breaks. It is beneficial that one has a chance to re-energise, as Sue Moroney suggested, to re-hydrate, restore energy, and health levels and focus as well. So that is a positive in this bill.

However, while we debate this bill, there is an aspect that the member has identified as being crucial to this bill, and that is the employer and the employee. Both the employer or the boss, and the worker, must agree. If neither of those two agree to the duration of the rest, we have a real, big, enduring problem on our hands. If there is no agreement, that would mean that it would be left to the employer or the boss to make the decision—here, whether one likes it or not, is the duration. So right there, and for sure, will be a stalemate.

In addition, there is also a problem perhaps with the English word "reasonableness", because Steve Chadwick has her own idea what "reasonable" means to her, and I, Te Ururoa Flavell, have my own idea what that word means to me. The word "reasonable" has many interpretations. So just a cautionary word that having this word "reasonable" in the bill may possibly create problems in the future.

Therefore, the Māori Party supports the right of workers to be treated fairly and with dignity, and to have a safe and healthy workplace and not to be burdened by any stress.

Further to that, discontent and disagreement between an employee and employer, chief, or boss, is not the desired outcome from that word "reasonable".

Finally, leave that point there; the Māori Party supports this bill at its first reading, and looks forward to seeing the kinds of submissions that come to select committee. When that has been done, the Māori Party will examine the extent of the reports made and then make a determination. On that note, greetings to us all.]

Hon TAU HENARE (National): Anybody who is listening on their crystal sets at home will believe, after listening to some of the members of the Labour Party, that the sky is going to fall in, that it is the end of the world in terms of workers' rights, and that all this sort of—

H V Ross Robertson: I raise a point of order, Mr Speaker. The member has been here for some time now, and I refer him to Speakers' ruling 48/3, which refers to addressing people who are outside the House or radio listeners. The member referred to transistor radios. I suggest—

Hon Simon Power: He said crystal sets.

H V Ross Robertson: I am sorry. He referred to crystal sets, which is much the same thing. He should be addressing the House and not those who are listening on crystal sets outside the House. He has been here a long time and he should know better.

Hon TAU HENARE: I apologise for that—

The ASSISTANT SPEAKER (Eric Roy): No, I will make a ruling.

Hon TAU HENARE: —gross misdemeanour—

The ASSISTANT SPEAKER (Eric Roy): The member will be seated. Speaker's ruling 48/3 states that the "blatant talking to people outside the House" is not in order. I think that is the measure of a certain type of behaviour that I do not believe the member crossed, but I caution him not to cross it.

Hon TAU HENARE: Well, I will take my apology back and save it for another day. It is good to see that Ross Robertson is on the job. It is really good to see him on the job. He is like one of those delegates in one of the businesses that the Labour Party mentioned earlier on. He is fastidious. He is on the verge of being—oh, I will not say it. He is like a little Rottweiler, making sure that everybody has what the old national award said that he or she is entitled to. This is what the Labour members' argument is all about. It is as prescriptive as the Country Women's Institute's recipe book of 1951. And, I must add, there is nothing wrong with that recipe book; I have used it myself on a couple of occasions.

The old law that Sue Moroney dined out on for a number of years was far too prescriptive. The amendment that my colleague the Minister of Labour is moving tonight is about being flexible. It is about good faith. It is about protecting the rights of both employers and employees. You know, we would not get productivity going at the rate of knots in this country, when we have climbed out of the mess we were in, if it were left up to members on that side of the House.

What are we talking about here? All we are talking about is being able to ask workers when they would like their lunch break, when they would like their smoko break for the morning period, and when they would like to have their smoko break in the afternoon. What Labour members do not realise is that workers can actually think for themselves. They can sit down with the boss without the unions, and without having the union clip the tickets as they go along and pay their union fees. I know that that is what happens, because I have been there. I have been there, and some of the worst employers, might I add, were union officers. The worst employers, whom they rail against, were the likes of the Northern Hotel Workers' Union.

Sue Moroney: It was only you, Tau. It wasn't everyone else; it was only you.

Hon TAU HENARE: I was a member of the Northern Clerical Workers Union, which was a very, very fine outfit.

Hon Member: We're a broad church.

Hon TAU HENARE: We are a broad church. But is it not great to hear the old Fabian Society ramp up the old cloth cap arguments that we had in the 1970s? I have news for the Labour Party. I have news for the Labour Party, and it is all bad. The days of those battles have gone, the winning and losing of those battles has gone—[*Interruption*]—and, as my learned colleagues say, the wall has come down. We now live in a more peaceful society. We now live in a society where we can be flexible, where we can say to each other: "Excuse me, Mr Boss-man, I would like my 10 minutes now.", rather than being constrained by the Fabian Society, whose members tell me that at 10 o'clock in the morning I am to have my smoko break, and at 12.30 I am supposed to have my lunch break.

This is the 21st century; these are not the days of Blackball, as my colleague from the Māori Party said. These days are not those days. We have moved on. We are a better place. We are a more flexible place. There is nothing wrong with workers making decisions for themselves.

CAROL BEAUMONT (Labour): I rise to speak against the Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill, and I hope to address some of the points of the bill, unlike the previous speaker, Tau Henare. Unashamedly, I stand here to say that I support workers' rights at work. I support their rights to have a fair rate of pay, to be safe and healthy, to work a reasonable number of hours, to have a holiday from time to time, and, to have—yes—breaks during the working day.

Meal and refreshment breaks are a right and most New Zealanders would consider them a right. That has been the case for a long time. People will say that the law provides for them to have a rest break, a lunch break, or whatever, and currently it does—that is right. But for a significant period of time after the National Government's Employment Contracts Act dismantled our awards system, workers had no legal right to meal and rest breaks other than what was negotiated in contracts and what was provided for in health and safety provisions. Despite the fact that New Zealanders think we all have the right to a morning tea break, a lunch break, and an afternoon tea break, or whatever—which we have, thanks to the previous Labour Government—there was a period when people did not have that right, and we are heading back there right now.

I think that the bill is very short-sighted. I have seen no evidence provided for the need for it. As Trevor Mallard indicated, the Minister of Labour introduced it as a matter of great urgency then left it languishing. There has been no consultation with anybody since, and no examples have been provided as to why we need it. But this bill will mean that certain workers—the most vulnerable workers, certainly—will miss out on having breaks when they need them.

Who is at risk? It is the young workers, migrant workers, and workers for whom English is a second language, for starters. The Service and Food Workers Union said that one of the most common queries it received leading up to this legislation was about workers' rights to have a break, to have a cup of tea, to have something to eat. Anywhere, in any of the service industries, there is that tension—whether it be a service station, a retail outlet, a cafe, or a restaurant. Certainly, in my experience in the retail industry, that was the case. People were pressured not to have breaks. People worked through the day and did not have breaks.

I remind members across the House that they voted for the Employment Relations (Breaks, Infant Feeding and Other Matters) Amendment Act, which this bill amends—they supported it. I do not know what has happened in the meantime. Trevor Mallard quoted the Minister of Labour. She said that it was important for workers to have breaks

for health and safety reasons, and for socialising between employees, which produces happy and productive workplaces—for all of those good reasons. Well, those reasons still exist. I will reiterate them.

Sue Moroney quite rightly pointed out a fundamental reason, which is health and safety. But there are other reasons. The breaks are there so that workers can refresh themselves, and so that they can balance some of their other responsibilities. Most people need to be able to ring the kids, pop out to the shops, or post some letters—things like that. That is the nature of working life nowadays, with, often, two adults in the family working.

The current provisions are flexible. I do not think anybody across the House has even looked at the Act, from the sound of the contributions so far. It is an absolute disgrace that this bill was introduced less than a year after the Act came into force, without any real analysis of how it was working. What is the reason? Is it another example of what the Prime Minister said in his speech at the opening of this year's session about looking at the costs that labour rights were imposing on employers? He meant that as a result of those costs, jobs were not being created. If we have the flexibility not to have any rights at work, will that create more jobs and impose fewer costs? In modern, productive employment relations people's rights at work need to be protected. This Government has already taken quite a substantial list of rights off people.

I note that in times of high unemployment, something which this country is currently facing, the right to negotiate one's meal breaks on this level playing field—this magical level playing field—is even more difficult. When someone is part of a group that has rates of unemployment of up to 30 percent, like young Māori men, and that person finally gets a job, is he going to feel that he has the right to negotiate with the boss on the breaks that he wants? Frankly, I think he will be taking the job on the employer's terms.

Some of the language and the concepts in this bill are very vague. Timing is to be at the discretion of the employer, subject to the requirement of reasonableness; I would like somebody across the House to tell me what that might mean. Or how about the compensatory measures? There is no objective manner of measuring their adequacy in particular cases, which will lead to the opportunity for greater disagreement between employers and employees. Again, that will not be particularly productive, and productivity is something that, supposedly, this Government is very much committed to, although we have not seen a lot of evidence of that.

What really annoys me about this bill is that it is quite sneaky. The language dresses it up to say that the Government is maintaining workers' rights to have rest breaks and meal breaks—it will retain them—but, essentially, all of the rights are put in the hands of the employer. All of it, ultimately, is at the discretion of the employer. The Minister can shake her head, but she might want to refresh herself about what the bill actually says. With this magical level playing field, if there is actually negotiation and an agreement cannot be reached, who ultimately gets to decide? The employer gets to decide. The employer sets any requirements as to the length of the break or how the break is actually taken. All of that is in the bill. So, ultimately, the right will lie with the employer. That is what the Government is proposing here. I think that will lead to greater uncertainty, and to greater disputation in some workplaces. But, most worrying, I think it will revert us to the situation prior to the current Act coming to this House, when the reality for many workers was that they did not get a break. Maybe they got a break sometimes, but often they did not. They did not get the breaks that people felt were the normal breaks that New Zealand workers were entitled to by law. The reality was quite different to the law.

That is what I think is very sad about what is being proposed in this bill. For some reason that has not been clearly articulated, we are potentially destroying legislation that had been in place for less than 12 months when the Minister of Labour, in great urgency, put this bill into the House, only to leave it languishing there for a number of months and doing nothing further on it. I ask members opposite to think about what they are trying to achieve with this bill. Again, I want the Minister to stand up to take a call and tell us about what the explanatory note refers to as "a reasonable opportunity for rest and refreshment". Who will decide that? Who will decide what restrictions are reasonable and necessary? Who will say what these compensatory measures will look like? Will it be acceptable for someone to agree that he or she will not have any breaks for a period of 3 weeks, and then will have a whole day off? Is that a fair measure? How good is that for health and safety?

Let me finish by giving an example of the health and safety issues that Sue Moroney raised earlier. This example was raised in a submission on the bill that became the current Act. It was a quite substantial submission from the Council of Trade Unions. It talked about rest breaks being recognised as having a role in ensuring worker productivity. Research undertaken in a car plant in Swansea over a 3-year period found that the risk of accidents during the last half-hour of a 2-hour period was double that for the first half-hour. The suggestion was that more frequent breaks could reduce accidents. It was concluded that increasing the frequency of rest breaks for workers who operate machinery could substantially reduce industrial accidents, and that frequent work breaks—it gave the example of 10 minutes every hour—could actually improve work performance. If the Government had looked at some of the research, instead of bringing into the House the hasty response that is this bill, we might be in a different place. Thank you.

ALLAN PEACHEY (National—Tāmaki): I have the great privilege to have been elected to represent the Tāmaki electorate in this House. In that electorate there are streets such as Morrin Road, Lunn Avenue, and Apirana Avenue. Those are streets that the previous Labour speaker, Carol Beaumont, would never have heard of and would never have visited. They are streets that are full of small businesses, small industries, and employers with two or three employees working together to be productive. They are full of people who are prepared to put up their capital, take a risk, and use their entrepreneurial spirit and initiative to create a business and create work for two, three, or four other people. I reflect on a conversation that I had in one of those streets just the other day. I was talking to a gentleman who had set up a business and employed one person. He had employed that person as a young lad 15 years ago. He taught him the business, taught him the trade, and can now trust that young man to look after the business when he is away. Neither the employer nor the employee needs Labour members in this House or in legislation telling them how to conduct their relationship. That is what Labour seems so determined to do.

It is time that Labour began to understand that healthy employment relationships are not based on its rules, its domination of union secretaries, or its laws passed in this House. They are based on normal human beings establishing decent relationships between themselves. It is time that the "hate the boss" mentality was removed from this country. Without people who are prepared to risk their capital and back their entrepreneurial spirit, there will be no jobs for anybody else. The Labour members gave their speeches, but they did not really engage in debate with this side of the House. Their speeches were clearly directed at their former colleagues the trade union secretaries, one or two of whom may have been listening, with no relevance at all to where this country is at and what the average New Zealander is thinking.

The purpose of this bill is very simple. Firstly, it acknowledges the importance of relationships between employer and employee, and acknowledges that that relationship is best established at the local workplace level. It is not best established by being legislated for in this House, by having union officials sticking their noses in, or by taking away the freedom of men and women to work together to produce goods, to generate income, and to get on with life. I very strongly commend the Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill to the House, and I look forward to engaging with Opposition members at the Transport and Industrial Relations Committee. Thank you.

DARIEN FENTON (Labour): That was a bit of a tirade by the previous speaker, Allan Peachey. It reminded me a lot of Bill Birch. It sounded like Bill Birch was back with his speech on the Employment Contracts Act, saying we should bring it back. My goodness me! When the Minister of Labour, the Hon Kate Wilkinson, gets to speak again some time in the future, I would like to know whether she agrees with what that member just said. If so, I think we all need to be quite worried. I might get Allan Peachey's *Hansard* and send it off to all the unions. I am told that that Minister meets regularly with the New Zealand Council of Trade Unions, and I say good on her; I am not criticising her for that. I will send off the *Hansard* where Allan Peachey says all of those things about trade union secretaries and interfering union officials. I thought that the National Party had moved on, I really did. Even though I do not have high expectations of the National Party, I thought that we had moved on from that kind of rhetoric.

Unfortunately, the Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill is the second piece of legislation that this Minister of Labour has brought into the House that takes away workers' rights. I notice that she told a recent industrial relations conference that 2010 will be the "Get Stuff Done Year" for her labour portfolio.

Sue Moroney: The "Get Stuffed Year".

DARIEN FENTON: The "Get Stuffed Year for Workers". I wonder if this is what she is talking about. Is taking away workers' rights getting stuff done? This is a very hastily and poorly drafted bill. It was rushed into the House late last year in a panic because the Minister thought that the air traffic controllers were getting out of control. It was rushed into the House without consultation or giving notice to anyone, including the New Zealand Council of Trade Unions. John Key went along to the New Zealand Council of Trade Unions conference the week before—

Hon Steve Chadwick: He smiled and waved.

DARIEN FENTON: He smiled and waved, yet he never said a word about this legislation, which was introduced the following week. What has been interesting about the speeches from the opposite side is that National supported the Employment Relations (Breaks, Infant Feeding and Other Matters) Amendment Bill when it was introduced by Labour. It made a real virtue out of it. I remember that Minister, who was then an Opposition member, making a real fuss, and making a virtue out of doing so. I have to admit that it was a surprise to us at the time, because it is the only piece of workers' rights legislation that improves things for workers that the National Party has supported in 20 years. It was worth celebrating at the time, but the speeches that we have heard from members opposite tonight make us wonder if they are in denial. They make us wonder if it was an election ploy to try to prove to workers that National was not as scary as they believed.

The Minister was part of the select committee during the consideration of that original bill. She, along with me and many others, heard the submissions on Labour's bill.

Debate interrupted.

The House adjourned at 10 p.m.

WEDNESDAY, 28 APRIL 2010

Mr Speaker took the Chair at 2 p.m.
Prayers.

POINTS OF ORDER

Personal Explanations—Repetition of Allegations

METIRIA TUREI (Co-Leader—Green): I raise a point of order, Mr Speaker. I seek your advice in anticipation of some answers to questions that I may raise later today. It concerns the repetition of an allegation that has been refuted or clarified by a personal statement. On 20 April, Mr Speaker, in relation to questions concerning a conflict of interest, you ruled that as the Minister in question had made a personal statement clarifying the issue, that clarification could not be further disputed. You reiterated that point, saying that as the Minister had made a personal explanation in the House, that matter could no longer be disputed in the House. I am in a similar position to that, so I seek your advice on this matter, Mr Speaker. In response to questions on mining, Minister Brownlee, the Prime Minister, and others have alleged that I have supported mining operations, deliberately misquoting a press release of mine.

Mr SPEAKER: Let me just check this with the member. It sounds as though the member is seeking to make a personal explanation, and she needs the leave of the House to do that. I am not clear on the issue of order. Could she quickly establish it, because if she wishes to make an explanation about anything to do with her own statements she needs the leave of the House in order to do that.

METIRIA TUREI: I understand that, Mr Speaker; I have made a personal explanation. I am describing the situation to you so that you can compare it with your previous ruling, to see whether that ruling now applies to my situation. Unless I explain it, you will not be able to compare the two sets of circumstances. It will take only a minute. It is not a personal explanation. I have made a personal explanation to clarify the deliberate misquoting of me by Ministers in the House. According to your ruling of last week, Mr Speaker, it appears to me that Ministers and members in this House may no longer make that allegation against me, because of that personal explanation. I just seek your advice on that. If that is the case, I seek your protection in the House, Mr Speaker.

Mr SPEAKER: I thank the member. I understand what the member is saying. Indeed, where a member has made a personal explanation on a matter, that is the end of the matter and the House must respect that. So if a situation occurs where that is not happening, the member is welcome to draw that to my attention.

Hon GERRY BROWNLEE (Leader of the House): I raise a point of order, Mr Speaker. Certainly matters of personal explanation are dealt with with respect by the House, and are considered in that way. If there is a quote of something that someone has said, does the giving of a personal explanation mean that that quote can never be used in the House again? Surely the member is concerned about the issue of interpretation. The words in the quote had some meaning at some point.

Mr SPEAKER: I do not think that we should take more time on this matter right now. The dilemma we have with regard to quotations, of course, is that sometimes they can be wrong, because they are reported quotations—that is, unless they are in *Hansard,* of course. If a member is quoting *Hansard*, then that cannot be disputed. But if the quotation is from a media outlet, members often say they have been misquoted. But once a member has given his or her word, that word cannot be contested further; it has to be accepted by the House. That does not mean, of course, that the subject matter

cannot be talked about. But where the member has made a personal explanation, we have to accept what the member has said, even if there is an apparent quotation that appears on the face of it to be contrary to that. Presumably the member, in the personal explanation, has told this House that the quotation is incorrect, and that is what we have to accept. If the member has not said that in the personal explanation, then that is another matter again. I do not know the particular personal explanation that was put to the House, so without checking back on the record I cannot really assist the member further. But we do have to accept the word of members where they make a personal explanation to the House. If they are proved to have misled the House, that is a very serious matter.

Hon GERRY BROWNLEE (Leader of the House): I raise a point of order, Mr Speaker. I think it is pretty important that we get this right. I state now that I know which quote the member is concerned about, and I give an undertaking that it will not be used in the House today. We have plenty of other stuff to discuss, as it happens. But we have to be careful about this matter, because a personal explanation should not be used, effectively, to withdraw something that has been said. That is not how it works.

Previous Speakers have dealt with this matter. Interestingly, we saw an ongoing battle a few years back between the Rt Hon Winston Peters and Keith Locke MP over a disputed interpretation of something that one of those two gentlemen had said. I think, Mr Speaker, that if we undo it to the point where giving a personal explanation can effectively mean that something that someone has said, or a position that he or she took, is withdrawn from parliamentary debate, then that is quite a constraint upon the House. Where an allegation comes out of an interpretation of what someone has said and a misrepresentation of a motive, it is fine for the House to deal with that by way of a personal statement. But it is not fine to have, outright, the statement withdrawn from debate.

We do not need to take much more time on the issue now—I have given an undertaking that that particular comment will not be part of today's transcript—but I think it would be worth looking back at the previous case that I have cited. It is a pretty important sort of position for the House to continue to uphold—that a personal explanation is about an activity or a circumstance, and does not necessarily provide an opportunity for a member to withdraw a statement that has been made.

Metiria Turei: Speaking to the point of order—

Mr SPEAKER: I do not want to take more time of the House on this right now, because members are talking about something and I do not even know what the personal explanation is. We do not want to take the time of the House on that today. I draw members' attention to Speakers' rulings. There have been numerous Speakers' rulings about this issue; it is not a new issue. A particularly relevant ruling is Speaker's ruling 132/2: "A member's denial of the accuracy of a statement attributed to the member by a newspaper must be accepted without question … but the House is not precluded from discussing in a later debate what the member actually said." The member's denial that he or she has been quoted correctly must be accepted, but that does not mean to say that the issue is no longer able to be talked about in the House at all. I think that that is where we need to leave the matter for today, because we have no further concrete information for me on which to base any ruling.

METIRIA TUREI (Co-Leader—Green): I raise a point of order, Mr Speaker. It is difficult now to know how to proceed. I am not clear about the position now, on whether my use of a personal explanation to dispute an allegation—which is what it was—is now considered to be a protected statement, if you like, in some form by you, Mr Speaker. The allegation can no longer be used in this House—is that currently the state of your ruling?

Hon GERRY BROWNLEE (Leader of the House): If a member makes a statement outside the House about a particular issue, and then someone comes into the House and uses that quote in debate, it becomes part of the debate, and the interpretation of what was meant is a debatable matter. The fact that a member has taken a position cannot be withdrawn by way of a personal statement. If, however, a member alleges that someone did something, as was the case recently where the Green Party made allegations against a member, that member has every right to put right, or to correct, the interpretation being put on the matter, because the material facts will not support it. But where a member makes a statement outside the House, for the member to use the personal explanation process to effectively withdraw that statement from debate is quite wrong.

Mr SPEAKER: We are not going to spend any more time on this. I suggest that members look at the Speakers' rulings on page 132. That will give members guidance on how this matter is handled in this House. If a member has been misquoted, the member by way of a personal explanation can correct that, and the House must accept that correction. I suggest that members look at the Speakers' rulings on the matter. They are well-established. We do not need to take further time on the matter today.

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

Mining in Conservation Areas—Prime Minister's Statements

1. Hon PHIL GOFF (Leader of the Opposition) to the **Prime Minister**: What did he mean by his statement that the Government will make significant changes to schedule 4 to allow mining "notwithstanding the public consultation process"?

Hon JOHN KEY (Prime Minister): I think the member should read the full quote. I said it is my expectation that the Government will act on at least some of the recommendations in the discussion document, because new mining on Crown land had the potential to increase economic growth and create jobs. Presumably, that is why the previous Labour Government approved 118 new permits for mining on Crown land, including the Paparoa National Park.

Hon Phil Goff: Can the Prime Minister confirm that none of the land that was approved for mining under Labour was in fact protected land under schedule 4, and can he confirm that the public can have no confidence in the consultation process, because he said he was going to go ahead regardless and because the public know that long before they were brought into this discussion National had made a secret deal with the mining interests to mine in protected areas, even before the election?

Hon JOHN KEY: I can only assume that the Leader of the Opposition is desperate to get on television if he wants to make things up.

Hon Phil Goff: I raise a point of order, Mr Speaker. Did that answer in any way address anything I asked the Prime Minister about? [*Interruption*]

Mr SPEAKER: I warn Government front-benchers on this occasion that while a point of order was being heard, they were interjecting loudly, which they know is totally unacceptable. I think, on reflection, that the Leader of the Opposition would realise that his question was fairly provocative, and it provoked a fairly strong response. If the member wants a serious answer, he has to be a bit more constrained in his questions.

Hon Phil Goff: How happy is the Prime Minister with the process for mining in protected areas when the Parliamentary Commissioner for the Environment has been absolutely scathing about the inadequacy of that process, and said, for example, that the Government document is "vague and rudimentary", and fails to provide "a coherent argument" for mining protected land?

Hon JOHN KEY: It strikes me that the commissioner was making a very circular argument. The commissioner was saying that we should remove land only where the mineral value outweighs the conservation values. Actually we cannot determine that unless we do remove things from schedule 4.

Hon Phil Goff: What is the Prime Minister's response to the criticism by the Parliamentary Commissioner for the Environment that National, in watering down the powers of the Minister of Conservation, has both compromised her role and unfairly privileged mining interests?

Hon JOHN KEY: I would reject them.

Hon Phil Goff: Does the Prime Minister intend to open up for mining currently protected land beyond the 7,000 hectares already announced; if so, does that mean that the proposal concerning 467,000 hectares that Gerry Brownlee and Kate Wilkinson took to Cabinet on 10 February this year are also vulnerable to mining?

Hon JOHN KEY: No, and I think that the documents the Government released showed how conservative the Government has been, because the officials actually proposed 467,000 hectares. The Government agreed on 7,000 hectares and it is adding a further 12,000. If anything, that shows what a conservative Government we are.

Hon Phil Goff: In light of that answer, who signed the paper? Was it Gerry Brownlee and Kate Wilkinson, or some anonymous official?

Hon JOHN KEY: Well, I guess the one difference between this Government and the previous administration is that we—

Hon Phil Goff: I raise a point of order, Mr Speaker. It was a very straightforward question: who signed the paper? That answer does not address the question. It goes off on an irrelevant tangent. [*Interruption*]

Mr SPEAKER: Again, it was Government members interjecting on a point of order. The issues are strongly debated; I accept that absolutely. But the House must treat these matters with some dignity. Government backbenchers will not interject while a point of order is being heard. The honourable Leader of the Opposition asked a question that it would be reasonable to answer. I ask the Prime Minister to do that.

Hon JOHN KEY: The Ministers signed the papers. The difference between this Government and the previous Government is that we take things to Cabinet and have a genuine conversation. Under the previous Government, those members were all a bunch of muppets who just agreed with what the Prime Minister thought. [*Interruption*]

Mr SPEAKER: Order!

Chris Tremain: The Muppet Show!

Mr SPEAKER: On this occasion I say to the senior Government whip that when the Speaker is on his feet, there will not be any interjection. That kind of comment will not lead to good order in the House, and I think the Prime Minister knows that. I ask him not to go over the top like that. It is unfair. Does the honourable Leader of the Opposition have further questions?

Hon Phil Goff: Well, he has not answered any of the five so far. [*Interruption*]

Mr SPEAKER: This time it was both front benches. I ask members to please be a little more reasonable and respect the House a little more.

Jacinda Ardern: I seek leave for the Conservation (Requirement for Special Approval for Changes to Schedule 4) Amendment Bill to be introduced and set down for its first reading on 5 May.

Mr SPEAKER: Leave is sought for that course of action. Is there any objection? There is objection.

Economic Growth—Role of Public Sector

2. AARON GILMORE (National) to the **Minister of Finance**: What role can the State sector play in lifting economic growth?

Hon BILL ENGLISH (Minister of Finance): State services represent about 25 percent of the New Zealand economy, so the sector has a significant influence over our economic performance. The Government is focused on increasing State sector productivity, because it is beneficial to the wider economy, and because it means that we can deliver more and better public services and provide better value for taxpayers. It is both desirable and necessary as the Government prepares Budget 2010 under difficult fiscal conditions due to the ongoing effects of the global recession and Labour's reckless spending.

Aaron Gilmore: What steps has the Government taken to ensure that State services remuneration practices reflect the goal of increased productivity?

Hon BILL ENGLISH: The Government's expectations require State sector pay and conditions to be fiscally sustainable within existing baselines, to demonstrate value for money, and to drive productivity improvements. This follows several years of State sector pay rises that outstripped those in the private sector without a matching increase in productivity. For instance, the most recent labour cost index, for the December quarter of 2009, showed that wages increased by 0.3 percent in that quarter. Against that backdrop, it is not reasonable for some State sector groups to attempt to claim pay rises of up to 4 percent per year, when most taxpayers would be getting either no pay rises or much lower pay rises than that.

Aaron Gilmore: What reports has the Minister seen on State sector pay?

Hon BILL ENGLISH: I have seen reports that, by and large, pay negotiations within the State sector have been reasonable, constructive, and forward-looking. However, some groups received pay rises of 4 percent or more last year, at the height of the global economic crisis. For example, teachers have had a 4 percent pay rise in each of the last 3 years, including last year. Teachers' overall pay has increased by 50 percent since March 2000. Groups that have experienced increases way beyond those of ordinary New Zealanders in recent years should not expect, for instance, to have a ready reception from the public to another claim for a 4 percent pay rise.

Debt as Percentage of GDP—Current and Past Levels

3. Hon DAVID CUNLIFFE (Labour—New Lynn) to the **Minister of Finance**: What was net core Crown debt as a percentage of GDP as at 30 June 2008, and what is the most recent forecast of current levels?

Hon BILL ENGLISH (Minister of Finance): At 30 June 2008, when the New Zealand economy had already been in recession for 6 months, net core Crown debt was 5.7 percent of GDP, but the signs were very worrying. By the time of the Pre-election Economic and Fiscal Update in October 2008, before Labour left office, forecasts showed net debt jumping to 26 percent of GDP by 2018-19, plus a decade of deficits. This was before the global financial crisis. By the time of the December 2008 update, the forecast had deteriorated further, with net debt soaring to about 50 percent of GDP, and never falling, as well as permanent deficits. Within a few weeks of taking office, this Government had to deal with a sharply deteriorating fiscal outlook, in the first place because of reckless Labour mismanagement, and, secondly, because of the global recession.

Mr SPEAKER: The member put down a question on notice that asked for the comparison between net core Crown debt as a percentage of GDP at 30 June 2008 and the most recent forecast of current levels. I let the Minister go on to explain the change in forecasts towards the end of 2008, because it was of relevance to the question.

However, he failed to provide the most recent forecast of net core Crown debt, and instead went on to attack the Opposition. That was not in order, but I ask the Minister though to complete answering the question. Since it is a question on notice, I ask him to provide the House with an answer to the second part of the question.

Hon BILL ENGLISH: It was 13 percent of GDP.

Hon David Cunliffe: Having inherited close to zero net Crown debt on taking office, and having cancelled two rounds of personal tax cuts in Budget 2009, why does the Minister now believe it is fiscally prudent to borrow further to fund tax cuts in Budget 2010?

Hon BILL ENGLISH: The member is just wrong about the situation the Government inherited. The Pre-election Economic and Fiscal Update in October 2008 showed net debt jumping to 26 percent of GDP, and 2 months later the forecast showed an increase to 50 percent of GDP.

Hon David Cunliffe: I raise a point of order, Mr Speaker. I appreciate your assistance so far in this debate. As you pointed out earlier, this is a question on notice and the Opposition worked hard to make it entirely factual and unembellished. The Minister earlier said that net core Crown debt, by his reckoning, was 5 percent, or thereabouts, at the first date specified. The Minister cannot now, in reply to a supplementary question, extrapolate from that to a number in the 20s and be within the bounds of the primary answer. I ask you to draw him back to his original answer to the question on notice.

Mr SPEAKER: I think that on this occasion the member is drawing quite a fine bow. In terms of the nearly zero net Crown debt inherited, he asked why the Government is doing certain things, and the Minister has challenged that claim of near zero net Crown debt. The Minister has pointed out that the Pre-election Economic and Fiscal Update established that was not the situation. I think it is within the Minister's rights to use that relevant information in answering the question. To stop him from using relevant information in answering the question would be unreasonable.

Hon David Cunliffe: Can the Minister explain how New Zealanders will be better off when they have to pick up the tab for high-income tax cuts at the same time that he is increasing GST and making all the basics more expensive?

Hon BILL ENGLISH: As I have pointed out to the member, he should wait for the Budget to look at the balance of any proposed increase in GST and any proposed reduction in income tax. The Government has always said the package will be broadly fiscally neutral because we need to correct the mismanagement of his previous Labour Government where property speculation and borrowing got out of control, along with Government spending. This Government is focused on earning the money before we spend it.

David Bennett: What would have happened if the current Government had made no changes to the economic policies it inherited?

Hon BILL ENGLISH: By the time this Government took office it was clear that debt and deficits were spiralling out of control. As I noted in the Budget last year, if there had been no policy change, net Crown debt would have hit 62 percent of GDP, and climbing, by 2023. This would have been disastrous for the economy, resulting in a credit ratings downgrade, higher interest rates for households, businesses, and taxpayers, and would have cost thousands of jobs. So when the Opposition spokesman on finance looks at himself in the mirror every morning, as I am sure he does, how can he honestly claim his party left the economy in good order?

National Certificate of Educational Achievement—Course Endorsements

4. ALLAN PEACHEY (National—Tāmaki) to the **Minister of Education**: What improvements will be made to the National Certificate of Educational Achievement from next year?

Hon ANNE TOLLEY (Minister of Education): From next year, course endorsements will be available for all National Certificate of Educational Achievement (NCEA) levels. Course endorsements will mean that students can aim for Excellence or Merit endorsements in individual courses, if they obtain at least 14 credits at these levels. When we signalled the introduction of course endorsements last year, we said that there would be a staggered roll-out, with the endorsements being available for NCEA level 1 next year, and for higher levels in subsequent years. I am very pleased to say that officials have progressed the work quickly, and that all students at all NCEA levels will be able to obtain course endorsements from next year.

Allan Peachey: Why did the Government provide funding to make these improvements?

Hon ANNE TOLLEY: We know from principals and teachers that overall certificate endorsement has motivated students to have their certificates endorsed with Merit or Excellence. This Government also wants to motivate students to obtain Merit or Excellence results in individual courses. We want to give students recognition for great results. That is why we put $2.4 million towards developing this measure in Budget 2009.

Hon Trevor Mallard: Why did she set NCEA level 2 as the benchmark against which her national standards are calibrated?

Hon ANNE TOLLEY: That is the minimum qualification that students need to gain Modern Apprenticeships.

Hon Trevor Mallard: When the New Zealand Qualifications Authority this month proposed new literacy and numeracy standards, which NCEA level did it identify as being required for someone to fully participate in work?

Hon ANNE TOLLEY: I do not have those details in front of me. I am happy to provide them to the member.

Hon Trevor Mallard: Given that the New Zealand Qualifications Authority has said that the literacy and numeracy standards needed for someone to fully participate in work are level 1 standards, why has she said national standards based on NCEA level 2, on the grounds that research showed that NCEA level 2 was what—she said—was required to succeed in work? She said she was backed by research; what is that research?

Hon ANNE TOLLEY: The evidence is very clear that students leaving school to enter the modern world today need level 2 NCEA as a minimum qualification. That is the entry level required for Modern Apprenticeships. There is much evidence, and I am happy to make it available to the member.

Health Services—Minister's Statements

5. Hon RUTH DYSON (Labour—Port Hills) to the **Minister of Health**: Does he stand by all his statements on health services?

Hon TONY RYALL (Minister of Health): Yes, including the statement that the changes that that member regularly raises are clearly not the result of this Government reducing its funding of health. We have provided the district health boards with $536 million in extra funding this year, and we will provide a solid increase in the next financial year.

Hon Ruth Dyson: Will he guarantee to the people of Taranaki that not one patient-centred, front-line health service will be cut as their district health board goes through a cost-cutting process, or will he break his election promise again?

Hon TONY RYALL: I am concerned about the financial state of several district health boards, including Taranaki District Health Board. Let us be clear that the Government has increased the funding of the Taranaki District Health Board by $11 million in the last Budget and there will be more of an increase in this year's Budget. None of the changes that the board may be considering can be attributed to a funding cut.

Hon Ruth Dyson: When the Minister of Finance, Bill English, said the Government was cutting low-value spending, which services in health was he referring to: home help for 3,000 Otago and Southland citizens, mental health services in Nelson, 12 nursing positions at Palmerston North Hospital, or the 198 Youth Health Centre in Christchurch, which is closing this week? Which of those services, all of which are being cut, does he say are of low value?

Hon TONY RYALL: I expect that the Minister of Finance was referring to low-quality spending such as that member opposite's free physiotherapy scheme, which cost the country a quarter of a billion dollars and was proven to be much of a disaster. I would also say, with respect to the member, that many of the changes that she raises in this House are not new. I have received information that shows that in Otago-Southland in the last 3 years of the previous Government, there were reduced home cleaning and support hours for more than 700 people—more than 700 people. I think this is a case of the member suffering from amnesia about the previous 3 years.

Nicky Wagner: What improvements in front-line services have happened in Waitakere Hospital?

Hon TONY RYALL: Staff have completed the first-ever hip replacement at Waitakere Hospital this month, elective gynaecology day-stay procedures are now being done at the hospital, and an almost $2 million refurbishment of the hospital's emergency care centre got under way this month. That will bring full 24/7 emergency care services at Waitakere a big step closer. Under this Government, the emergency department has already extended its hours this year, and this building work means that it will be in a better position to open 24/7 in the middle of this year for children's emergencies and for all patients by the end of this year, as targeted. It is something that the party opposite promised while it was previously in Government and never delivered.

Hon Ruth Dyson: Why have more than 50 front-line patient services been cut and thousands of patients left without front-line health services under his watch?

Hon TONY RYALL: Front-line services are improving in New Zealand. The member needs to know that we inherited a situation where, under the previous Government, we had $150 million of unfunded services. We have put an extra $536 million into the district health boards. That is why we have record numbers of elective surgery procedures, faster care in emergency departments, more people getting cancer care, and great developments happening up and down the country.

Events, Major—Government Support

6. MELISSA LEE (National) to the **Minister for Economic Development**: What support is the Government giving to attracting major events to New Zealand?

Hon GERRY BROWNLEE (Minister for Economic Development): The Major Events Development Fund provides Government funding to add value to major events taking place in New Zealand. A great example of what the fund can achieve is seen in the announcement that New Zealand will host a stop-over in the 2011-12 Volvo Ocean Race. The Government is working in partnership with the Auckland City Council to enable this to happen. The Volvo Ocean Race is a high-profile, round-the-world yacht race held ever 3 years and spans a 9-month period, and that includes a number of stop-overs. These stop-overs provide significant economic benefits for host cities, generating

millions of dollars of economic activity, and also increasing the global exposure of those countries' ports and country. It will be a good event for New Zealand.

Melissa Lee: What economic benefits will the Volvo Ocean Race stop-over provide to New Zealand?

Hon GERRY BROWNLEE: I am glad the member asked me that question; it demonstrates that members on this side of the House are keen to know the economic benefits for the nation, when members on the other side clearly are not. The feasibility study prepared by Covec and jointly funded by the Government and the Auckland City Council estimated the direct expenditure benefits of hosting a stop-over at $15.3 million for Auckland and a further $12 million to $13 million in additional GDP nationally. It further estimated that $4 million to $8 million will be spent in the media sector. The benefits are likely to be significantly higher now, because Emirates Team New Zealand has confirmed that it will enter a boat in the campaign. It is sponsored by Camper, the Spanish-based international footwear manufacturer. The stop-over is likely to provide some long-term benefits. It will allow New Zealand to continue showcasing our world-class marine and shipbuilding industry.

Accident Compensation—Sensitive Claims Clinical Pathway Review

7. LYNNE PILLAY (Labour) to the **Minister for ACC**: Does he stand by all his answers to question for oral answer No. 12 yesterday?

Hon Dr NICK SMITH (Minister for ACC): I stated yesterday that from 2000 to 2008 the rejection rate of sensitive claims grew from 5 percent to 41 percent, that 2,400 claims were rejected in 2008, and that there is no record of any Labour member ever raising any concern about this. I have checked this again, and it is correct. I can also confirm that the new clinical guidelines—

Mr SPEAKER: I remind the Minister that the question simply asked: "Does he stand by all his answers to question for oral answer No. 12 yesterday?". Unless there were some that he does not wish to stand by, I would have thought that the question could easily be answered just by saying "Yes", rather than going through the great detail of it. Further information may be elicited by way of supplementary questions.

Hon Dr NICK SMITH: I wanted to clarify that I had checked also that the Hon Steve Maharey had launched the clinical guidelines on—

Lynne Pillay: I raise a point of order, Mr Speaker. How clear does it have to be? You gave very clear advice to the member, but he is persisting. A "Yes" or a "No" will suffice. Let us hear it.

Hon Rodney Hide: With the greatest respect, it is not the Speaker's job, as you have often explained to us, to direct what a Minister's answer should be and whether it should be a "Yes" or "No" answer. In fact, when one is asked a question, I think it is quite polite to the House to actually say "Yes" and to explain the answer. That was what I was enjoying.

Mr SPEAKER: If the member—[*Interruption*] I am on my feet—were to check the Standing Orders he would find that the Standing Orders require that in answering questions Ministers provide the information necessary to answer the question and no more. The Minister does not have to say "Yes" or "No" to every question, but this question does not require a huge explanation, because it asked just whether the Minister stands by all his answers. There will be supplementary questions, I am sure, and the Minister will have the chance to explain further. But I do not believe we need to take up a lot of the time of the House, because the information being given is not necessary to answer the question.

Lynne Pillay: I raise a point of order, Mr Speaker. He still has not answered "Yes" or "No".

Mr SPEAKER: The Minister indicated in his answer that he was standing by his answers, so I invite the member to ask a supplementary question.

Lynne Pillay: What does he say to the woman who was so traumatised and depressed by the Accident Compensation Corporation's (ACC) treatment that she was admitted to intensive care, then returned home to find a long-awaited ACC psychiatrist's report stating that she was in remission from depression?

Hon Rodney Hide: I raise a point of order, Mr Speaker. With the greatest respect, I say that I heard the primary question, I heard the answer, and I am struggling to see how the supplementary question relates to them.

Hon Trevor Mallard: We're not responsible for your struggles.

Mr SPEAKER: A point of order is being heard. There have been many offences on the other side of the House, which means I cannot deal with that interjection any more than I dealt with those, but I ask members to be careful not to interject when a point of order is being considered. The supplementary question obviously relates to some of the subject matter of yesterday's questions, but the Minister's ability to answer that question will be very constrained because of a lack of a direct relationship to today's primary question. I did not rule the member's question out of order, because I think the House just has to accept that the Minister's ability to answer will be very limited because of the nature of the primary question. But I invite the Minister to answer in so far as he can.

Lynne Pillay: I raise a point of order, Mr Speaker. The questions yesterday were very clear. They related to the dramatic drop in—

Mr SPEAKER: We will not have my ruling debated now. I assisted the member in getting an answer to a question. She should not press her luck too far. She asked a very particular primary question about whether the Minister stood by all his answers. I have assisted her in trying to get an answer to that, but to now expect the Minister to have detailed information on a particular case is not reasonable. I have said that the Minister is entitled to answer in so far as he can, but he may not have that information.

Hon Dr NICK SMITH: I note that there are thousands of sensitive claims each year. In fact, 2,400 claims were rejected in 2008, and that member did not raise any concern about that. If the member has specific information about a case, I ask her to refer it to the independent clinical review that I announced at the beginning of the week.

Hon Phil Goff: Why did the Minister tell the House yesterday that information in my question—information suggesting that about 300 victims of crime had been approved for sexual abuse counselling in October 2008 and that that figure had fallen to 6 in February this year—was incorrect and untrue when it was directly sourced from his own answers in written questions to the House?

Hon Dr NICK SMITH: I told the member yesterday and I will tell him again that his numbers are incorrect. Let me—

Hon Darren Hughes: They're the Minister's numbers.

Hon Dr NICK SMITH: If the members will be silent I will be happy to explain. The answer made plain that the question in respect of February claims was a question in March. In the same way as if he had asked Work and Income to compare the claim numbers for April this year with those of April last year, not all the claims had been processed. In fact, I say to Mr Goff, in that written answer I pointed out that 70 percent of the claims had not been processed. The number six is incorrect. The correct number is more than double that. [*Interruption*]

Mr SPEAKER: A point of order has been called.

Hon Phil Goff: I raise a point of order, Mr Speaker. Given the controversy that exists around the question and the answer, and given your ruling yesterday, and that he said my figures were incorrect, I seek leave of the House to table written question No.

1883 (2009) and written question No. 01711 (2010), which point out that the figures I used were those of the Minister.

Mr SPEAKER: Figures are often disputed because of concern about the time frames from which the figures are taken, and whether apples are being compared with apples. But I do not want us to get into the habit of seeking leave to table answers to written questions when those are available to members. I think there is a chance, with the way of asking questions today, to question the Minister in some detail on how he has answered the questions. The honourable Leader of the Opposition still has many supplementary questions available to him today to do that. I would rather see the House exercise a good period of intense questioning rather than see leave being sought to table material that is already available to the House.

Hon Phil Goff: I raise a point of order, Mr Speaker. Can you appreciate the dilemma of members in this House when they quote figures given to them by a Minister and that same Minister stands up in this House and says the figures are untrue and incorrect?

Mr SPEAKER: One of the things that our style of questioning these days allows is for members to ask further questions to elucidate that.

Hon Phil Goff: My question to the Minister—[*Interruption*]—if he just pauses and listens—

Mr SPEAKER: No. Please ask the supplementary question.

Hon Phil Goff: Well, I would like him to hear it. He is talking while I am asking it.

Mr SPEAKER: Please ask the supplementary question.

Hon Phil Goff: Can the Minister confirm that in October 2008, in an answer to a written question, he confirmed that 312 victims of sexual crime were approved for help through counselling, that by February 2010 that number had fallen to six, that in the previous month the number was 11, that the month before it was 32, and that in the month before that it was 44, so that there was a consistent downward trend to a situation where almost no people who were victims of sexual crimes were receiving help through ACC?

Hon Dr NICK SMITH: I can confirm that the numbers the member claimed yesterday were different from those I had given in the written answer. The further point I would make very simply to the member is that when someone asks how many claims were lodged for February—

Hon Phil Goff: I raise a point of order, Mr Speaker. I simply asked the Minister to confirm the accuracy of the figures that I was reading to him and the sources from which they came.

Mr SPEAKER: I accept the member's point. I say to the Minister that this question was not about yesterday's answer. This question was asking about specific information that the member has received from the Minister. It would be more appropriate for the Minister to answer the question that was asked by the member.

Hon Dr NICK SMITH: The member's—[*Interruption*].

Mr SPEAKER: Before we go any further, I say that the Leader of the Opposition has asked a serious question. I have asked members, instead of seeking leave to table documents, to use question time to question Ministers. The Leader of the Opposition is doing that. I ask his colleagues to show the respect, then, of listening to the answer, rather than giving just a barrage of interjections when the Minister tries to answer.

Hon Dr NICK SMITH: The reason the member's numbers are incorrect is that when one asks at the beginning of March for the number of February claims that have been approved, a large—

Hon Phil Goff: I raise a point of order, Mr Speaker.

Hon Dr NICK SMITH: Oh, for goodness' sake!

Mr SPEAKER: No—a point of order has been called.

Hon Phil Goff: I have read these figures directly from the Minister's own answer, and now he is saying that the figures I am reading are incorrect. That cannot possibly be the answer.

Mr SPEAKER: This is a very interesting situation. The Minister, in answering his question, said "the reason the member's figures are incorrect". The member asked the Minister about a series of figures relating to one period, and then he went back for several months before that—forgive me, but I cannot recollect the dates or whether he went back about 6 months or 4 months prior to that—and to a pattern in the figures. He asked the Minister whether he could confirm those figures. What I will do to avoid any further confusion is to ask the honourable Leader of the Opposition to repeat his question.

Hon Phil Goff: Can the Minister confirm his own figures, provided by written answer to the House of Representatives, that in October of 2008, 312 victims of sexual crime were approved for counselling, yet through the recent months of this year and last year, those figures dropped from 44 in November 2009 to 32 in December 2009, to 11 in January 2010, and to a derisory figure of just six in February 2010?

Hon Dr NICK SMITH: I have the written answer in front of me, and it points out that of the 298 claims in February, at the beginning of March 260 were in the category "awaiting further information" or in the second category "awaiting assessment". I say to the member that in exactly the same way that one needs to give—

Hon Phil Goff: I raise a point of order, Mr Speaker.

Mr SPEAKER: Point of order, the honourable Leader of the Opposition.

Hon Dr NICK SMITH: I raise a point of order, Mr Speaker.

Mr SPEAKER: No, a point of order has been called.

Hon Phil Goff: I asked the Minister to confirm that those were the numbers of people approved in that 4-month period from late last year to this year, compared with 2008. I am hearing a lot of other figures. I am simply asking the Minister to confirm that his own numbers were the numbers of victims of sexual crimes accepted for counselling.

Hon Dr NICK SMITH: I have had about four attempts at explaining the numbers, and every time the member opposite interjects with a point of order and stops me from being able to explain the context of the numbers. I simply ask to be given the time to answer the question the member is asking.

Mr SPEAKER: The dilemma we have is that this is question time. The member did not ask the Minister to explain the information; the member asked the Minister to confirm whether the figures were correct. The Standing Orders do not provide for Ministers to answer a different question. If the question asked why there is this pattern in the figures, then the Minister's answer would be perfectly in order, but that is not the question that was asked. Ministers have to answer the question asked, not the one they might like to answer. I ask the Minister to answer the question asked.

Hon Dr NICK SMITH: The answer that was given at the beginning of March—that six February claims were approved—was correct at the beginning of March. But, of course, since then a substantially increased number of the February claims have been approved. If members want to compare the situation with the situation in October 2008, that would be the fair comparison.

Hon Annette King: Has he been made aware of the human tragedy that is unfolding for victims of sexual abuse since the change of policy—for example, the 11-year-old raped by her stepfather 2½ months ago, who is still awaiting assessment for counselling, or the 19-year-old raped by one man while being held down by two others 6 months ago, who is still waiting for—

Mr SPEAKER: I have been pretty tough on the Minister in respect of answering the question asked. The question the member is now asking is drawing a pretty long bow from the primary question, which asked the Minister whether he stood by his answers given yesterday. He cannot be expected to have detailed information on those particular cases, and that means that the member is seeking to make a political statement rather than ask a question. I have been tough on the Minister, asking him to answer the question asked. I ask the honourable member—hang on, I am on my feet—to ask a question within the Standing Orders, because I think that question was unfair. I have to make sure that if I am tough on the Minister and ask him to answer the question asked, I do not then allow members to ask questions that are outside the Standing Orders.

Hon Annette King: How does the Minister explain the delay in terms of the cases I have just given the House, and the human tragedy that is unfolding because of that delay?

Hon Dr NICK SMITH: I point out that in 2008, under the member's Government, 2,400 sensitive claims for counselling and support were declined by ACC. I have been hesitant to interfere—[*Interruption*] I raise a point of order, Mr Speaker. It is not possible for me to answer questions when there is that sort of berating from the Opposition benches.

Mr SPEAKER: I think the Minister makes—

Hon Shane Jones: Chuck him out.

Mr SPEAKER: I tell the Hon Shane Jones to be careful. I was clearly on my feet when he made that loud interjection. I think members should be reasonable. I fully accept that this is a tense issue. It is a very serious and sensitive issue. The Minister is doing his best to answer questions sincerely, and I ask for some respect to be shown to the Minister when he is answering.

Hon Dr NICK SMITH: I have been very hesitant to interfere in clinical decisions in respect of sensitive claims, but I did announce on Monday an independent clinical review. If members opposite have cases where they are not satisfied with the clinical care, I invite them to refer them to that review.

Hon David Parker: Why will the Minister not admit that he and his Government have badly let down the victims of sexual crime; that he has failed to heed the consistent warnings from the Opposition, from the professional associations of psychotherapists and psychologists, and from Christian counsellors, social workers, rape crisis workers, and Massey University; that it is a matter of political responsibility; and that it could be fixed by reinstating the prior practice?

Hon Dr NICK SMITH: I again point out to that member that 2,400 claims were declined, and that during the term of the previous Government there was an eightfold increase in the number of claims that were declined. I also draw to the member's attention the statement from the Royal New Zealand College of General Practitioners that strongly supports the clinical pathway that was adopted by ACC.

Hon Clayton Cosgrove: I raise a point of order, Mr Speaker. Without revisiting the issue—and you will be aware that I discussed this matter with you off-line at some point—could I ask you to consider this matter in respect of your ruling about the tabling of documents, which I respect. It is simply that we have had quite an interchange over allegations of accuracy of information, or whatever. I ask you to consider—not here—that there may be a case for tabling, narrowly, when a member calls into question the accuracy or otherwise of, for instance, data contained within written or oral questions, even though the data are available readily to members who do research. The interchange that we have had today about accuracy, or lack of it, could be truncated somewhat if you, Mr Speaker, at your discretion, were to rule that the documents could indeed be

tabled. Then they would sit on the Table in the House for everybody to see, and the issue might well be resolved.

Mr SPEAKER: I hear the point the member makes, and I appreciate that it is being made in good faith. Why I did not do so today is that where figures relate to different time periods, and there is debate about the figures, allowing these things to be tabled implies that someone is proving the other person wrong. The beauty of it being pursued through questions is that the questioner can pursue his or her concern about the figures, and the Minister has the chance to answer. That is what question time is all about. I think it was a very tense period of questioning, and that is what this House is all about.

Hon Clayton Cosgrove: I raise a point of order, Mr Speaker. I am not challenging that, because that is your interpretation. The only difficulty—and, Mr Speaker, you have said it repeatedly through question time, and you are right—is that an Opposition does indeed have further supplementary questions, but those supplementary questions are then chewed up in order to deal with a point that, again, could quite easily be dealt with. If the questioner is not relaying the facts accurately, he or she would be rather stupid to table documents that did not back up what he or she was saying. So that issue could be dealt with. The Opposition is left in the position where its members have to chew up their ammunition to verify a fact that could be tabled quite easily for the House to then further debate.

Mr SPEAKER: I appreciate the member's point, and I do not rule out that possibility. The member will recollect, in fact, that I did allow someone to table a press release recently.

Mining in Conservation Areas—Inclusion of Parts of National Parks

8. METIRIA TUREI (Co-Leader—Green) to the **Minister of Energy and Resources**: Did he, on 10 February 2010, sign off a proposal to Cabinet to consult on the removal from schedule 4 of parts of Kahurangi, Mount Aspiring, Rakiura, and Paparoa national parks for mining purposes?

Hon GERRY BROWNLEE (Minister of Energy and Resources): Some time before that I signed out a document that went to a Cabinet committee on that date, so the answer, theoretically, is yes. The member knows that, because all of that information is now publicly available on the Ministry of Economic Development website. We have been very open about the fact that officials from the Ministry of Economic Development and the Department of Conservation initially, in answer to the stocktake, said there was a large amount of land that contained mineral deposits, and that might be considered for removal from schedule 4 of the Crown Minerals Act. Ministers discussed those proposals and rejected them, and I made that very clear on the day that I released the discussion document. The discussion paper that we did settle on, in fact, had an addition of some 5,000 hectares to schedule 4.

Metiria Turei: Which of the statements made in the Minister's name on 22 March was true: that Mount Aspiring National Park is not under further investigation and will remain protected in schedule 4, or that Mount Aspiring National Park would be considered for competitive tender for mineral exploration?

Hon GERRY BROWNLEE: I do not know which two quotes are being referred to, but I do know that Cabinet has decided there will be no further mineral exploration in Mount Aspiring National Park, Kahurangi National Park, or any other national park, other than the investigation of the mineral potential in Rakiura National Park. We are very, very open about that and have put all that information on the Ministry of

Economic Development's website. We are hiding nothing, and as long as the member likes to tilt at the windmill she can be sure that it will not fall over.

Metiria Turei: I seek leave to table two documents. The first is page 5 of *Maximising our Mineral Potential: Stocktake of Schedule 4 of the Crown Minerals Act and beyond*, which states that the Government is not further investigating the potential of Kahurangi or Mount Aspiring national parks, which remain protected in schedule 4.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Metiria Turei: The second document is a notice of land closure, which was released on the same day—

Mr SPEAKER: What is the source of this document?

Metiria Turei: It is from the Crown Minerals office in the Ministry of Economic Development and states that it is the Minister's intention to consider these areas of land for competitive tender allocations for mineral exploration. The document includes an associated schedule and map.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Hon David Parker: Why has the Minister withheld paragraphs 50, 51, 79, 80, and 81 from the 10 February Cabinet paper, which was released under the Official Information Act; and are those withheld details even more embarrassing than the reality that until a month ago, the Minister of Energy and Research, Mr Brownlee, along with Ms Wilkinson, was signing off on the removal of 400,000 hectares of national parks from schedule 4?

Hon GERRY BROWNLEE: None of the facts mentioned in that question is correct. I cannot respond to them if they are not correct.

Metiria Turei: How can the Minister reconcile the fact that in his 22 March document he was telling the public that the Mount Aspiring National Park is to be protected from mineral exploration but that through the notice of land closure released on that same day, he was telling the mineral industry that the Mount Aspiring National Park will be opened up for mineral exploration?

Hon GERRY BROWNLEE: One of the interesting anomalies in all of this is that right now anybody can theoretically go and get a permit to prospect on schedule 4 lands. There are three permit categories: prospecting, exploring, and mining. Mining is prohibited, exploring is prohibited, but prospecting is not. People can get a prospecting permit for those lands and can go out there and dig to their heart's content. What is more, it is on a "first come, first served" basis that future applications are considered. I thought it was prudent, while we are asking the public to consider the wider interests, to put a prohibition on vast blocks of land across New Zealand. For reasons of simplicity, the maps are very, very general, but there will be specific parts of that map where land could be open to this sort of activity. We were trying to avoid exactly what the Greens fear: a Klondike-type rush on high-value conservation land.

Hon Maryan Street: I seek leave to table, under the land closure notice referred to previously by Metiria Turei, the map attaching to it, which covers the east Nelson reserve land, including the Grampians and Mount Richmond Forest Park.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Hon GERRY BROWNLEE: I raise a point of order, Mr Speaker. One cannot speak to a point of order that seeks such leave, but I ask the House's indulgence. All of that is available on the Ministry of Economic Development's website. Nothing is hidden.

Mr SPEAKER: That is not a point of order, but I will ignore that for the time being.

Peseta Sam Lotu-Iiga: Has he read the 2005 version of the *General Policy for National Parks* document, which was produced by the Department of Conservation for the New Zealand Conservation Authority?

Hon GERRY BROWNLEE: Yes, I have. The member may be interested to know that in policy 10.8(b) of that document it states: "Proposed access arrangements to prospect, explore or mine in national parks will be considered on a case-by-case basis". It is very interesting to note that in 2005 the previous Labour Government approved exactly the policy that the National-led Government is advocating now—that is, considering the mining of conservation land on a case by case basis. It seems that for the Green Party it was OK if Labour did it, but it is not OK if National does it.

Metiria Turei: If the Minister truly has no intention of mining in these national parks, will he now commit to withdrawing the notice of land closure for all areas of national parks included in it and allow the schedule 4 protection to remain?

Hon GERRY BROWNLEE: That would prejudice against any possibility of the Government's preventing either prospecting or exploring opportunities in those areas. It would be fundamentally absurd to do what the member suggests.

Metiria Turei: Which of the statements made in his name on 22 March was true: that Mount Aspiring National Park will remain protected in schedule 4, or that Mount Aspiring National Park will be surveyed for mineral exploration, using the $4 million subsidy he is currently consulting the public about?

Hon GERRY BROWNLEE: I want to deal with this in two parts. The first statement made by me is absolutely correct. The second one is a truthful statement, because when a plane flies over the top doing the aerial magnetic survey, it does not suddenly turn itself off as it goes across a national park boundary. That may be hard for the Greens to understand, but it is the fact of the science.

Metiria Turei: When the Minister stated in this House that "the consultation process will be very, very public", why did he not tell the public of his intention to open Mount Aspiring National Park to "competitive tender for mineral exploration"?

Hon GERRY BROWNLEE: I do not know where the member got that from, but that is simply not the case.

Metiria Turei: I raise a point of order, Mr Speaker—[*Interruption*]

Mr SPEAKER: Government backbenchers are skating on thin ice, because a point of order was clearly called and then there was just a loud barrage of interjections. I think that those members are probably protected by their sheer numbers, but I do not want that to become a practice. I ask them to desist from doing that.

Metiria Turei: I am not sure how to proceed, given that the Minister has just granted me permission to table his document, which states it is the Minister's intention to consider these areas for competitive tender for—

Mr SPEAKER: My problem now is that having just asked the House to be quiet while the member makes her point of order, I have no idea what the issue of order is. The member has the chance to ask a further supplementary question. If she did not understand the Minister's answer, then she can deal with that further by way of a supplementary question.

Metiria Turei: How—[*Interruption*] Well, this is a serious one. [*Interruption*] The barrage—[*Interruption*]

Mr SPEAKER: I do not know what was in the water this morning, but it is not good. I ask Government members to please show a little more respect to another member. A member is entitled to ask questions, and she will not be treated like that. That was very discourteous.

Hon Darren Hughes: I raise a point of order, Mr Speaker. I am sorry to interrupt my colleague, but I take the opportunity to say this. We support your ruling, but it is not all Government backbenchers who are interjecting. Mr Paul Quinn, in particular, makes a regular feature of barracking and yelling at Metiria Turei on nearly every occasion that she stands up to speak. I think it would be good order for the co-leader of the third-largest party in Parliament to be able to make her points here. To be fair, not all Government backbenchers are responsible for this; it is one particular member who screams his head off at the co-leader of the Green Party.

Mr SPEAKER: I appreciate—[*Interruption*] I advise Government backbenchers to take this matter seriously, because it discourteous. It is discourteous to this House. It is not about me; I do not matter. It is this House that matters. The point raised by the Hon Darren Hughes is a serious point. I will not tolerate a member being treated with discourtesy. Every member has the right to ask questions. Some members may not like other members' questions. They have the right to interject, but not to treat a member discourteously.

Metiria Turei: How can the public have any confidence in this Minister and in his statements on mining in our national parks, when he will say one thing to his Cabinet colleagues and to the mining industry, and on the same day he will say something completely different from that to the New Zealand public? How can they have confidence in anything that he says?

Hon GERRY BROWNLEE: I am sure that anybody who goes to the Ministry of Economic Development website, who digs out all the bits of paper, who understands the process, and who is interested in making an intelligent submission on the proposals made by the Government will be quite confident that his or her voice will be heard.

Schools—Operational Funding

9. Hon TREVOR MALLARD (Labour—Hutt South) to the **Minister of Education**: What decisions has she made on schools' operational funding?

Hon ANNE TOLLEY (Minister of Education): The primary decision I have made on schools' operational funding was to provide an additional $80.1 million over 4 years into schools' operational grants in Budget 2009. I have also told the ministry to stop the previous Government's practice of wasting money on "Wassup!" badges and anti-bullying word finds that sit unused in the corner of classrooms, so that we can get more money out to schools.

Hon Trevor Mallard: Why did she decide to give new wharekura base operational funding of $50,000 compared with the $130,000 base funding that a Pākehā school with the same number of students will get?

Hon ANNE TOLLEY: I would refer that question to the Minister of Māori Affairs, who is the Associate Minister of Education and has responsibility for wharekura. But if the member cares to put it down in writing, then I will ensure that he will get an answer.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I have in my hand the decisions signed by that Minister—

Mr SPEAKER: The member knows that it is up to Ministers to determine who is responsible for certain matters that I cannot determine as Speaker. The member has supplementary questions, so if he thinks that the Minister's answer is wrong, then he can easily frame a question that can make that a very sharp issue.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I think you know that the Opposition has a limited number of questions. For a Minister to say in an answer something that is patently untrue, because she—

Mr SPEAKER: No, the member must not use a point of order to allege that a Minister has said something that is untrue. Question time does not always flow exactly as members might expect it to flow. Supplementary questions that are asked should relate to the answers given. The Minister has given an answer that appears to the member to be pretty controversial. He can now, therefore, test that answer further with supplementary questions. That is what question time is all about.

Hon Trevor Mallard: Did her Associate Minister Pita Sharples agree to her discriminatory funding decision, which values white children's education more highly than that of brown children?

Hon ANNE TOLLEY: I find that comment highly offensive. This Government is working very closely with the Māori Party and with my Associate Minister of Education to ensure that all Māori children, whether they are in mainstream schools or in wharekura, are given an excellent education. I have made the offer to that member. If he cares to put his question down in writing, then I will ensure that he gets an answer to it.

Hon Trevor Mallard: Did she, on 27 January this year, make a decision to fund wharekura $50,000 for base funding when a white kids' school would get $130,000?

Hon ANNE TOLLEY: I do not have that piece of paper in front of me. I do not have the details of the decision that was made. If the member had wished to get specific answers, then he should have put that down in the primary question so that I could have brought the information to the House with me.

Louise Upston: What other decisions has the Government made that have increased operational funding for schools?

Hon ANNE TOLLEY: In August 2009 the Prime Minister launched Kiwisport, delivering on this Government's promise to put money directly into the front line to help more New Zealand children participate in organised sport. Kiwisport will provide $45 million in operational funding directly to schools over the next 4 years.

Hon Trevor Mallard: I seek leave to table the document entitled *Education Report: Change of Class Applications*, which is signed, I think, about nine times by the Minister of Education.

Mr SPEAKER: The member mentions the document's name. What is it?

Hon Trevor Mallard: It is a Ministry of Education document approved by the Minister of Education. She has signed it about nine or 10 times.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Te Ururoa Flavell: I raise a point of order, Mr Speaker. I have listened to the comments made by the Hon Trevor Mallard in respect of brown schools and white schools. The context of the discussion indicated that kura kaupapa Māori wharekura are only for Māori children.

Mr SPEAKER: The member will resume his seat immediately. Does the member want me to intervene? Is the member personally offended by a statement? I apologise to the member, but he needs to make it more clear what his point of order is.

Te Ururoa Flavell: Against that background, I do find the member's comment offensive and I ask that he withdraw and apologise. [*Interruption*]

Mr SPEAKER: A point of order is being considered. It would be reasonable for me as Speaker to ask the member to desist from that. To ask him to withdraw and apologise for something that does not directly relate—

Hon Gerry Brownlee: There has been a Speaker's ruling on this matter once before. It related to a small skirmish between myself and Mr Tamihere. I most willingly made a withdrawal and apology on that occasion. I think it is appropriate for Mr Mallard to withdraw and apologise.

Mr SPEAKER: I will hear the honourable Te Ururoa Flavell first, and then I will rule on the matter.

Te Ururoa Flavell: The point I am making is that kura kaupapa Māori have open entry to the tamariki, to the children, of this country—Māori, Pākehā, or others. The inference was that they are only for Māori children.

Mr SPEAKER: The member is introducing debating material into a matter where he has claimed that he took personal offence to what the Hon Trevor Mallard said. But I have a dilemma in that I do not believe that I can ask the member to withdraw and apologise for his language during the asking of the question, because I do not believe he was making a personal reflection on anyone. I have to be careful not to simply rule out things willy-nilly. I ask Mr Mallard to be careful in describing situations in the future.

Hon Gerry Brownlee: I raise a point of order, Mr Speaker. There were words used by Mr Mallard that I can understand Mr Flavell taking exception to, most notably the suggestion that it was discriminatory. I think that if someone has taken offence, it is not unreasonable in matters particularly of this sensitivity that there is a withdrawal and an apology.

Mr SPEAKER: I will not waste further time—well, I should not use that language; it is a matter that has created some concern in the House. The member has expressed concern that the Hon Trevor Mallard reflected on kura kaupapa Māori incorrectly, that kura kaupapa Māori, as the member points out, are available to all New Zealanders. This is a debating issue. It is not really an issue of personal offence. There has been no personal reflection on anyone. The member may have made a mistake in implying that kura kaupapa Māori were available only to New Zealanders of a certain ethnic background, and I would ask him to be more careful in the future. But he was not making a personal reflection on any member of this House. That is why I do not believe I can ask him to withdraw and apologise. I have to be careful not to make this place too precious. But had it been a personal reflection on the honourable member, it would have been a totally different matter.

Emissions Trading Scheme—Benefits

10. CHRIS AUCHINVOLE (National—West Coast - Tasman) to the **Minister for Climate Change Issues**: What benefits are there for New Zealand in proceeding with the moderated emissions trading scheme on 1 July 2010?

Hon Dr NICK SMITH (Minister for Climate Change Issues): The emissions trading scheme has three main benefits: firstly, it provides a clear financial incentive to plant trees and not deforest, and given the trend of recent years, that is critical for New Zealand's long-term future; secondly, it provides an incentive for investment in renewable generation after a decade of a declining proportion of renewable power; and, thirdly, it provides the right environment for business and industry to invest in new, energy-efficient technologies that will be critical to New Zealand's long-term competitiveness. Without the emissions trading scheme, New Zealand would not meet its Kyoto Protocol target, and that would come at a cost to all New Zealand taxpayers.

Chris Auchinvole: Are claims correct that New Zealand is the first in the world to have an emissions trading scheme, and that it is just a tax for revenue purposes?

Hon Dr NICK SMITH: No, 38 countries have commitments under the Kyoto Protocol, and 29 of them, or three-quarters, already have an emissions trading scheme. Nor is the scheme a tax. Although consumers and businesses will pay $350 million in

the first year of the scheme for their emissions, foresters will receive $1,100 million in carbon credits for post-1989 forests. Far from providing net revenue to the Government, the scheme is actually a cost to the Crown. There are 12,000 New Zealanders who, in good faith, planted trees on the assurances of both National and Labour Governments that they would receive carbon credits for those post-1989 forests. The emissions trading scheme honours that commitment.

John Boscawen: Does he agree with the statement: "… New Zealanders will be the only people in the world paying it. It will drive up the costs of living and undermine the competitiveness of New Zealand business for negligible environmental gain. … Ministers may take pride in being toasted at international Climate conferences for being so bold and brave, but there is no justification for New Zealand going out in the cold by itself on this issue."; if not, what part of the honourable member for Nelson's statement in November 2005 does he disagree with?

Hon Dr NICK SMITH: The member very conveniently ignored that in that quote was reference to Labour's carbon tax. National has been absolutely consistent in opposing a carbon tax. An emissions trading scheme is significantly different, in that next year it will provide over $1,100 million of credits to foresters, and it does not produce a net revenue gain for the Crown.

Chris Auchinvole: What steps has the Government taken to reduce the cost of the emissions trading scheme for households and businesses, and to ensure that New Zealand's international competitiveness is not adversely affected?

Hon Dr NICK SMITH: This Government has more than halved the cost of the emissions trading scheme for households and businesses by providing for only a half-obligation from 1 July. Most countries in the Kyoto Protocol have a full obligation on their energy and industrial sectors. We have introduced a price cap of $25, and we have addressed the international competitive issues by taking an intensity-based approach to allocations. This Government is very cognisant of international developments, which is why the legislation provides for a review in 2011. I have signalled that we would not proceed with a full obligation or the entry of further sectors unless progress was made by New Zealand's significant trading partners.

John Boscawen: Why has the Government abandoned its policy of harmonising our emissions trading scheme with Australia's, and why will the Government not follow the decision of the Australian Prime Minister, Kevin Rudd, to put Australia's emissions trading scheme on hold until 2013?

Hon Dr NICK SMITH: Over lunch I spoke with the Hon Penny Wong, the Australian Minister for Climate Change and Water. She reinforced to me that the Australian Government's preference remains an emissions trading scheme or carbon pollution reduction scheme, but it has been unable to secure the numbers within its Parliament to progress it. I remain of the view that the changes this Government made to the emissions trading scheme last year were in New Zealand's best interests, and that is why we passed them into law. I would much rather be in the position that New Zealand is of having settled emissions trading scheme legislation than have the uncertainty that exists in Australia and the United States in this important area of public policy.

Charles Chauvel: Does he recall Treasury's warning to Cabinet last September over the risks to the "overall credibility and effectiveness of the New Zealand emissions trading scheme" from "harmonising with an overseas scheme that has not yet been finalised"; and does not yesterday's suspension by Australia of its emissions trading scheme confirm the wisdom of that advice and his folly in ignoring it?

Hon Dr NICK SMITH: It is quite the opposite. The changes that we made to the emissions trading scheme halved the cost for consumers, and halved the cost for

businesses to ensure that there was not a disincentive for businesses to grow, despite the fact that all last year Labour criticised those changes. I think that what has occurred in Australia confirms that the changes we made to soften and delay the emissions trading scheme were exactly the right approach. I find it particularly ironic that Labour members are complaining about the cost of living but are proposing an emissions trading scheme that would be twice as expensive for consumers.

Early Childhood Education—Priority for Government

11. SUE MORONEY (Labour) to the **Minister of Education**: Does she still stand by her statement to the House on 1 April 2009 that "Quality early childhood education and care is a high priority for the Government."?

Hon ANNE TOLLEY (Minister of Education): Yes.

Sue Moroney: Does she stand by her July 2008 promise, with reference to Labour's 20 hours free policy, when she said "We will retain all the existing subsidies and fee controls", and will she repeat that promise now?

Hon ANNE TOLLEY: During the election campaign we promised to retain the 20 hours' free early childhood education and we will not be breaking that promise.

Sue Moroney: What did she mean, then, when she told the Early Education Federation on 25 March that she "wants to work more on targeting the grant"?

Hon ANNE TOLLEY: I have always been very clear with the early childhood sector that we need to do better with the very large and growing amount of funding that is going into early childhood education. I have shared with the sector on a number of occasions that we are examining closely the cost drivers. The cost of early childhood education has almost trebled over the last 5 years—almost trebled. We are not necessarily getting the participation from the groups that would benefit the most.

Sue Moroney: How did she allow early childhood education to slip from being a high priority for her Government to now being included in the Minister of Finance's definition of low-quality spending and up for Budget cuts?

Hon ANNE TOLLEY: I do not believe the Minister of Finance has ever said that. In fact, if members look at the six priorities for this Government, they will see that quality early childhood education is part of that. I heard the Minister of Finance talking just today about how much this Government values quality early childhood education.

Te Ururoa Flavell: Does she agree with her statement to the *New Zealand Herald* on 29 January 2010 that evidence suggests that at least 20 hours of early childhood education per week from the age of 3 years provides the best support for future educational achievement; if so, how would the Government justify any changes to fee increases for parents?

Hon ANNE TOLLEY: I am not aware of the context of that statement; I do not have it in front of me. But this Government is committed to ensuring that early childhood education remains affordable and accessible.

Te Ururoa Flavell: Does the Minister agree with Te Puni Kōkiri's paper on mātauranga kōhungahunga Māori that participation in early childhood education can benefit children's school readiness, result in improved learning, reduce antisocial behaviours, and possibly even improve health; if so, will the Government maintain its commitment that from 1 July 2010 all kōhanga reo and playcentres will also be eligible to offer 20 hours free early childhood education?

Hon ANNE TOLLEY: The National Party campaigned on the promise that we would make parent-led centres also eligible for 20 hours of free early childhood education, and we intend to honour that promise, as the member stated, from 1 July this year.

Rugby World Cup—Initiatives Benefiting New Zealand Businesses

12. JONATHAN YOUNG (National—New Plymouth) to the **Minister for Economic Development**: What initiatives has the Government undertaken to ensure that New Zealand businesses can create economic benefits from the 2011 Rugby World Cup?

Hon GERRY BROWNLEE (Minister for Economic Development): Last night I launched the New Zealand 2011 Business Club, an online platform to connect overseas business people who are interested in attending the Rugby World Cup with their Kiwi counterparts. The club will enable regions—

Hon Trevor Mallard: What an insult to Colin Meads.

Hon GERRY BROWNLEE: The club will enable regions and businesses throughout the country to get information on the visitors coming to their area, including their businesses and social interests, so they can offer to host them at events and, as a result, learn more about how they operate in their own markets. The club will create a lasting legacy and strong international connections. It is free to join and it can be found at www.nz2011.govt.nz. Might I say that it took a National Government to put the title "Sir" on Sir Colin Meads.

Jonathan Young: How is the Government promoting the business opportunities from the Rugby World Cup?

Hon GERRY BROWNLEE: The Government has an office called New Zealand 2011 and it has been working closely with Business New Zealand, regional economic development agencies, and chambers of commerce to develop its business engagement programme. In addition, New Zealand Trade and Enterprise has developed a guide to opportunities in 2011, as well as a website to make procurement opportunities easy and accessible for local businesses. Our 2011 ambassadors have been successful in promoting New Zealand in overseas markets through the vehicle of the Rugby World Cup. Regions are putting events into the Festival 2011, which will help showcase the capacity of New Zealand business. We will soon be undertaking a regional roadshow to promote the business club and encourage New Zealand businesses to get involved. The tickets are on sale, the stadiums are going up, and there are only 499 days to go.

POINTS OF ORDER

Nuclear Disarmament—Treaty on the Non-Proliferation of Nuclear Weapons Review Conference

PHIL TWYFORD (Labour): I raise a point of order, Mr Speaker. I seek leave to move members' motion No. 16 in my name, relating to the Treaty on the Non-Proliferation of Nuclear Weapons.

Mr SPEAKER: Leave is sought for that course of action. Is there any objection? There is objection.

GENERAL DEBATE

Hon BILL ENGLISH (Deputy Prime Minister): I move, *That the House take note of miscellaneous business*. Labour is rebranding. It used to be the "Tax and Spend Party"; now it is the "Tax, Spend, and Borrow Party". I looked through the big list of qualities that it wants to attribute to the Labour brand, such as funky, cool, and—what else was there?

Chris Tremain: Edgy.

Hon Members: Retro.

Hon BILL ENGLISH: There was edgy, retro, creepy—[*Interruption*] Boring, that is right—and intelligent. I did my own survey of members of the public. The one thing the public knows—and probably the only thing, because members of the public do not quite

remember the name of the Leader of the Opposition and they certainly have never heard of the Opposition's finance spokesperson—is that Labour wants to borrow money, and borrow big.

I have been looking at what Labour members say about their policy. Debt is a serious issue in New Zealand, and I will tell members why. There is any number of ways we can measure it, but let us take net debt. The dollar amount of net debt for the financial year ended 30 June 2009 was $17 billion; that was the Government's net debt. By 2016 it will be $65 billion, and that is under the careful, considered management of this Government. It will go from $17 billion to $65 billion, and that sits alongside a broader picture for New Zealand where the total amount of debt owed by New Zealand—by Government, households, and businesses—in 2000 was $90 billion. New Zealand's net debt today stands at $170 billion, and it was heading to $250 billion by 2014.

Why is that potentially a problem? We have only to see what is happening in world debt markets, as we speak, with regard to Greece. Who knows; Portugal may be next. We are entering a decade where Governments with high debt levels will be scrutinised more closely than at any time since before the Second World War as to what they are doing to make sure that the people who lend money will get it back. Greece is finding out that if a country does not do enough, people will stop lending to it and then it will have a real problem.

In that context, Labour's brightest star—according to him—David Cunliffe, says that debt is not a big problem. What is more, he has backed up that assertion not just with poetry but also with policy positions. There is no doubt that the policy positions are pretty clear-cut. Labour wants to borrow a whole lot more money to put into the superannuation fund, to put back the research and development tax credits, and to make up for all the low-quality spending that we are shifting around. Labour has made its position on debt pretty clear. Labour does not think it matters much. Those members think it is fine to borrow a lot more, when borrowing is already going up far too fast. They simply do not care about the people who will come after them who would have to pay back $65 billion worth of the net debt that New Zealand would have.

But at least we know what Labour's position is on debt—that is, borrow a lot more money. We have no idea what Labour's position is on tax.

Hon Gerry Brownlee: Nor do they.

Hon BILL ENGLISH: And that is exactly the point. The reason it is hard for us to tell is that Labour does not know. GST is not a new subject. It has been kicking around for 9 months. Labour members' position seems to be that they are against GST, but they cannot promise not to do GST because they are not sure whether they can carry out that promise.

Dr Cam Calder: Because they don't know what they are doing.

Hon BILL ENGLISH: Because they do not know what they are doing. They are worried that all their spending promises might need GST to pay for them. They are against GST, but they will not roll it back. But it is absolutely clear that Labour is in favour of borrowing more and more money.

CATHERINE DELAHUNTY (Green): Tēnā koe, Mr Assistant Speaker, and happy Pink Shirt Day. It is a day when we focus on stopping bullying, so let us start with each other and the Earth. I hope that the Minister for Economic Development is not playing favourites when it comes to facilitating mineral exploitation. The Green Party was deeply worried this week after seeing the Minister on the Greenpeace video. It said that the Hon Gerry Brownlee has fallen for "sexy coal" and was losing interest in gold. Of course, it is pretty hard to tell because the Cabinet papers contradict the consultation document that the public is trying in good faith to respond to. Perhaps we need to

communicate more deeply with our Prime Minister on this issue. I know he is getting quite a few letters on the subject.

How does the Prime Minister feel about gold bling? After all, it is shiny and popular, and one can access about a teaspoon of it for every tonne of earth dug up, crushed up, and then piped or trucked to a toxic waste dump. Then there is the acid mine drainage from the mines themselves, as well as from beneath any tailings dumps. This effect is not as pretty as gold, and the drainage is still leaching its orange toxic slime into the Hauraki Gulf from numerous small mine sites from 100 years ago. The Government has budgeted $17 million to try to clean up a small mine on Mount Te Aroha. The mine closed in the 1970s and is still leaching 5,000 kilograms of heavy metals per year into waterways and the Hauraki Gulf.

It is curious how the traditional goldmining areas have experienced a total collapse of their economies and have had to develop other, more sustainable industries. West Coast and Waihī streets should be paved with gold. Of all the towns in the Coromandel region, Waihī should be thriving on the vast profits and so-called sustainable jobs that Martha Hill mine and Favona underground mine have delivered to the citizens. It may surprise the advocates for so-called modern mining to realise that Waihī has just hit the bottom rung of the Ministry of Social Development's deprivation index. It has slipped from level 9 last year to level 10 this year. I do not think that being literally at the bottom of the heap is that sexy for the people of Waihī, who have no higher education services after high school in their town and have high levels of drug, alcohol, and mental health issues.

But the people of Waihī have a tailings dump containing 40 million tonnes of toxic tailings, which are heavy metals such as arsenic, cadmium, zinc, and mercury. The Waihī tailings dump is 300 times bigger than the Tui mine tailings dump, so just imagine what it could cost to clean up in 60 years' time. Newmont Waihi Gold, which is an "ever-responsible" citizen, has put aside $10 million for the lucky local trust that will own this toxic dump when it has left town. This trust, which consists of tangata whenua and local authority people, will be responsible for any problems with water quality or dump collapse in the foreseeable future. That $10 million will not cover the scoping report let alone the clean-up of some of the drains and ditches polluted by that vast dump.

I say to the Prime Minister that gold is really sexy, is it not? Seventy-seven percent of the world gold resource above the ground is used in jewellery, and gold jewellery is the symbol of real value. When all those financial markets get shaky, which of course has nothing to do with greed and financial speculation, there is always gold. I ask the Prime Minister whose gold it is. Several hui this week with Hauraki tangata whenua raised the matter of their whakapapa, which connects them from the top of the sky to the centre of the earth in places where they hold mana whenua. Hence they state unequivocally that the Crown does not own the gold; in fact, the gold is owned by them. They have never received any royalties for that gold extracted in the previous goldmining days, and they will not be receiving any gold in the future. So if they say that the Crown does not own it, how can the Crown do a stocktake and sell it off? Not only is this a concern, but we are also concerned about the fact that the goldmining industry is being facilitated by a Government that does not understand even the real cost-benefit analysis. It has been happy to admit in this House that it never did a cost-benefit analysis of the real price of gold.

Hon PANSY WONG (Minister for Ethnic Affairs): No wonder Labour needs to re-brand itself! We have heard reports on Labour's very expensive, taxpayer-funded "Axe the Tax" bus tour. The *Nelson Mail* said: "Labour's 'Axe the Tax' roadshow drew just a handful of supporters—mainly union representatives and party stalwarts". The

Taranaki Daily News reported: "Phil Goff was out and about in Taranaki yesterday—but the crowds weren't." No wonder Labour needs to use taxpayers' money to re-brand itself! But it will all be a waste of money, because everybody still remembers Labour's brand: tax-and-spend envy politics.

Let us look at some of that record. In 2000 Labour took office and immediately increased the top personal tax rate to 39c—an "envy tax" rate.

Dr Cam Calder: How much?

Hon PANSY WONG: It was 39c. For the next 5 years, while New Zealand was enjoying one of the best growth periods because of the world economic situation, Labour refused to cut tax despite the massive surplus. In 2005 Labour announced a "chewing gum tax cut", only to reverse it in 2006. Finally, when it was staring at defeat in the general election, it grudgingly brought out a tax cut.

But Phil Goff, back to form, immediately announced that he will set up a top tax threshold to punish rich people. He will impose the highest income tax rate on people who earn over $70,000 a year. I thought that I had better find out who these rich people earning $70,000 a year and who drew the ire of Labour are. Apparently, they are 11 percent of our hard-working workforce. Let us look at those people. Those 200,000 workers include 8,000 teachers, 1,700 machine and stationary plant operators, 1,200 forestry and garden workers, and—guess what—4,000 labourers. Is that not incredible? Labour is not backing labourers. It is a waste of taxpayers' money for Labour to try to re-brand the so-called Labour Party. Its members should just own up and be proud of their high-tax, envy-politics party.

It is such a privilege and a delight to be the Minister for Ethnic Affairs, because on the other hand our ethnic communities are hard-working, aspirational people. Every day I meet members of those communities, they walk up to me and tell me that the Prime Minister, the Hon John Key, and my Government are doing a very good job backing them wanting tax cuts as a reward for hard work. Ethnic New Zealanders are aspirational. They want to do better. They want to create wealth. They want to create jobs to contribute to this country of paradise. For a very long time ethnic businesses have concentrated their business dealings largely within their own communities. Now my good Office of Ethnic Affairs is championing the cause by providing a platform for our ethnic businesses to utilise their international relationships and their business skills to benefit New Zealand. The Office of Ethnic Affairs has hosted the ASEAN Business Forum.

Hon DAVID CUNLIFFE (Labour—New Lynn): What a wonderful couple of own goals from Bill English earlier today. First off, he said that New Zealand has too much debt, but today in question time he confirmed that the previous Labour Government had cut net debt to zero and it was only 5 percent when he took office. He has been in office for 18 months; New Zealanders think it is time that he grew up and took responsibility. Then he claimed that New Zealand was like Greece and Portugal. Well, talk about selling one's own brand down the river as they are the most indebted countries in the OECD. New Zealand's debt is only one-third of the average, so we cannot be the same as them. I say to Mr English that he should get his figures right. Then, to top it off, he said that Labour was fiscally profligate but that it would not promise to put down the rate of GST. Talk about a self-contradiction in one sentence. There were three own goals from Bill English before lunchtime.

The difference between our two parties is that Labour does not want New Zealand to be a raw-log economy. Labour does not want to see a country so dumb that it earns $14 billion from the "100% Pure New Zealand" brand, then mines its own national parks and drive away tourists. We do not want to see our primary industry, dairying, being sold off, paddock by paddock, to Fonterra's competitors so that they can undermine

Fonterra by getting their hands on the milk supply. Todd McClay, the rising star of the National Party, wrote in his column this week: "As a country we must be focused on tilting the playing field towards productive investment, exports, and new jobs. We need a balanced programme to achieve this… ." We agree, but what is the Government's record? Do members remember the Job Summit? It produced—wait for it—a cycleway, which might get 200 jobs. What about the 9-day fortnight? It was such a miserable failure that the Government canned it in the middle of the recession. What about the rolling maul? That was a kind of Clayton's plan—I say with no offence to Mr Cosgrove. It was a plan one has when one does not have a plan.

What about catching up with Australia by 2025? The plan was dead on arrival as soon as it left Don Brash's hands. There is no target for 2025, 2020, or 2015, and not even 2010, because the Government does not talk about catching up Australia any more. Why not? It is because it does not have a plan. It is a Government adrift in a sea of focus groups and public relations spin. It is a Government led by a man who would sell his mother if he thought there were votes in it. It has a Minister of Finance with all the imagination of a Dipton farmer, the vision of a Treasury analyst, and the good judgment to claim housing allowances for both his houses at the same time. A series of short-term bits and pieces does not an economic plan make. That is why *Exporter* magazine said: "Just digging up raw minerals or growing a few more sheep isn't going to get us to the high wage, high value economy that we need." High-tech exporters are going broke while those guys are too scared to change monetary policy. Instead it drives them out of business with high exchange rates. The country's leading sustainable businesses—the 100 percent plan—have been turned away by this Government, rather than it getting behind clean jobs and clean technology.

Ordinary Kiwis know in their guts that things have not been fixed. They feel increasingly insecure about their jobs and their families. Ordinary Kiwis know that if we are going to turn round this boat, we have to pay our way in the world economy. To do that, we have to fix the underlying triple deficit that is holding us back. New Zealand does not export enough, it does not save enough, and it does not innovate enough. That is the underlying problem with this economy, but Bill English does not get it. He thinks it is all about the Budget deficit, and his recipe for that triple deficit is just to cut, cut, cut social spending and hurt the most vulnerable New Zealanders. It is the wrong question; not only is it unfair but also it is bad economics because it does not go to the heart of the problem. Instead, this is a Government with no answers. It stands idly by while Kiwis borrow from overseas banks to bid up each other's house prices. It watches while we paper over current account deficits by selling assets and building up long-term debt. It is a Government with no answers and no hope.

Hon RUTH DYSON (Labour—Port Hills): My friend, colleague, and bench mate David Cunliffe has outlined very clearly to this House the challenge this Government has presented to the country: the challenge of having a Government that has no plan, no ideas, no vision, and no action. The challenge for New Zealanders is getting harder every day.

In the health area every week we have further reports of new health cuts. Front-line health services are cut, patients are going without any services at all, and the Minister, who promised the country that no front-line health services would be cut, and who promised to move resources and health from the back room to the front line, now stands up in this House and washes his hands of all ministerial responsibility. I say to the Minister that if it is good enough to take the credit for the hard work that doctors and nurses and the health bureaucracy deliver around the country, then it is good enough to take responsibility when things go bad, and they are absolutely going bad in health.

This afternoon in the House I asked the Minister of Health about Bill English's comment that the Government was going to cut low-value services. I asked the Minister of Health whether the 3,000 elderly people in Otago and Southland who have had their home support cut have been getting low-value services. Those services are not low-value to them. Those home support services provide 1½ or 2 hours of home help for older people in their own homes. Mr Assistant Speaker Roy, this is in your very own part of the country—that great part of the country, Southland—and in your next-door neighbour, Otago. For those older people, those services are the difference between being safe and well in their own homes and having to move into a rest home. The Minister of Health has cut those services. He has cut home support for 3,000 people in that region of Otago-Southland.

In Nelson, where the Minister of Health's bench-mate has been elected until the election next year, mental health services have been cut. It is very obvious to everyone that mental health is not an area where we have excess services. We do not have a lot of spare capacity in mental health; if anything, we need more resources and support going into mental health. In Nelson, those services have been cut.

In Palmerston North—and soon in Levin—for the first time that I can recall we have actually had nurses laid off. Nursing positions have been disestablished while those people are in their jobs. It is an outrage that the people in Levin who fought so hard to ensure that the services were retained in the Horowhenua Health Centre are now being told that all the work and all the commitment they put into getting a deal with the Government of the time is now being ripped up and thrown out. All that passion from the people of Levin, Ōtaki, Waikanae, and Shannon, and those surrounding areas has been thrown in the rubbish bin by Tony Ryall.

I tell members that things are going to get worse in the Budget next month. I have figures provided by the district health boards about what they expect their increases to be in the Budget this year. If we think it is bad now, wait until we see the Budget. In the last Budget Canterbury District Health Board got $51 million. It is expecting just over $36 million this year. That will not allow it to stay still, let alone offer any improvements. MidCentral District Health Board, in the area I have just referred to, is already cutting front-line health services, cutting nurse positions in Levin, taking away all the assessment, treatment, and rehabilitation beds at the Horowhenua Health Centre, and cutting out district nursing for terminally ill Palmerston North citizens. Last year it had an increase of $26.5 million; this year it will get $11 million. That is a cut, and Tony Ryall, the Minister of Health, will have to justify that. The South Canterbury District Health Board is just managing to hold things together in its area. There are 5,000 fewer people going through its emergency department. Last year it got an increase of just under $6 million. This year in the Budget it will receive an increase of less than $5 million.

The manifesto of the National Party should say health cuts, not health services.

Dr CAM CALDER (National): John Key's National-led Government is principled, pragmatic, and keeping its promises. What were those promises? They were promises that we would implement policies that offer a brighter and more prosperous future for all New Zealanders. That is in stark contradistinction, of course, to the late, unlamented, lacklustre, and lackadaisical Labour administration, which was an administration that recoiled from making decisions. It shrank away from the hard calls; to resile from meaningful action became its default position. It was the new black among the old reds, so often was it overcome with torpor, languor, and lassitude when hard decisions needed to be made. Somnolence and solipsism characterised its caucus. A hard decision or new idea was as rare as a spit roast at a vegetarian feast. They were as rare as a spit roast at a vegetarian feast.

It is a very similar situation today, in fact. That was then and this is now, and nothing has changed. As the French would say: "Plus ça change, plus c'est la même chose." There is a long legacy of 9 years of supervised neglect of New Zealand's well-being, and of our nation's prosperity and future. In a statement seemingly made from a parallel universe or, alternatively, from the vantage point of a separate reality—possibly from alongside Animal, Miss Piggy, or Kermit—just today on breakfast television the Hon Phil Goff reiterated that Labour would reverse any tax cut made by this Government in the forthcoming Budget. I say again that Labour would reverse any tax cut made by this Government in the forthcoming Budget. So, if perchance we should reduce the tax rate from 38c in the dollar to 33c in the dollar, Labour would raise taxes and take more money from hard-working New Zealanders. Labour's mantra has never changed; Labour will raise taxes. As Churchill observed: "for a nation to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle." If the previous Labour Government had any economic policy at all, it could be summarised as: "If it moves, tax it; if it continues to move, regulate it; and if it stops moving, subsidise it."

John Key leads a Government that is, as I said, principled, pragmatic, and focused on finding solutions. What are some of these solutions? Some of them include a stocktake of New Zealand's mineral resources. We have had hysterical grandstanding on this issue from members on the other side of the House, but let me say that a good housekeeper knows what is in the kitchen cupboard. As a boy from the Naki and a proud New Zealander concerned for the future of my children and the children of all New Zealanders, I offer my thanks to the perceptiveness and farsightedness of those people in the 1950s and 1960s who did a stocktake of the North and South Taranaki Bights, which enabled $2.8 billion from oil to come into our economy last year. It is the third leg in New Zealand's major exports.

This Government is reshaping the mesh in many areas and at different levels. What are some of the other things we are doing, but which were ignored by the lacklustre previous administration? Of course, we are looking at benefit reform. National believes that a fundamental dignity and right of being is the ability to work. Our future-focused package aims to reform our welfare system by unashamedly putting the focus on work. How will we do that? We will bring in some part-time work-testing, and shift the focus on to what people can do rather than what they cannot do.

Hon NANAIA MAHUTA (Labour—Hauraki-Waikato): One would think that Labour was still in Government. Every Government speaker to date has spoken about what Labour is doing, not what National is doing. One would think Labour was still in Government. This Government has no plan and no idea, and, in fact, it does not know what it is doing. That is why it has to talk about Labour. People listening to this general debate will be very, very disappointed by the fact that National members refuse to talk about their own ideas. Why do they refuse? Because they are ashamed. We have just heard that a good housekeeper knows what is in the kitchen cupboard. The problem is that when National was last in Government it left the cupboard bare, so people know what they will get when they get National.

I will talk about and highlight a concern that is very dear to my heart, and that is what is happening within our whānau and our communities with our rangatahi. I am concerned about the lack of jobs for young people, and especially for Māori and Pacific youth out there in our communities. When we look around, in every community we see young people who are full of hope and creativity. They are looking for opportunities, but, sadly, this Government is letting them down. Māori youth unemployment has gone up, and that is a tragedy. Pacific Island youth unemployment has gone up, and that is a

tragedy. Youth employment per se throughout the whole country has gone up, and I want to know what this Government is doing about it. It should be doing more.

In fact, while Government members are posturing on the other side of the House and talking about Labour, they should be being accountable to the many young people to whom they are promoting the politics of aspiration. When we look at the unemployment rate, we are concerned. In 2008, under Labour's watch, unemployment was at 4.7 percent, and that figure has increased to about 7.3 percent under National's watch. Currently 168,000 people are on the unemployment benefit.

Sue Moroney: 168,000.

Hon NANAIA MAHUTA: I repeat: 168,000. That is the highest it has been in 10 years, and it has occurred under National's watch. Since National took office, unemployment has increased by a huge 54.7 percent, or 60,000 in the last eight quarters. Those figures represent people all over New Zealand, many of whom want to work, but the simple fact is that the jobs are not there. Why? Because the Government has no plan to grow the economy and create the jobs that are needed so that our young people and those who want work can get it. There are just not the jobs available. The Government should be doing more on that front. Government members should be telling the House their plan to grow the economy and create jobs, but, sadly, they do not. Instead, they quip at Labour as if it were still the Government, and they refuse the responsibility they currently have, which is to provide real opportunities and real jobs to the many young people who are out in our community. The Government is full of symbolism, but there is little action. It provides empty promises and hollow gains. That is what the Government is currently doing.

More important, the shocking numbers of young people who are unemployed in our communities are staying at school longer. That is the feedback we are given. But what those same communities will tell us is that even if young people stay at school longer, the reality is that we cannot pathway them into jobs in their communities, because the jobs are simply not there. We need better vision, better hope, and better opportunities at a community and provincial level. That is the type of feedback I get from schools in Morrinsville, Te Kūiti, Taumarunui, and Huntly. This Government should be doing more on that front.

We hear about Community Max as a Government response, but many of the providers who have gone into that initiative are saying that it is a short-term fix to a long-term problem. The real investment has to be into education and training for our young people. It is about building their career pathway and linking them to learning, opportunities for life, and better job prospects. But, again, we need a thriving economy with jobs out there so that the young people can get into them. Community Max is a short-term fix to the long-term problem of sustainable employment for our young people.

We hear about the Youth Guarantee and better transitioning of young people to training and employment initiatives, linking them up with business and tertiary education providers. Even in the linking up, provincial towns tell us that where transport is an issue, and where they have difficulty in transporting people 30 kilometres to get to where they need to, things are not working. This Government has done little.

KANWALJIT SINGH BAKSHI (National): This is my first contribution in a general debate. From time to time I will continue to express my views in this esteemed House. People in the Indian community have been telling me that they are fortunate to have the Hon John Key as the Prime Minister of New Zealand to take them through these difficult times. I tell this House that the Indian community is very happy with the change of Government. People feel more confident, safer, and more comfortable.

While I was interviewing young candidates to represent me in the Youth Parliament 2010, one entrant from Manurewa told me that she and her friends felt much more confident while walking back from school than they used to a few years ago. When I asked why that was, she said it was because she and her friends now encountered more police on the streets in South Auckland. She mentioned that the mere fact that people saw more police walking around neighbourhoods, and police cars driving around more frequently, made them feel safer, as they believed criminals would think twice. She also mentioned that her parents are more confident with the economic situation. They think that the country will improve significantly under this Government—more than it did under the previous Government. That seems to be the recurring theme when I speak with many Indian families.

I shall now talk about the small and medium sized businesses—the majority of which are dairies, liquor shops, petrol stations, and vege shops—that are owned by ethnic people who have migrated to New Zealand. We have a history of more than 120 years in this country. We started from cutting bush in the King Country and the Waikato region, but now we own businesses from dairies around the corner to multi-storey office buildings in the central business districts of Auckland, Wellington, and Christchurch. When I talk to these people, they say: "Thank God Labour is gone!".

We have had good times in the past, but opportunities have been lost. The previous Labour Government did not capitalise. The Opposition is talking about flawed tax policies by this Government, but the latest Roy Morgan New Zealand poll shows that there is no decrease in support for National and that the confidence rating is up by 6.5 points. Sixty-one percent of people think that the Government is going in the right direction. The Indian community is thus doing well on the economic front.

Another thing of importance to this community is education. Indians believe that education is the most important thing. It is something exceptionally important and valuable that no one can take away. This is why ethnic students do very well at schools and at university level. On this note, I inform members that the Indian community is very pleased with the introduction of national standards. They feel that they will be more informed and that their children will get a very good education. On my last visit to Papatoetoe High School, I was told by the principal that more than 40 percent of the students are of ethnic origin. In the upcoming Youth Parliament we will have seven youth of Indian origin and six from other ethnic backgrounds.

Unemployment among Asians is very low. That is because our community commenced by being employees and, gradually over the years, we have developed and expanded our horizons by buying small businesses. That is why so many small businesses are owned by members of the ethnic community.

As an incentive towards growing our economy, the Government will announce beneficial tax changes in the Budget, the outcome of which will be more jobs and higher incomes for families, especially those on lower and middle incomes; beneficiaries; and our senior citizens. Income tax cuts across the board will also generally bring about an increase in purchasing power, thereby improving the lot of our shopkeepers and communities as a whole.

Another thing that concerns our community is safety. The unfortunate deaths of Navtej Singh, the liquor shop owner, and Hiren Mohini, the taxi driver, struck fear into many taxi drivers.

SUE MORONEY (Labour): Just 3 weeks out from the Budget there are clearly no plans or ideas from the Government benches. We are only 3 weeks out and all we are hearing is the Minister of Finance, Bill English, preparing this country for cuts. That is about as visionary as it gets from the opposite benches: preparing people for funding cuts in this Budget. That is what it is all about. New Zealanders are starting to ask

themselves how that Government has got this country in such a big mess so quickly. Those members have hardly been on the Treasury benches, and suddenly we are facing big Budget cuts.

The other question people are asking—and Mr Quinn might want to listen to this—is why other countries are recovering much more quickly from the global crisis than New Zealand. That is the question that New Zealanders are asking as we lead into Budget 2010. The penny is starting to drop. New Zealanders are starting to work out that that Government has no plans and no ideas, and that everything it has done to date has actually put us in a worse position than we started from. Members should not forget that this country had 9 years in which a Labour Government ran surpluses. Even when that party was baying for tax cuts to happen, what did Labour say? It said no; they were going to save it for a rainy day. That rainy day arrived, and when it did, National was in Government. It has now put us in a very bad position, even though Labour had us in a position where we had saved for that rainy day.

New Zealand started ahead of the pack in the OECD when the global crisis hit, yet we are coming out at the end of it in a much worse position than when we started. Bill English and John Key have to stand up and be accountable for that, and in about 3 weeks' time they will. What will their response be? It will be to cut funding. Which areas will funding be cut to? It seems in the last week we have learnt that it is early childhood education. Early childhood education was once a high priority for that Government. That is what John Key used to say. All of his speeches used to say that early childhood education is a high priority for the National Government. But suddenly that sentence has dropped out of all of his speeches, and what has it been replaced with? It has been replaced with Bill English saying that actually it is too costly. He says we spend far too much on early childhood education in this country, and something has to be cut. Well, that is the slippery slope for early childhood education.

There is no point in that Government going on about improving standards in education while cutting costs in the early childhood education sector. The Government keeps saying that it wants to improve participation in early childhood education, so how come this week Bill English is suddenly saying that he wants to contain costs? How on earth can that Government grow the sector and contain costs?

Paul Quinn: Hell on earth will freeze over! That is the full saying.

SUE MORONEY: I think Paul Quinn ought to be asking these questions in his caucus meeting. People in his area will suffer.

It cannot possibly be true that the Government will improve participation in early childhood education and contain costs, without the costs shifting to parents and to families. That will be round two of this Budget. We already know—it is already well signalled by the Government—that families will face increasing costs with GST. GST is going up 20 percent. There will be a 20 percent increase in terms of the taxation on everything families pay for. Now parents are starting to learn that they will face increasing costs in early childhood education, yet the Government will not come clean on it.

I do not think it is acceptable, 3 weeks out from the Budget, for the Minister of Finance to say that there will be cuts, but not to tell the country what those cuts will be. Families have to make decisions, and I do not think the National Government understands this. Every week in this country families make decisions about what they will spend their money on. Will it be the food bill? We know that that is increasing. GST will be up; the taxation is going up by 20 percent on every single food item. Will they put more money into the mortgage? Will it be the rent? [*Interruption*] I do not think they are even thinking about holidays under this Government. Every penny will

count, and now they do not know what increasing costs they will be facing in early childhood education.

MELISSA LEE (National): Boy, am I glad that I do not have that member managing my finances! The Labour Opposition's definition of "saving for a rainy day" is $65 billion in the poop. Is that saving for a rainy day? No, that is not my definition of "saving for a rainy day". We must earn before we spend—we must earn before we spend. Even my 11-year-old son knows that; he has been doing it since he was 4 years old. He has had to do his chores and earn pocket money so he could send it to his sponsored child since he was 4 years old. He knows that we must earn before we can spend. But Labour members do not seem to know that; they have forgotten it or they just do not get it. Saving for a rainy day is not being $65 billion in the red. They continue to want to borrow, and to spend big. To achieve that they want to have higher taxes and more debt, in order to spend big to win votes. That is the only reason for it.

I wonder whether individual members on the opposite side of the House are so irresponsible with their own finances. I doubt it. So what makes them think they can be irresponsible with this country's finances? Labour would mortgage our families' futures with a borrowing programme that would leave our children with a legacy of debt and deficits. New Zealand must realise that, and make sure that we never go back to that dangerous situation we have just managed to get ourselves out of that we call the 9 long years of Labour Government.

Today I will take a little moment to talk about the Korean people, and to bring a Korean perspective into the House. The history of Korean people in New Zealand is not as long as that of my colleague's Indian community, which has been here for more than 100 years. Korean migration to New Zealand began only back in the 1980s, and now the population is about 40,000. The motivation, however, for moving to New Zealand has not really changed. Most Koreans in New Zealand have lived in Korea. They were born there, they had a professional busy life there, and they did not want for many things. But they had a desire for New Zealand and for what there was plenty of in New Zealand: clean air, wide open spaces, and a more relaxed lifestyle than what they had become accustomed to in Korea. When Koreans settled in New Zealand, however, families were separated. Often mums and children would live in New Zealand, but the fathers had to go back to Korea to work because they could not find jobs in New Zealand. I will address one thing that a previous speaker said. I think it was Nanaia Mahuta who asked what the National Government has done in terms of providing employment. I ask the Labour Opposition what it did, when it was in Government for 9 years, for those migrant communities whose members were leaving New Zealand, and for all of our young people who were leaving this country because they could not get jobs? Labour members talk big now that they are in Opposition, but they did nothing then.

A lot of Korean people are in small businesses, but some have contributed greatly to the New Zealand economy, even without any English and with a lack of New Zealand experience. The desire to achieve a better standard of living and a more prosperous, engaged, and active life is something that is very, very strong in the Korean community. Koreans are very excited that we have a John Key - led Government and that National is in Government, and they are very excited for New Zealand because they feel that New Zealand has finally become aspirational. Let me give the House an example of one of these people. John Chung is someone I do not really know very well, but I have heard about him over the years. Back in 2003 he purchased a Gisborne sawmill. The business was in receivership and had been closed down for 8 months, and all the workers had been made redundant. He re-employed 50 people who had been made redundant by the closure of that mill, and invested in and upgraded the facilities and machinery. Those improvements significantly improved the quality and quantity of wood that was

produced, and Mr Chung successfully established a market overseas and sold 70 percent of his production offshore. He turned that company into a profitable one.

DAVID SHEARER (Labour—Mt Albert): The whole House agrees that we need to grow the economy; the question is exactly how. We want a skilled labour force, we want an innovative economy, we want a knowledge-led economy, and we want something that is value-added rather than commodity-led.

In the last few days we have seen the real colour of this Government's money when it comes to putting money behind research, development, and innovation. The Primary Growth Partnership is the flagship of the Government's push for research behind agriculture and other commodities. But what do we find? After 18 months of this Government being in power, that partnership has yet to give out any money to AgResearch, to our Crown research institutes, or to our universities. Yes, we have given about $3 million or $4 million to the Agricultural Greenhouse Gas Research Centre, but we have not given anything else in that area.

It is the most vital area of New Zealand's economy. How do we grow our economy? It is through research, through science, and through technology. The Government put up $30 million, which was to be matched by the business community: the business community is putting up $30 million in return. But no money has gone out; $60 million is sitting there waiting to be used and unable to be used. Can we imagine that situation in any other sector? Can we imagine it in the education or health sectors? Sixty million dollars unable to be used—what a complete waste! Andrew West from AgResearch said: "There's been a lot of talk about extra money in the last few years but there's been no serious allocation from the Primary Growth Partnership". The article continues: "Jobs will also go"—he is talking about the jobs that have just gone in the wool and meat area—"in dairy foods, food safety, parasitology, reproductive biology, developmental biology, protein structure, biomembranes and bioprocessing."

This is an appalling state of affairs. This area is where New Zealand earns its living. It is where New Zealand has the competitive edge; it is where New Zealand is able to make its way out there in the world. What is the impact of that, and of other cuts? Last week we lost 36 jobs in AgResearch. They were in the wool and meat industry areas. The wool industry, a $700 million industry, now does not have the research it needs in order to grow that industry. Elizabeth Tennet of Textiles New Zealand says: "It's not good enough to say because farmers voted down their wool levy, this justifies destroying the innovation and research and development in the wool industry in which New Zealand has been a world leader. Anyone can cut and burn, it takes leadership to build." It takes leadership to build. We have heard a lot today from the John Key - led Government about John Key's leadership. But in this vital area we have seen the wool industry left stranded without the research and development that it needs in order to develop. The future of the wool and garment industry requires and relies on innovation, design, and branding, and on marketing our natural, "clean, green" image, as Elizabeth Tennet states. It relies on developing the quality textiles, carpets, and lifestyle products that we are becoming famous for. That has gone. It has disappeared as a result of Government cuts, the Government's inability to stand up and lead, and its inability to put money behind the wool research that AgResearch desperately needs.

The Government's research effort has no leadership, no plan, and—we are about to see—no money. We can contrast that with the Fast Forward Fund, which the previous Labour Government put up in its last year of office. It was $700 million that was transferred into the Government coffers. It was no fiction, unlike what Mr English likes to point out; the fiction is the Primary Growth Partnership.

TODD McCLAY (National—Rotorua): What an enjoyable debate this has been, over the last hour or so! I have been listening to members from both sides of the House.

I can sum it up pretty quickly. On this side of the House there is direction, confidence, and a plan for action. On the other side of the House—well, we will come to that in a moment.

Members opposite are very, very confused, are they not? We have heard members opposite talk about tax, spend, and borrow. That is all they have for the New Zealand public. After 9 years in Government we are still hearing the same old thing—tax, spend, and borrow. Of course, we did hear about the re-branding that Labour is going through. Not only is it about going out and listening to everyday New Zealanders; it is also about re-branding. How do Labour members want to brand themselves? They want to be funky and they want to be cool. There is a bit of metro in there, and certainly a lot of retro. They said they needed to be creative as well, but they left out the words "desperate" and "lost". After the results of the last poll I see a bit of depression amongst them, and certainly they look a little bit sad.

What we get from members opposite is "borrow big and hope for the best". If they ever found their way back into Government, their "borrow big and hope for the best" strategy would lead to bankruptcy—not just for everyday New Zealanders but for the Government's accounts. The poll results of the last few days tell us that New Zealanders recognise that fact, but the last people in this country to work that out are the members opposite. Long may that continue, I suggest to them.

I want to talk for a moment about taxes. As I said, Labour members have said that if Labour came back into Government it would raise taxes and borrow more. No amount of cosmetic surgery can hide the fact that Labour's reckless economic policies are stuck desperately in the past. But I will give Labour a little bit of credit where it is due. Labour has a twin-pillars policy for the economy—that is, more debt and higher taxes. I say to the House, and to anybody else out there who may be listening, that if Labour came back into Government it would put taxes back up.

In Labour's 9 years in Government it promised to give tax cuts. It did not deliver, although it gave us the "chewing gum tax cut", which was enough to buy some chewing gum. But then it took that tax cut away, as well. At the very end of its 9 years, when the last bit of life was almost dragged out of the old dog, almost at its very death, it gave us a tax cut, but that was too little, too late. The Leader of the Opposition, Phil Goff, and his finance spokesperson would mortgage our families' futures to pay the bills—it is all about borrowing.

After 9 years in Government Labour was dragged, kicking and screaming, into giving tax cuts. Members opposite have reverted back to type extremely quickly, and they are calling for taxes to be increased. On *Breakfast* this morning the Leader of the Opposition, Phil Goff, said that Labour would reverse any tax cuts that the National Government delivered. I repeat that Labour would reverse any tax cuts that the John Key Government delivers. It would leave GST at 15 percent and would continue to borrow. What a strategy! What a policy for disaster!

Earlier in this debate Pansy Wong spoke about ethnic New Zealanders. She said they are aspirational. The ethnic New Zealanders in my electorate are aspirational, and the polls show us that that is the case. She told us that ethnic New Zealanders want to do better, they want tax cuts, they want a fairer society, and they want rewards for their hard work. They are getting that from this Government, and the polls are telling us that things are very good for the Government.

Cam Calder also spoke about the previous Labour Government. He was right in part, but I want to correct him slightly. He said that if something moved, Labour members taxed, if it continued to move, they regulated it, and if it stopped moving—well, he was wrong. If it stopped moving they gave it welfare. There was a lot of stoppage in our country over those 9 years. This Government is focusing on what New Zealanders can

do, not on what they cannot do. We are backing everyday New Zealanders and helping them to get on with their jobs.

Kanwaljit Bakshi spoke about the Indian community in New Zealand. He said they feel they have a secure future. They are confident in John Key and our Government. They recognise that we have done a lot of work in the area of law and order. They know we will do a lot more. They are confident that the economy and the economic future of New Zealand will get better. Mr Bakshi quoted them directly. They said: "Thank God Labour is gone.", and, by golly, it has gone.

I want to talk for a second about Labour's "Axe the Tax" bus trip. Phil Goff used taxpayers' money to drive all over the country in a big red bus, and the slogan was "Axe the Tax", but it should have been "Keep the Tax".

The debate having concluded, the motion lapsed.

URGENCY

Hon GERRY BROWNLEE (Leader of the House): I move, *That extraordinary urgency be accorded the introduction and passing of the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill*. The bill's title is somewhat self-explanatory. This move has been taken in the interests of public health, and the speeches that I am sure will come from members across the House will indicate the feeling that this move should help to stem the large numbers of people who are taking up smoking, and to encourage many of those who smoke to stop; in saying that, I know that I am straying into the debate. Procedurally, it is desirable that this bill is passed as quickly as possible in order that it can be given assent and that new tax provisions can be applied.

Motion agreed to.

EXCISE AND EXCISE-EQUIVALENT DUTIES TABLE (TOBACCO PRODUCTS) AMENDMENT BILL

Procedure

Hon GERRY BROWNLEE (Leader of the House): I seek leave for the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill, after its second reading to be set down for third reading forthwith, without debate.

Mr SPEAKER: Leave is sought for that course of action. Is there any objection? There is none.

SITTINGS OF THE HOUSE

Hon GERRY BROWNLEE (Leader of the House): I seek leave for the dinner break today, notwithstanding the provisions under the extraordinary urgency arrangements, to be from 6 p.m. until 7.30 p.m.

Mr SPEAKER: Leave is sought for that course of action. Is there any objection? There is none.

EXCISE AND EXCISE-EQUIVALENT DUTIES TABLE (TOBACCO PRODUCTS) AMENDMENT BILL

First Reading

Hon TARIANA TURIA (Associate Minister of Health): I move, *That the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill be now read a first time.* There are only a few matters before this House on which one could stand with one's hand on one's heart and declare that this was a life-and-death debate. The rationale for increasing the tobacco excise is very much in this arena. It is purely and simply about saving lives.

I come to this bill with many mixed emotions. As an Associate Minister of Health, it worries me greatly that about 21 percent of all New Zealanders over the age of 15 years are smokers, and that many smokers are younger than that. In basic terms one in five New Zealanders are regular smokers. It is irresponsible to dismiss this as a recreational pastime, to minimise the impact of the harm caused by justifying tobacco use as a private pleasure that one should be free to indulge in in the privacy of one's home, and not to acknowledge the addictive nature of this tobacco use. Exposure to smoking in the home and tobacco use itself result in a staggering figure of around 5,000 deaths a year. In graphic terms I can put some names to these numbers, simply by walking along the gravesides of our family urupā.

The focus of this legislation, tobacco use, is the single-largest cause of preventable death and chronic illness in this country. It would be a foolish Government that ignored the economic and social repercussions of this relentless killer, yet for too many years it appears that we have been prepared to turn a blind eye to the crisis that afflicts our communities right throughout this land. Actions have been infrequent and erratic. Years have elapsed while we have debated minor changes. In all that time the death toll has kept on rising, with New Zealanders dying prematurely from smoking-related illnesses that show no mercy. We cannot stand by and be oblivious to the pain that strikes too many families. These early deaths are completely preventable. The science tells us that on average, a smoker loses 15 years of life.

It is no news to anyone in this House that tobacco is the leading cause of the life-expectancy gap between Māori and non-Māori. It is soul-destroying to know that one in two Māori women smoke. The disproportionate impacts of heavy use of tobacco on Māori are etched into the lives of many w'ānau. During the period 2000 to 2004 lung cancer was responsible for over 31 percent of Māori cancer deaths. During that same period cardiovascular disease, including heart disease and strokes, resulted in Māori death rates that were twice as high as those for non-Māori, and deaths due to respiratory disease were three times more frequent in Māori than non-Māori.

It is impossible, in that context, to come to this debate with views about the nature of the product per se. Day on day, approximately 13 New Zealanders die from smoking. They die from lung cancer. They die from heart disease, from strokes, from chronic obstructive pulmonary disease, from emphysema, from chronic bronchitis, and from cancer of the mouth, pharynx, and oesophagus. They are dying from a habit that we can do something about, so today we are taking this action in order to save lives.

I was by my mother's side when we received the diagnosis that her cancer had progressed to such a stage that she might have 6 months to live. My mother had been a heavy smoker for some 40 years, but even though we all understood the risk that comes from smoking-related illness, there is nothing quite as traumatic as having to sit and watch the life of a loved one slowly drained. My cousins and I were raised by my grandmother. Every single one of those cousins has died from smoking-related illness. I am the only one still alive of those who were raised by my grandmother. This story—my story—is not an isolated, individual case. For the sake of our future, we must act.

This bill is part of a coordinated range of measures that target tobacco use as a leading cause of preventable death in New Zealand. Independent research studies have established the impact of price rises on smoking prevalence and tobacco consumption. Raising the price of tobacco is probably the most powerful tool to reduce smoking. International organisations, from the World Health Organization to the World Bank, recommend that countries use tobacco taxes to increase the price of cigarettes and counter the global smoking epidemic. It is very simple: all smokers who buy tobacco will face price rises. The more that someone smokes, the more that he or she will pay, and the bigger will be the incentive for him or her to quit. The Government is concerned

that cigarette prices have plateaued in recent years and that the reduction in cigarette consumption has also stalled. That is why we are putting up the tobacco excise in three steps of 10 percent over the next 2 years.

The Government is also concerned that roll-your-own tobacco is increasingly being seen as a cheap alternative. That is why we are putting up the excise on loose tobacco by an additional 14 percent, to equalise the excise weight-for-weight with that payable on manufactured cigarettes. Roll-your-owns are no safer than tailor-made cigarettes, and may indeed be more harmful, because roll-your-own smokers will often inhale deeper than others in order to make the cigarettes go further—or so I am told.

This issue is of such severity that we must accord it urgency. I personally regret, given the circumstances, that I have been unable to give other parties sufficient advance notice prior to the introduction of this bill, but I feel assured from previous statements made by the parties around this House throughout the years that all of us understand the perilous situation that we face. The stakes are too high. We must act decisively, and this bill is an important step on the pathway forward. I commend this bill to the House.

Hon RUTH DYSON (Labour—Port Hills): It gives me a great deal of pleasure to speak in the first reading of the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill, and to say that Labour will be supporting this legislation throughout its passage, just as we support the urgency that has been accorded to it.

I will begin by congratulating the Associate Minister of Health Tariana Turia, who has just resumed her seat. This is a huge step forward in health promotion for all New Zealanders, but particularly for Māori, and I say to the Minister that I admire her ability to achieve this step. I am not quite sure how that has happened, and I am not quite sure that the Minister knows how it has happened, but she is certainly worthy of congratulations. It is an issue on which she has spoken passionately before, as a former colleague of mine in Labour, and also in this House. I genuinely congratulate her and say that Labour will certainly support this bill throughout its passage.

The aim of this legislation is not to get more revenue, although that will be the accusation levelled. One of the issues that my colleagues and I will be following throughout the Budget process is watching where the money goes. When we have an increase in revenue that is primarily focused on health promotion, it is important that we can watch that money being directed into health promotion. I certainly wish all power to the Minister's arm in ensuring that our health promotion activities will be strengthened by the increased revenue that results from this measure.

But this measure on its own will be a health promotion, because we know that when the price of tobacco increases, the consumption of tobacco is reduced. Although we strongly support this move, and think that the Government has a moral responsibility to pass on the increased revenue to health promotion, we know that this measure on its own will decrease tobacco consumption, and that is a very good thing. There is very clear evidence that an effective way to discourage the consumption of tobacco is to increase the price. The figures that I have heard quoted and used in the House in an earlier debate is that a 2 percent increase is equivalent to a 1 percent decrease. A 2 percent increase in the price of tobacco is equivalent to a 1 percent decrease in the level of consumption. That figure has been used before, and I am sure that it has some validity.

A combination of the increase in price, the increase in excise duty, more public spending on anti-smoking education programmes, more support for people not to start smoking and become addicted, and more support for those who want to quit, has been maintained in New Zealand when different parties have been leading our Government. That combination has ensured that New Zealand, like many other countries, has been successful in substantially reducing the number of people who smoke in our country.

But even with that success, tobacco smoking is still the single largest cause of early death and, more important, of avoidable death within our nation.

I took the opportunity just a few moments ago to look back on an earlier debate in which Sue Bradford spoke. I commend Sue Bradford, and I bet that she is listening to this debate and wishing she were here. This will be one of the rare moments when Sue would wish she were back in the House. She gave a very strong contribution to that debate, and I know that the Green health spokesperson, Kevin Hague, will do the same, because he always does when he contributes to debates in the House. Sue Bradford, in the debate on this very issue in 2000, talked about the link between smoking rates and people on low incomes, including people who were beneficiaries, people who had poor mental health, and, increasingly at that time, young Māori women and Pacific Islanders.

I remind the House of Sue Bradford's contribution in that debate and also of the fact that her contribution remains relevant to this day. We have a higher number of people on low incomes, people on benefits, people who are in low-income work or in precarious employment situations, and people with more mental health issues. They are the people whom this bill is designed to help. They will find it harder on a low income to purchase tobacco, and they will have all of the resulting problems when they are withdrawing from addiction. It is in that regard that I urge the Government to ensure that support is given to people who are smokers to move off the consumption of tobacco. It is too hard for many people if that help is not given, so I urge the Government to consider that as the next part of the package.

I also had the opportunity to read a very interesting contribution in the debate in 2000 from the Hon Bill English. I will just take a little bit of the House's time to share Mr English's contribution in the debate. He began by saying—

The ASSISTANT SPEAKER (Eric Roy): If the member is quoting from *Hansard*, then she must quote the page number and the volume.

Hon RUTH DYSON: In referring to what Mr English said, I am quoting from *Hansard*, Volume 583, at page 1987. The volume is dated 4 April to 18 May 2000. Mr English stated: "Mr Speaker, if you ask me to give you the reasons this bill was introduced, I cannot think of any." Then he explained that that was not his responsibility. But he went on to state that he wanted the Government "to explain why this is such an urgent, vital matter of widespread public interest that this House has to take this legislation through all the legislative stages today. The Budget, … will be in 6 weeks' time." He stated that maybe the work had not been done and was not ready to go in the Budget. He said that the legislation should not have been put through all stages under urgency, but should have been put in Dr Michael Cullen's Budget, which was just a few weeks away. Well, I am sure that when National members get to their feet to contribute to this debate, they will be apologising for Bill English having such a shallow view on an issue that deserves the support of all parties in this House. Every member of this House should want to do everything he or she can do to promote better health for all our citizens.

Mr English went on to say "The Government can tell us why this legislation did not wait for the Budget. Why is the Government not using the time of this House to further its programme? All these members could be in their electorates doing more useful work. Why does it not have in front of this House its widely signalled initiatives, all the things it was going to do …". Instead, Mr English said that the Government was putting the legislation through all stages of the House.

I know why the National Government is not using the opportunity of this particular debating time to further its own initiatives. The reason is very straightforward: it does not have any. That is the reason. But because this legislation increases the price of tobacco, it is not just important but also a well-established tradition of this House that it

goes through all stages under urgency. We know that some members of the House will have heard of the introduction of the bill, and will now be up the road at New World stocking up—having had the advantage of advanced warning of the increase—as other people are also entitled to do. But that is the reason why we are putting all parts of the legislation under urgency. The legislation increases the price of a product that is publicly available.

I will conclude by saying that about 4,500 New Zealanders die every year from smoking-related diseases. Thousands more suffer the long-term health consequences of smoking. Thousands have heart attacks and survive, but live with a lower level of capacity. They have strokes, severe strokes, and can be incapacitated for years. Many thousands of New Zealanders have to endure very painful treatment for cancer. We know the impact and the effects that second-hand smoking has, particularly on children. When the Minister introduced this legislation, she said that it was very rare for this Parliament to be considering an issue that was literally about life-and-death. But this is certainly one of those occasions. It is not about raising more money. It is not a tax grab from the Government. It is not often that I have good things to say about the current Government, but I say that this legislation is not a tax grab; it is a genuine move to try to reduce tobacco consumption in New Zealand. It is a genuine move to improve the health of our citizens. I add, once again, my genuine congratulations to the Minister for pursuing this issue with such determination, with such staunchness, and for being able to achieve this result in our Parliament.

Dr PAUL HUTCHISON (National—Hunua): Thank you very much for the opportunity to speak on the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill. As other speakers have said, this bill is an incredibly important part of the jigsaw puzzle of reducing smoking in New Zealand. I pay tribute to the Associate Minister of Health the Hon Tariana Turia for her long-expressed efforts in bringing this legislation to fruition today, and to the National Government. Cabinet has agreed to equalise the tobacco excise by weight, resulting in a one-off 14 percent rise in excise duties on loose tobacco, as used in roll-your-own cigarettes. It has further agreed to increase the tobacco excise across all tobacco products by 10 percent immediately, and then by a further 10 percent in January 2011 and January 2012. This amendment bill is sponsored by Tariana Turia.

It is interesting to note that "Tobacco taxation has been shown to be one of the most effective means of encouraging people to quit smoking, or at least to cut down." Those were the very words of Annette King back in 2000, when a similar bill was passed under urgency. I note and acknowledge that the Māori Affairs Committee is currently carrying out an inquiry into tobacco control, and I understand that it has received many submissions that support the tool of an excise tax. Furthermore, the World Health Organization recommends that countries tax tobacco, to discourage tobacco consumption. There is a lot of evidence to show that this mechanism has worked, and in the past, if one goes through the various times when this has happened in New Zealand, one finds that there has been a decrease in consumption.

I think it is really important to recognise that the ban on smoking in bars and restaurants has become widely accepted in New Zealand, and that patrons largely welcomed those changes.

Hon Darren Hughes: Opposed by National.

Dr PAUL HUTCHISON: I must say that I was very much for that move. People up and down New Zealand say that it is extremely welcome. This debate is not about choice; smokers will still have a choice to smoke.

It is worthwhile bringing in the libertarian argument, because there is no doubt that basic libertarian philosophy advocates as much freedom as possible, provided it does no

harm. There is no question that not only direct smoking does harm but second-hand smoking does considerable harm. Therefore this legislation is one of the great public health tools that we can implement to cut down on a very, very concerning spectrum of conditions.

A combination of efforts has been made over a number of years and in a variety of ways in order to assist people to quit smoking. But the impact of an excise increase on tobacco is quite dramatic: a combination of triggering new quit attempts, preventing quit relapses, and dissuading new smokers. It is estimated that after 10 years there will be 40,000 fewer smokers and 300 fewer premature smoking-related deaths. After 20 years it is estimated there will be 80,000 fewer smokers and 600 fewer premature smoking-related deaths a year. It is interesting to note that the prevalence of smoking and tobacco consumption has dropped in New Zealand over the last 50 years. However, those declines have slowed significantly since 1990, and in the case of consumption have stalled since 2003. I again acknowledge that the Smoke-free Environments Amendment Act was a challenging piece of legislation at the time, but it has been much accepted throughout this country. The present legislation is being welcomed, as far as I can tell, by all parties. It is very heartening to have heard Ruth Dyson say that she supports the Government in this initiative.

It is interesting, historically, that the link between tobacco, smoking, and disease was not proven until the 1960s, when Sir Richard Doll, an epidemiologist from Oxford University, came through with quite unequivocal, evidence-based research to show those links. More recently this link has also been shown with marijuana smoking. Smoking not only affects the respiratory system by causing lung cancer, pharynx cancer, and lip cancer, but also causes an increased number of cases of heart disease, an increased number of strokes, and it badly affects people who have chronic obstructive respiratory disease. It also affects unborn babies, who can be profoundly affected with intrauterine growth retardation, and, of course, young infants can have chronic chest infections made much worse if they are brought up in a smoking environment.

I saw this firsthand as a pathology resident in the United States. If anyone wants to see an image that will make them quit smoking or wants an abrupt session on the effects of smoking, I suggest that that person cuts open the body of a chronic smoker who has died from chronic obstructive airways disease. That person will see a black lung; it is a horrific sight. Later on, as a specialist obstetrician, time and time again I had the spectre of growth-retarded babies of mothers who had smoked heavily throughout their pregnancy, and, clearly, had given their infants a very poor start in life—they would be unable to achieve their full potential.

There is no doubt that the bill has a very, very solid basis behind its being introduced into the House today. There are concerns about whether it will affect lower socio-economic groups more than others. But the Government has put in place a considerable amount of money towards efforts to help people quit smoking. In fact, this year $57 million was provided towards tobacco control and smoking cessation services, including nicotine replacement products and prescriptions to help smokers quit. The bulk of this money funds Quitline and other specialist services targeted towards helping people to quit smoking, and focuses on Māori, Pacific, and pregnancy services. There is also funding for training, education, research, monitoring, evaluation, and media campaigns.

The financial costs associated with this bill are quite staggering. The health costs are billions of dollars every year, and of course the amount raised from the excise tax will go up to over a billion dollars a year. But the sad thing is that smoking continues, when quitting smoking would prevent a whole array of crippling conditions, such as the ones I mentioned before—lung cancer, strokes, and many others. Hopefully the provisions in

this bill will stop young people from taking up smoking in the first place. It is an extremely positive move to help people stop smoking. Thank you.

Hon ANNETTE KING (Deputy Leader—Labour): I am very pleased to be able to speak in this debate today in support of the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill. I commend the Associate Minister of Health Tariana Turia for introducing it into Parliament today. I acknowledge that she has been a long-time opponent of tobacco. She has fought for many years for measures to reduce the consumption of tobacco, and I congratulate her on bringing this bill to the House.

I also thank Dr Hutchison for his speech today; as a doctor he would be more aware than many others of the impact of smoking. But I do have one tiny little dig to say to Dr Hutchison—what a difference a day or two makes! He might remember that when I was the Minister of Health in 2000 and I introduced a bill to increase excise duty, he said "The real concern is that the bill was brought into the House by the Labour-Alliance minority socialist Government without any warning under extraordinary urgency." That is just a gentle reminder to say that when a bill like this is brought in, it probably is sensible to bring it in under extraordinary urgency and pass it through all its stages. Otherwise what could happen is what happened once when a former National member of Parliament thought the price of petrol was going to go up, in a Budget. He rushed out to fill up his car with petrol, only to find that the Budget actually reduced the excise on petrol. So I think it probably is a good idea, I say to Dr Hutchison, to pass this bill under extraordinary urgency, which we are doing today, and which we are supporting.

Let me get back to the bill. I have been a long-time advocate for tobacco control, even in a time before it was popular. I think, probably, from a health background, I was well aware of the impact of smoking, and like Minister Turia I was also aware of the impact of lung cancer in terms of a family death.

New Zealand has been a long-time leader in tobacco control. In fact, we were one of a handful of countries that were leaders in the Framework Convention on Tobacco Control at the World Health Assembly. I was fortunate over a number of years to represent New Zealand as we negotiated, and finally passed, that framework convention. New Zealand signed up to it, as did practically every country in the world, and we have put in place measures to reduce not only the prevalence but also the consumption of tobacco. I ask members to think back to the first real piece of legislation that tried to control tobacco. It was in 1989-90, when the Rt Hon Helen Clark as Minister of Health brought in legislation to restrict smoking in the workplace. That was seen to be a dreadful bill; it was campaigned against by many people, including members in workplaces themselves. If we move forward 20 years to see what a difference there is today, we see that it is widely accepted that smoking cigarettes is bad for you and bad for the population. What a big change in attitude over that time!

Although as a country, and in an international forum, we have been strong in terms of our advocacy against the consumption of tobacco, unfortunately we still have a very high rate of prevalence and consumption of tobacco in New Zealand ourselves. When we compare ourselves with our neighbours in Australia, we see that our smoking rates are still considerably higher than those in Australia. We have seen a slower drop in both consumption and prevalence than we would like, particularly amongst Māori and Pacific people, and that has to be seen as an area where we need to do a lot more work. I think Minister Turia is correct when she says she hopes this will have an impact, particularly on Māori in terms of reducing their smoking.

When we look at the prevalence of smoking, we see that in 1986 about 30 percent of New Zealanders were smokers—prevalence referring to those who were smoking in the population. In 2008 it was 22 percent. That was not a big drop over that period of time from 1986 to 2008, and that is one of the things we are concerned about. Also, when we

look at tobacco consumption, which is the amount that is being smoked, we see there has been little drop since 2003—it almost flat-lined in terms of prevalence. Then if we look at when we did have some drops, and I suggest that people who have not read the *Social Report* from the Ministry of Social Development should do so—in fact, it does look at the matter, under cigarette smoking—they will see that in 2000, when we increased the excise on tobacco, there was a marked drop in the consumption of tobacco. It then slowly crept up again until there was the second excise increase under the previous Government, and once again it dropped, and then it just flat-lined. So since about 2003-04 there has been almost no change in the amount of tobacco that New Zealanders are consuming. I think that shows pretty clearly that it is price sensitive. If we increase the price of tobacco, people will stop smoking.

What is good about this bill is that the price is being increased over a period of years. It is not a one-off hit; it will increase over a number of years. It will be on loose tobacco. An issue has been that we have concentrated on tailor-made cigarettes and have not put the same emphasis on loose tobacco. This is an increase on loose tobacco, and there will be a series of increases over a number of years.

The truth is—and I think these are some of the really sobering facts about smoking—that around 5,000 people die from smoking-related diseases annually in New Zealand. In fact, all cigarettes are deadly for New Zealanders if people take them as prescribed on the packet. If people take them as prescribed on the packet, then every single one of them is deadly. It is not quite the same as one alcoholic drink that someone might have. Alcohol is a big problem for New Zealanders, but every cigarette a person has, as it is prescribed on the packet, is bad for him or her. The children of parents who smoke are three times more likely to be smokers. If we can stop people smoking or get them to give up before they influence their children, then their children are more likely to not smoke.

It also robs our loved ones of 15 years of life if they smoke—15 years. As people get a little older, if they are lucky enough to have grandchildren, they realise how precious 15 years would be in terms of seeing that grandchild, or their grandchildren, grow up, and being lucky enough to be involved in their lives. People are robbed of 15 years if they continue smoking. As I have said, roll-your-own cigarettes are just as deadly as tailor-made cigarettes.

So the price is able to reduce the prevalence and consumption of tobacco. Hopefully, this will help do that. But it also means that we will have to keep up the fight against smoking. This is not a panacea. This is just part of the number of tools that we would use against smoking. I was very pleased that when Labour was in coalition with the Green Party we were able to bring in smoking-cessation programmes, particularly around nicotine patches and so on, that were affordable to New Zealanders, to help them.

If I remember correctly, and Minister Turia can correct me if I am wrong, about 30 percent of people who smoke are addicted to tobacco; the rest are heavy smokers. For those who are addicted, they need help. That is why in our tool box we need to have the excise increase, assistance for people who want to give up smoking, and ongoing public health education. I think that that three-pronged attack will help bring down our smoking consumption in New Zealand. I do not believe that many members of this House today would not support that. We want to see New Zealanders live longer. We do not want to continue to see the cancers, respiratory diseases, and cardiovascular diseases that come from smoking, along with things like sudden infant death syndrome, which is related to smoking, and the respiratory problems we see in children.

I commend Minister Turia for bringing this to the House. I know that it is not the end of her work, and that she will be very happy when we also control the display of tobacco in dairies and supermarkets.

KEVIN HAGUE (Green): I begin by learning from Paul Hutchison's experience, and saying that the Green Party understands the reasons for extraordinary urgency on this occasion and supports it. It will be my great pleasure to support the Excise and Excise-equivalent Duties Table (Tobacco Products) Bill. It is an honour to speak in the same debate with the Hon Tariana Turia, the Associate Minister of Health—and I congratulate her—and the Hon Annette King, who also played a really important role in this country's progress against smoking.

Other speakers have commented on the size of this problem. We are talking about the single greatest cause of premature death in this country, causing somewhere between 4,500 and 5,000 unnecessary deaths each year. I take the point that Ruth Dyson made about the increased morbidity associated with smoking. I live on the West Coast and I have had responsibility for the West Coast's health services. I report that the West Coast has one of the highest rates of cigarette smoking in New Zealand. When I was responsible for the West Coast health services, there was constant frustration for me that so many people were dying unnecessary premature deaths. Much of our health service resources needed to be invested in caring for those people, and were therefore unable to be used for other purposes. I am sure that the West Coast will welcome this move.

I also comment on inequalities. The incidence of cigarette smoking is a major reflection of inequalities in New Zealand. According to data from last year, our overall smoking rate amongst adults is 21 percent, but for Māori it is over 45 percent, and for Pacific people it is over 31 percent. That is a major reflection of inequalities in this country. Further, in relation to socio-economic status, people in the most deprived areas are more than one-and-a-half times more likely to be smokers than those in the least deprived areas. So smoking is a major reflection of socio-economic and ethnic gradients in this country.

There is some good news: overall, smoking rates are declining. Consumption of tobacco products reduced by a third in the period from 1997 to 2008, which the Hon Annette King referred to. That is good news. Also, half of 15 to 19-year-olds in 2008 had never tried smoking. That was a very significant increase on the 39 percent in that category just 2 years earlier, in 2006. We are making some really good progress, so now is the time to ramp up our momentum, not to ease off; I commend the Associate Minister of Health for her initiative in this area.

We are also learning a lot about what makes a difference and about how to do this better. Certainly, nicotine replacement therapy, as the Hon Annette King just referred to, is one of those things that makes a difference. On average, a person will make seven attempts to quit before he or she is successful, but each of those attempts is twice as likely to succeed if nicotine replacement therapy is used. That is a really important piece of information. In relation to this bill, we know that price is an effective mechanism in changing demand. On several occasions now we have referred to the 2000 increase—Paul Hutchison and Annette King referred to it. In 2000 the excise tax was increased by 20 percent and smoking rates dropped by 18 percent. That was a very clear demonstration of that link: increasing the price is effective in reducing demand.

As Annette King talked about, we know that other things would also be successful. I certainly look forward to this House debating a comprehensive range of measures to effect the biggest hit that we can possibly make in tobacco control. The display of tobacco products is an issue that would clearly make a significant difference. The restriction of outlets at which tobacco products are available would also make a difference, as would the extension of the Smoke-free Environments Act into other areas.

All these areas would make a significant difference, and we should be debating and pursuing them. Interestingly, the content of cigarettes is also an area that could make a significant difference.

I particularly pick up on Paul Hutchison's reference to the Doll and Hill study from, I think, 1956, which made the conclusive link between cigarette smoking and lung cancer. Effectively, that was the birth of a health education approach for our modern era to try to deal with some of the health problems we face. It seemed kind of obvious: if a behaviour is the cause of ill health and other behaviours are available to a person, then if we provide more information about the positives and negatives, and more education, people will choose the healthier option. That is the theory, and it is completely wrong. It kind of works for those who have a greater sense of control over their own lives; certainly since 1956 we have seen that in the higher socio-economic grades. Amongst Pākehā New Zealanders, for example, smoking rates have declined extremely substantially, but less so amongst Māori, less so amongst Pacific people, and less so amongst those who are the most socio-economically deprived. Why is that? It is because this behaviour is not really a choice, as with so many of our behaviours.

Health status reflects a couple of things. It reflects the level of empowerment of a particular community, and it reflects the kind of environment that surrounds that community. Health promotion says that if we want to make a difference we need to empower communities, especially those that are the most deprived, and we need to create environments that facilitate better health outcomes. We do that through community development, we do it through creating healthy public policy such as this bill, and we do it through personal skills and reorienting health services. I look forward to those things being included in our comprehensive approach.

The other point to make is that although we are adopting this approach to tobacco in the House today—and it seems that we might have a near consensus on that point—tobacco is one of three big issues that have a really huge effect on New Zealanders' health status. One of the other two that I draw attention to is the kinds of foods that we eat and the exercise that we do, which contribute to cardiovascular disease, cancer, and many other causes of ill health and death. The other is alcohol. It is an extreme irony to me that in the House today we are debating a systematic approach of increasing the excise tax on tobacco, which we know will have an effect on tobacco consumption and will improve New Zealanders' health status, on the day that the Minister of Justice has ruled out an increase in excise tax on alcohol. We know those excise tax increases would reduce alcohol consumption and would improve New Zealanders' health status. There is an irony. I hope that as a Parliament we are able to learn from this case study and to extend that approach of regulation—a regulatory approach to improving health—to those other areas. If we can learn, then the gains that we can make will be extremely substantial.

I again congratulate the Minister and the Government. The Green Party will support the bill.

RAHUI KATENE (Māori Party—Te Tai Tonga): In the 2008 election campaign, one line in the Māori Party policy statement established a precedent for this legislation today. That commitment was to introduce a "Tobacco out of Aotearoa Bill". Today the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill expresses our heartfelt commitment to saving lives. I congratulate Tariana Turia on having the courage and foresight to do what she knows is right, to do what we all know is right. It is not right to lose our loved ones prematurely, to chop 15 years off their lifespans—lifespans that in the case of Māori are already less than they should be. It is not right that too many children are growing up vulnerable in their own homes to the

impact of smoking-related illness and premature death. It is not right that too many babies are being exposed to tobacco-related harm in utero. The bill is long overdue.

The Māori Party celebrates the fact that we know of the amazing potential this bill offers for Māori communities to benefit. The rate of smoking amongst Māori is about double the rate for the rest of the population, and a disproportionate number of Māori die prematurely. Māori in all age groups have higher smoking rates than non-Māori. In particular, Māori women have the highest smoking rate of all groups, at 49 percent.

Another interesting fact that emerged from last year's study of Māori smoking and tobacco use is that 73 percent of Māori smokers use roll-your-own tobacco. The Associate Minister of Health has spoken of roll-your-own tobacco being seen as a cheap alternative. This bill now puts a stop to that perception. Roll-your-owns will now face the same tax rate as tailor-made cigarettes.

I have no doubt that, given this profile of Māori smokers, today's moves will not be universally popular within our constituency. Indeed, no doubt I will have a job to explain this development to my own son and daughter, who are smokers. I am not sure that the answer "mother always knows best" will work with them, nor might that other well-known slogan "it is for your own good", but we are standing right behind the Minister and the Government on this move because of our great love for our people. This policy places love on the agenda.

This policy places bread and butter on the agenda. If we assume that the average smoker smokes about 4,000 cigarettes a year, quitting completely would save that smoker around $2,100 a year now and around $2,700 in 3 years' time. That means more money for kai for the whānau. But it is about more than what money can buy. The whole purpose of this legislation is that people will be prompted to stop smoking. Even if an average smoker who cannot quit was to cut down by just one cigarette a day today and eventually up to three fewer cigarettes a day, then that would offset the price rises.

As I said before, however, we are not just talking about having more cash in the pocket; there is a massive cost to the system, as well. An estimate in a 2007 study on tobacco taxation in New Zealand suggested that the cost of smoking to the health system was between $300 million and $350 million per year. However, I understand that some more recent estimates have put that figure up as high as $1 billion to $1.6 billion per year. That massive cost to taxpayers could be put to a much better use than seeing good money literally going up in smoke. But it not about just how much this will cost. The Māori Party supports an increase in the price of tobacco first and foremost because of the substantial health gains that can be achieved. We will support any intervention that reduces the number of premature deaths, illnesses, and hospitalisations related to tobacco use.

A decade or so ago our co-leader Dr Pita Sharples was the poster boy for a campaign called "It's about whānau". The campaign featured 12 ex-smokers describing their motivation for giving up. The campaign focused on the well-being of the whānau by supporting whānau members who smoked to quit and to stay quit. I can remember Pita's advertisement in particular. It described his reasons for giving up as being all about his mokopuna. It is a powerful message that we must continue to uphold. Our marae are deprived of far too many Māori leaders, of kuia and kaumātua. We lose our people too early and, with that, we lose the transmission of vital knowledge about whakapapa, our cultural heritage. We must be smoke-free if we are to fully explore our potential.

There has never been a better time for this tobacco tax increase to happen. The support and strength that whānau will need to live a healthy, smoke-free lifestyle is totally consistent with the need for investment in whānau that we see associated with the flagship policy of this Government: Whānau Ora.

The Māori Party acknowledges the significance of the whānau and the importance that Māori place on the maintenance of our whakapapa as a very powerful resource in helping whānau to be auahi kore. To my son and my daughter, I say that it is all about whānau. Together, we can support each other to quit and support our rangatahi to never start. We must ensure that smokers are part of the solution, and ensure that we restore to our whānau the respect that we must place on the first breath of life. It will not be easy, but who ever said that sitting by a hospital bed and watching a relative suffer from lung disease was easy? Where is the joy in counting off the cousins with cancer of the lung, head, neck, oesophagus, pancreas, and cervix, and with heart disease? The key challenge for us all across this Parliament is to get in behind this new bill and promote the value of staying smoke-free.

The Māori Party believes that the Government has a vital role in encouraging New Zealanders to quit smoking. I recall that a survey from the Health Sponsorship Council in 2008 found that some 63.9 percent of all people and 29.5 percent of current smokers agree that the tax on cigarettes and tobacco should be increased and that all the extra money should be used to help smokers who want to quit. We want to see funding for smoking cessation services increased to help smokers to quit, including specific services designed for Māori and Pasifika peoples.

This is a very important day for all our whānau. It is a day on which we live up to the promise that is in all of us for a healthy, smoke-free future. We are proud to support this bill.

Dr JACKIE BLUE (National): I am proud and privileged to rise to speak to the first reading of the Excise and Excise-equivalent Duties Table (Tobacco Products) Bill. As a former doctor and an ex-smoker, I think this is a courageous and bold step by the Government. I congratulate Minister Turia and the National Cabinet on agreeing on this bill passing through the House, and I am delighted it has the support of other colleagues in the House.

Colleagues will be interested to know that I started to smoke when I was 16 and I eventually stopped when I was 30. I smoked through university, I smoked through medical school, and I smoked through the hospital wards. I stopped by the time I was a general practitioner. I had cancerous and diseased lungs paraded in front of me when I was a medical student, and when I was on the hospital wards I saw emphysemic patients and patients dying of lung cancer. That did not stop me from smoking; that is what addiction does to people. I turned a blind eye. Of course, this all happened around the 1970s. Some warnings were coming to the surface but addicts ignored them and carried on puffing away. The warnings made me slightly uneasy, but I carried on. By the time I got to general practice, I decided it was time I should give up smoking and, fortunately, nicotine gum had come on to the market. Until then there was just cold turkey, and that was it. I had already failed on one attempt with cold turkey. To me, nicotine gum made perfect sense. We give the active ingredient of the addictive substance, which is nicotine, to smokers and we wean them off cigarettes, just as we do with drug addicts by using methadone. It made perfect sense, I took the nicotine gum, and it worked with me. Of course, it made me more proactive as a general practitioner when I had my patients who were smokers in front of me. I could relate to them. I knew what addiction was like, what the substance was like, and what it could do to someone's mind.

I know that the Hon Annette King made comments that a lot of people are just social smokers and are not addicted. I say that most people who smoke are addicted. There are a few social smokers who can stop at the drop of a hat, but they are few and far between. I think that most smokers are addicted. I was very active in talking to my patients who were smokers. I said: "Look, smoking will catch up with you some way and some how in the future if you don't stop." That is true, as smoking harms every

single organ in the body. We have heard tonight that it is responsible for up to 5,000 deaths per year and that includes those from heart disease, cerebrovascular disease, lung disease, and lung cancer. It damages the blood vessels and in particular the small blood vessels. It affects the blood vessels in the feet, it causes peripheral vascular disease, eye diseases, and so on. It affects every single organ.

Action on Smoking and Health (ASH) made a comment on one of its fact sheets that 50 percent of regular smokers are killed by their addiction and on average they lose 14 years of quality life. That is a staggering statistic—50 percent, or half, of all regular smokers will die from smoking and will lose quality years. Of course, we know that Māori are overrepresented in the statistics. Once again, I congratulate Minister Turia on pushing through this legislation, and the National Ministers who have supported her.

Then there is the cost of smoking to society and to New Zealand as a whole. In 2005 it was estimated that smoking cost almost $2 billion in lost production from early death, morbidity and illness, smoking directly, and healthcare costs. Fortunately I had nicotine gum when I decided it was time I had to practise what I preached and gave up. Now, there are many nicotine replacement options available for those who want to give up. There is gum, there are transdermal patches, and there are sublingual tablets, inhalators, and nasal spray. There are also subsidised pharmaceutical treatments. I am sure there are a lot more out there that need to be funded, and this bill may be the catalyst for that to happen.

In total, $57 million has been put into cessation products and organisations that help those who want to stop smoking. The research proves that increasing the price of tobacco is the single most effective way to get people to stop smoking or to not even start in the first place. This bill will increase the excise on tobacco in three steps of 10 percent over the next 2 years. We know that excise on loose tobacco has traditionally been much lower and that will also increase by 14 percent to bring it into line with cigarettes. This is not a revenue-gathering exercise—absolutely not. This is, as the Hon Ruth Dyson said, about health promotion, about changing lives, and about saving lives. I acknowledge the very important work of Quitline. I expect it will be very much busier as a result of this bill. People can phone or text the organisation, they speak to an adviser, and they get a quit pack and a quit card enabling them to get subsidised nicotine replacement from chemists.

This is a wonderful step. It was the most logical step for this Government to take. We know that the ban on smoking in bars and restaurants has been widely accepted. There has been a change of mood. People accept that. Most smokers now are not in denial, as I was for those 15 years when I smoked. Most people accept that cigarettes are harmful to them and cause illness and death. The sincere hope from this Parliament tonight is that increasing the price of cigarettes will stop people smoking and stop young ones from starting to smoke in the first place. I am delighted to speak to this first reading. It is a wonderful step by this Government. I congratulate Minister Turia and I commend this bill to the House.

Hon JIM ANDERTON (Leader—Progressive): This bill, the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill, which increases the excise duties on tobacco products, is being introduced under extraordinary urgency. I understand that. The House therefore understands that this issue is urgent, that no public debate is allowable, and that there is to be no select committee consideration. I happen to agree with what the Government is proposing, and I will support it.

This bill highlights the reasons why this step, in particular, is being taken—that is, to increase the price of a legal drug that is dangerous to the health of any New Zealander who partakes of it. The reason this bill is being introduced is that the price effect in

terms of tobacco is significant. If we increase the price of tobacco we reduce the volume of tobacco that is smoked.

There is a linear relationship, and many studies all around the world will show exactly the same thing for product after product. Unfortunately, if we look at the supermarkets of New Zealand we see that Coca-Cola is cheaper than water or milk. People buy Coca-Cola. Why? Because it is cheaper. It may well be disastrous for the teeth of the children who are drinking it—and it is—but nevertheless, because it is cheap, people buy it. That is why the price effect will be relevant in this case.

I have to say, however, that just 24 hours ago, within minutes of the Law Commission's report on alcohol being tabled in the House, the Government immediately, through Simon Power, the Minister of Justice, reacted and said it would not put up the price of alcohol. The Government did that immediately. It did not give any consideration to the report. The ink was not dry on the report when we were told that, no, the Government would not increase the price.

Would a price increase for alcohol reduce alcohol consumption? Yes, it would. It is a very effective means of doing so. I know that because I introduced a bill that increased the price of so-called light spirits—at 23 percent proof—which target young people. I was lambasted by the industry. Full-page ads were taken out against me personally, but sales of light spirits reduced by 85 percent, and they went off the market. That does not mean to say that alcopops and stuff like that are not still available, but those light spirits were lethal. They were 25 percent proof alcohol drinks, with vodka, brandy, gin, whisky, and so on. So we know that this 30 percent increase in the price of tobacco will be effective.

Mr Power said that a change in the price of alcohol would be unfair to all the people who drink alcohol. Well, I presume that an increase of more than 30 percent in the price of tobacco will be unfair to some of the people who smoke tobacco. I still agree with the increase, but it is amazing that one day an attitude can change from one position on the issue of alcohol to another position on the issue of tobacco, where we can really have a crack at them.

Chris Tremain: You might find that a significantly larger proportion of the population enjoy a glass of wine. What a stupid thing to say!

Hon JIM ANDERTON: Oh, I see. We will hear this. Here is the industry line. I can hear it. Mr Dunne is not here, so we have plenty of acolytes in his place. They are spouting the industry line.

It is true that 5,000 people die in New Zealand every year from tobacco smoking, and that makes this kind of measure significant and important. But what is there about the social, economic, and health problems associated with alcohol that makes alcohol different from tobacco? Is it a significant social and economic health cost? We just heard Dr Blue say that the cost of tobacco-related harm is $1 billion to $2 billion. The cost of alcohol-related harm to New Zealand is indicated by reputable economists and analysts to be in the order of $2 billion to $3 billion a year. That is at least as much as smoking and could well be more, so there is no problem about it being a significant cost.

Is drinking alcohol a health risk? Yes, it is. It is a very serious health risk, and the jury is coming in on that all the time. Are between 60 to 80 percent of all police arrests to do with alcohol abuse? Yes, they are. Are 60 percent of the people who are in our prisons affected by alcohol? The answer is yes. Yet we are told that we desperately need to pass through the House, under extraordinary urgency, a tobacco-related bill—which I personally support—a day after we were told that the price effect is not to be contemplated in terms of alcohol when, demonstrably, all the effects of tobacco use plus some additional effects are there in evidence before us.

The Government has had a knee-jerk reaction. Why is that? Well, the tobacco industry is on the ropes, so people are brave now. Dr Blue has said that she did not use to believe the philosophy behind this bill, and there are plenty of people like her on the other side of the House. Helen Clark pushed for a change like this when she was the Minister of Health, and she was pilloried for doing it. When was that—in 1990?

Hon Darren Hughes: Yeah—20 years ago.

Hon JIM ANDERTON: That was 20 years ago. She did not have too much support then, but now it is a brave thing to do. Why? Because practically everything has been done, and the tobacco industry has given up. It knows that it is a done deal.

The liquor industry has not given up. It is really into this issue, and it will fight it tooth and claw. The brave Government will take on the on-the-ropes tobacco industry, but it will not have a bar of taking on the liquor industry, which is now a much more significant and important problem than ever before. Will raising the price of tobacco reduce smoking levels? Yes, it will. Will raising the price of alcohol reduce the volume of alcohol consumed? Absolutely, it will, but we have seen no courage from the Government on that issue. So under extraordinary urgency we are passing this bill.

As for the Government's opposition to raising the price of the most dangerous drug in New Zealand, I have a word I could use but I am not allowed to use it in this House. So I will say that it is one of the most significant acts of double standards I have ever seen. One day a serious drug is not to be touched in terms of price, even though the price effect will be very effective—and I acknowledge that—and the next day an industry that really does not have a feather to fly with will be clobbered into the ground. The brave Government will take it on after all the hard work has been done, but it will not take on an industry that is still fighting tooth and claw to hang on.

I heard a representative of the hospitality industry this morning on *Morning Report*. He admitted that every single thing in the alcohol legislation that he agrees with is a vested interest of the industry. He said that. He said: "Yeah, it is a vested interest of the industry. I admit that. Yes, that is too, and that is too." The interviewer asked him whether there was anything that was not a vested interest among the measures he agreed with. The answer was no. Oh well, we understand where the industry is coming from. But Mr Dunne did not. He had to meet the representatives of the industry seven times, and he was not sure what they meant. He knew what Doug Sellman meant, and he would not meet with him, at all.

I support this legislation, but I have contempt for the Government. It is bringing in this legislation one day after it backed off completely from doing the most effective thing on alcohol. I have contempt for it—I am telling members now. To do something yesterday would have been an act of at least some responsibility. This bill about tobacco is an initiative that needed to be taken, and it needs to be taken regularly. I support it, but I contrast it with the completely mealy-mouthed approach we had yesterday on alcohol, and I am ashamed of the Government for that.

Hon Sir ROGER DOUGLAS (ACT): I start by congratulating the Associate Minister of Health on the reasons she gave for introducing the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill. The reasons she gave to justify the increase were based on health improvements for those who quit smoking as a result of this bill, and I believe that in essence that is the only way we can justify this particular legislation. She did not attempt to bring in other claims that the money raised would off-set the costs incurred by smokers or to the public health system, etc., and it is good that she was up front and honest in that respect. Having said that, there are a number of reasons why some ACT members—not all ACT members—will vote against this bill.

Essentially the legislation is not really good public policy. It is very much a tax on the poor. Cigarette taxes are highly regressive, and they disproportionately hurt poor people—poor smokers, that is, who continue to smoke. I guess the Minister would say that to the extent poor smokers do not smoke, she has made them better off. But that is at the expense, I might add, of poor smokers who continue to smoke. I think we need to think a little bit about that. The fact is that we cannot justify this measure, as some people might want to, on the basis that smokers are not paying for the costs of the extra health care that they or others receive; they are already paying more in tax than the costs incurred. A report in 2007, showed tax income was, I think, $980 million, and the expenditure was $350 million.

Dr Paul Hutchison: No, that is wrong.

Hon Sir ROGER DOUGLAS: Well, I will quote—and these are hardly biased people. The report I am holding is from the Smokefree Coalition and Action on Smoking and Health (ASH). I am quoting their document, and I do not think they would underestimate these figures. The report states: "Without trying to calculate a precise estimate of 'external costs' it does seem reasonably apparent that the tax contribution of approximately $1 billion annually by smokers exceeds substantially the external costs of smoking …" etc. I do not want to place too much weight on that, but it seems to me that what it really comes down to is that we have to weigh up the benefits that might flow from this bill against the individual freedom of adults to make decisions for themselves. We also have to weigh up whether the objectives of the bill can be achieved in other ways.

It seems to me that the "I know what's best for you" mentality is running out of hand in this legislature. Price increases aim to restrict the freedom of New Zealanders, especially the poor, to make their own choices on whether they smoke. We run campaigns and we try to influence them. We say that that approach has not worked as well as we had hoped, and therefore we will put up the price to a point where people cannot afford it. If we are going to do that, why not put it up by 600 percent? Why only 10 percent this year, 10 percent next year, and 10 percent the year after that? There is no logic. If that is the logic we are going to follow, why not put it up 500 or 600 percent? We would fix it at that point in time.

I guess why I come down against this legislation, and it really worries me, is that political life in this Chamber seems to be dominated by the view—held by many politicians in the National Party, the Labour Party, the Green Party, and the Māori Party—that the purpose of Government is to solve private problems. That is what we are doing. We say that some New Zealanders smoke too much, and therefore we are going to put up the price of tobacco. The problem with that approach is that our flight from individual responsibility never ends; in this country over the last 20, 30, and 40 years we have seen a substantial flight from individual responsibility. I have praised the Minister, but it seems to me that the Māori Party runs the danger of affluent Māori being seen to be telling poor Māori that they are unable to make their own decisions. I think that a lot of Māori people and a lot of Pākehā people who are poor know what they are doing, and they make those choices. They may make them wrongly in our view, but in my view they have the right to do so.

PAUL QUINN (National): The sudden end of the speech of the previous speaker, the Hon Sir Roger Douglas, took me a little by surprise. None the less this is a serious topic to address, and I am pleased to take a call on the first reading of the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill. I start by congratulating the Minister and the leadership of this Government on having the foresight to take this step. In congratulating the leadership, I also record my appreciation of the Labour leadership and that of the other parties for joining in

supporting this bill almost with unanimity, and for expediting its passage through the House. When I congratulate the leadership I include the shadow Leader of the House, Mr Darren Hughes. I feel he let himself down in the leadership stakes during question time, but he has recovered.

I make just some quick observations. The first is that there has been some commentary by some of the speakers from the Opposition benches about previous stances of National on this matter. I think it is worth recording that this is a new Government. It is a Government under new leadership with an outstanding Prime Minister in John Key. It is a Government in partnership with the Māori Party, with which it is working to achieve excellent social, economic, and cultural outcomes. Furthermore, it is worth remembering that, since this matter was last discussed, in 2000—and I note that a couple of members from the Opposition have quoted the *Hansard* from that time—two-thirds of the National caucus are new members. So I think it is unfair to go "back to the future" in that respect. It shows, as Jackie Blue indicated in her speech, that people change their views on matters. In this particular case, this is a new Government, and it has new members who have brought new thinking. This Government listens to its caucus and its Government partners, and that is why we have joined in a new direction.

I congratulate, along with Minister Turia, her colleague Hone Harawira. I know that smoking is a matter very dear to his heart. The tobacco inquiry being conducted by the Māori Affairs Committee is in very large part due to his persistence in calling for the committee to show leadership in conducting that inquiry. So I think it is appropriate that we also recognise his contribution.

I think it is also appropriate to canvass what the bill actually does, because, from listening to the speeches, I do not think it has been canvassed as well as it might have been. I will take just a minute or two to reflect on that. There is a three or four-step process in this bill, and the first step in the process is to increase the tax on raw tobacco—roll-your-owns and the like—to align it with the tax on tailor-made cigarettes. Just to bring home the message, I have here a small amount of analysis of the submissions that we have received. In terms of aligning the tax on roll-your-own cigarettes, 48 percent of submitters to the inquiry being conducted by the Māori Affairs Committee submitted specifically on aligning the tax on raw tobacco with the tax on tailor-made cigarettes. That is not to say that other submitters did not oppose that alignment; it is just that 48 percent actually commented on it.

Having aligned the tax on tailor-mades with that on raw tobacco, there is then a stepped process of increasing by 10 percent from 1 January 2011 "those duties as in force at the close of 31 December 2010 and either with, or instead of, any CPI indexation … on 1 January 2011:", and then with another step in 2012. In some ways, that again is supported very strongly in the submissions, to the extent that 68 percent of the submitters supported an increase in tax on tobacco per se, and there was a strong suggestion that that increase should implement the World Health Organization's recommendations, which is an ongoing increase of 5 percent each year. So there is no doubt that in the submissions that the Māori Affairs Committee has received there is overwhelming support for this step by the Government.

I conclude—because I see time is running out—by saying that it has been a pleasure to stand on behalf of the Government to support the Minister and the Government, and also to acknowledge the leadership of the other parties, including Labour.

Sitting suspended from 6 p.m. to 7.30 p.m.

IAIN LEES-GALLOWAY (Labour—Palmerston North): It gives me a tremendous amount of pleasure to rise and speak in support of the Excise and Excise-

equivalent Duties Table (Tobacco Products) Amendment Bill. Labour supports this bill because we all understand—every member in this Chamber understands—that we need to do something to curb the prevalence of smoking rates in New Zealand. Labour is supporting this bill because it is an evidence-based bill. The evidence tells us that increasing the price of tobacco products through increasing the taxation of them does result in a reduction in the consumption of tobacco products, and that a reduction in consumption will result in a reduction of the harm and the appalling diseases that we associate with tobacco smoking.

I would also like to add my personal support for the bill, because like Associate Minister of Health Tariana Turia and, I have no doubt, like many other members in the Chamber, I too have lost close family members and loved ones who have passed away far too early in their lives as a result of an addiction to tobacco.

It is worth reminding ourselves of just why we need to fight the terrible scourge on our society that is tobacco addiction. It is a proven cause of many cancers, not just lung cancer, although that is the most common and often the most aggressive and well-known cancer. But other cancers are also caused by tobacco smoking, as well as a whole range of other diseases. Cardiovascular disease, chronic heart disease, strokes, respiratory system harm, respiratory tract infections, asthma, and a whole range of diseases are related to cigarette smoking. Those diseases do not occur just amongst people who smoke cigarettes themselves; they also occur amongst those who are exposed to second-hand smoke—most particularly, and most sadly, the children of those people who are addicted to tobacco products. So it is important that we take this issue seriously, and that we do everything that we can to curb the prevalence of tobacco smoking in New Zealand. As I said, the evidence tells us that the measure that the House is undertaking this evening is a significant measure to achieve that.

But there is also a range of other significant measures that we could be considering at the same time as this measure. Indeed, a number of people, especially those who have recently been making submissions to the Māori Affairs Committee during its inquiry into the effects of tobacco on Māori—and I acknowledge Hone Harawira for his efforts in bringing that inquiry to the fore—have said that now is the time for a package of proposals. They point to things like banning tobacco displays and regulating, and indeed licensing, tobacco retailers. They look at the need for increased funding for cessation programmes, and at a whole range of different measures that we could also be looking at tonight. There is evidence to support our taking those measures, as well as this one. Perhaps it is a bit of a pity that we have a single-issue bill before us this evening, but as this is the only measure that has been put before the House, and as the evidence supports passing this bill, Labour will support it going ahead.

Of course, Labour has always supported the use of increased taxes to decrease the prevalence—

Michael Woodhouse: Taxes, taxes, taxes.

IAIN LEES-GALLOWAY: Well, it is interesting to note what some of the members opposite are getting into, and I will address that. Labour has always supported this measure; there is no U-turn here tonight from the Labour Party. But this measure represents a significant change in approach, it has to be said, from National. Indeed, the last time that we addressed this issue the National Party opposed an increase in taxes. We have, of course, already addressed, and perhaps had a little mirth at recalling, some of the statements made by Dr Paul Hutchison and the Hon Bill English at the last time that the House looked at this issue.

But I was interested in what some of the other members who are in arrangements with the current Government had to say on it, and I found a speech presented by the Hon Peter Dunne, who at the time—in 2000—found himself in an unusual position. He

was in Opposition, but he is a man for all seasons. That time he found himself in Opposition, and he said: "One thing that needs to be said at the outset is that this is a most unusual situation. I can never before recall seeing the House take extraordinary urgency to allow the Government to break an election promise". He went on to say that the then Labour-Alliance Government had only ever spoken about increasing the top income tax rate, and that increasing taxes on tobacco was a broken election promise.

Well, what an interesting statement that is, when we consider all the possibilities, all the options, that the Government has in front of it to deal with reducing the prevalence of smoking in New Zealand. They are things like banning tobacco displays, the possible licensing of retailers, and an increase in funding for cessation programmes. But of all the things that the Government had to choose from, it chose an increase in tax. Was National not the party that got into Government, that was elected, on the basis of its promises to cut taxes? Yet here we are tonight with the new-found National members revelling in the fact that they are increasing taxes. Although Labour members support that, we are slightly surprised that this is the first choice that the National Government has made in fighting the prevalence of smoking.

In supporting this bill, we must make the point that although the objective this evening is not to increase revenue, it is inevitable that revenue will be increased. So it will be important, as the Hon Ruth Dyson has already mentioned, that when we get to Budget time, we look at exactly what expenditure the Government will announce in relation to matters of smoking cessation and, particularly, of public health policy. Although it is important to focus on smoking cessation, it is also important to focus on ensuring that our young people do not take up smoking in the first place. It is fantastic if we can get people to give up their smokes, but it would be very much better if we could actually convince people not to start smoking in the first place. Once people are addicted, their ability to exercise personal choice and personal responsibility is absolutely diminished, so a far better option is to ensure that people do not take up smoking in the first place. I have no doubt that this bill, which is passing through the House under extraordinary urgency this evening, will assist in achieving that. But we can do more, and the Opposition will be looking to see what the Government does at Budget time to improve not just cessation programmes but also public health initiatives that work with doctors and nurses, and with other people in the community, in getting them out there to reach our young people and ensure that they get the message not to take up smoking in the first place.

It would be a real pity if this increase in the taxation of tobacco products simply mirrors the increase that will be experienced on GST: if it were simply used to mitigate the cut to the top rate of personal income tax—the cut to the tax that is paid by people who can most afford to pay tax. It has been mentioned tonight that this tax on tobacco products will affect a lot of people who cannot afford to pay it, and we hope that that will convince people to give up smoking altogether. But it would be a shame—it would be an absolute shame—if a measure that is being passed in the name of public health becomes simply an opportunity to increase revenue in order to make up for the revenue that the Government will lose when it cuts taxes for those who are the most capable of paying tax. I hope that that does not occur, and I will look very closely at what this Government does at Budget time.

I will wrap up my speech by saying the Labour members absolutely support this bill. We support the work of Minister Turia. We support the fact that she has been able to convince the National Government to do a U-turn on its previous positions. Even Dr Paul Hutchison has been prepared to make an absolute U-turn from his previous position, and he has been able to support the bill this evening. I support Minister Turia

and absolutely compliment all members in the House, bar four, who are prepared to support this bill. It is a good bill, and I look forward to its progress through the House.

MICHAEL WOODHOUSE (National): I am delighted to rise in support of the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill. At the outset I need to put on record that, like my colleague Dr Jackie Blue, I am also a former smoker. I gave up, pretty much cold-turkey, about 12 years ago; I did not use nicotine supplements. The mind-set change, and the realisation that I came to, was that when someone gives up smoking, then he or she is not losing something but is gaining a heck of a lot. It was only when that mind-set change happened that I was able to sustain that very painful 72-hour period that nicotine addicts go through when they are withdrawing from the product, but after that it does get easier and easier. I hope that those who are still addicted to nicotine, and who are motivated by the changes in this bill, will come to that realisation as well. I understand how hard it is to stop smoking, and I am mindful of the comedian who once said: "Giving up cigarettes is really easy. I should know; I've done it about 25 times."

I am sure the House is grateful to my medical colleagues Dr Blue and, in particular, Dr Paul Hutchison, for his graphic depiction of his time as a pathology registrar and the debilitating effects of smoking. But he also made the very good point that the medical fraternity was perhaps slow to pick up and develop an evidence base for the negative effects of smoking. There are even print ads from the early 20th century of doctors endorsing certain brands of cigarettes. I was smoking when I started work at a bank in Dunedin North and I remember now, with some horror, that as a teller it was the norm that when I was serving customers there would be an ashtray there with a cigarette burning, such was the acceptance that we had of smoking as part of what we did.

Opposition members can and have gently and lightly ribbed National members for opposing certain things when we were in Opposition, but I think that as a society we have gone down a path of enlightenment. I suggest that that is what is happening with this bill. I was in the UK at the end of 1988 when workplaces went smoke-free, and I well remember a colleague who was heavily addicted to nicotine and who smoked about 40 a day and who was so distraught by the change that she felt she would need to resign because she could not survive the day if it was not for the cigarette on the desk. But she got through that as well, and I think we need to support those people who are addicted.

The suggestion that this is some kind of tax for revenue-raising purposes, and, even worse, to subsidise tax cuts I find very, very hard to take. I am sure Iain Lees-Galloway had tongue in cheek when he said that. I also think the Hon Ruth Dyson made relevant comments about being careful about where the money goes in the public health initiatives that might be needed to support this legislation. But we need to remember, as other members have said, that maybe $1.1 billion of revenue is collected through tobacco excise but the total costs on society of smoking, and, in particular, the costs that fall on our health sector, comfortably exceed $1.7 billion and are approaching $2 billion. So it is really not accurate to say that somehow this legislation will be a great windfall to the Government.

I also expect that the Quitline service, which is not subject to fiscal constraints, as I understand it, will be flooded basically—

Hon Ruth Dyson: What do you mean "not subject to fiscal constraints"?

MICHAEL WOODHOUSE: There is no cap on the number of people who can go to Quitline and get the subsidised support that is available. I have no doubt there will be a huge increase in demand for its services. I certainly hope that is the case.

But I want to focus on the case for using tobacco excise as an effective means for reducing the prevalence of tobacco smoking in New Zealand. We have talked about the positive effects of that. It is known in economics as "demand elasticity", and the best

research suggests that the price elasticity of tobacco is probably about negative 4.8 or 5, which means that on average a 10 percent increase in the price would be followed by a decrease in consumption of about 5 percent. But, of course, that does not tell the full story and we need to drill more deeply into the research in this area. For adults who are addicted to nicotine the price elasticity is slightly less than that. There is definitely evidence that it will reduce prevalence in that group, but I think what is really relevant to this is that if we look at the evidence for young smokers, or young people considering smoking, the evidence is extremely strong that the price elasticity in that group is much higher. It ranges from about minus 0.9 to 1.5. In plain English that means that young people are three times more likely than older people to stop smoking or to not start, with this level of excise being increased. So they are far more price-sensitive, and it is for that reason, among all of the many good reasons for supporting this bill, that I support it.

It is also important to make sure that when we look back into history these increases in excise tax actually have had a positive impact, and it is very important to note that we see a step-change that is positively co-related with the increases. It started with the smoke-free workplaces legislation in 1990; then there was an increase in the excise in the late 1990s, and again in the early 2000s. All of those impacts are very, very highly co-related and, in my view, causative of the reduction in smoking.

Another way to drill into the prevalence data is through ethnicity, and this is a really concerning issue that Minister Turia and others have talked about. Māori women in particular are smoking at the rate of nearly 50 percent of the population. Pasifika are also at a high level but not quite as high as that. What is interesting is the Asian statistics. Asian men smoke at about the national average but there is a dramatic reduction for women. Asian women smoke at the rate of about only 5.2 percent of their population. I am not quite sure what the cultural differences are but it could be an excellent body of research to drill into to find out the reasons why they smoke at a much lower rate than others.

In summary, this is an outstanding initiative. I think we will hear the inevitable retorts from the tobacco industry about why this will not be a good idea. I am encouraged that almost entirely this House will support this bill and ignore that rhetoric. This bill will have nothing but good things for our society and for our health system. For that reason I very strongly the bill.

A party vote was called for on the question, *That the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill be now read a first time.*

Ayes 118

New Zealand National 58; New Zealand Labour 43; Green Party 9; ACT New Zealand 1 (*Boscawen*); Māori Party 5; Progressive 1; United Future 1.

Noes 4

ACT New Zealand 4 (*Douglas, Garrett, Hide, Roy H*).

Bill read a first time.

Second Reading

Hon TARIANA TURIA (Associate Minister of Health): I move, *That the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill be now read a second time*. This bill heralds one of the most significant developments to take place in the public health system of this country. This bill is about saving lives, and I am humbled and greatly heartened by the support of parties throughout the House on this

immensely important day—118 votes out of 122. I greatly appreciate the strength of support that has come through this debate.

This move will put the price of cigarettes and roll-your-own tobacco up enough to save hundreds of lives. Our most preliminary estimates are that there will be 300 fewer premature deaths a year as a result of the tobacco excise increase, rising to 500 fewer deaths a year by the year 2031. This development is well overdue. I am reminded of the results of a survey from the Ministry of Health just 2 years ago. It found that 80 percent of New Zealand smokers said that they regretted starting to smoke, and that if they had their time again they would not smoke. This bill is for them. The price increase will give them an added incentive to quit and a huge incentive to all of our young people to never start. This bill is an investment in the future of our country.

I have read over some of the submissions presented to the Māori Affairs Committee inquiry held over the course of the last few months. The challenges laid out there are inspirational. There has been talk of people wanting to live in a smoke-free nation, and to take the opportunity to be world leaders in this land in countering the global smoking epidemic. Some amazing examples have been shared of people trying to make a difference in their own way. There are stories that demonstrate the power of w'ānau, celebrating the impact of loved ones providing the incentive to quit.

I have to admit that many years ago, when I was courting my husband, I had the occasional cigarette. George told me in no uncertain terms that I had to give up, and such was the power of love at that time that I did it. It was an extremely effective strategy, long before the days of nicotine lozenges and patches. Many such powerful incentives were shared by those who had the courage to give their stories to the select committee. In Hokianga the word is out that if rangatahi want to be part of waka ama, they have to be smoke-free. At the Pasifika Festival held every year, Pacific Heartbeat promotes the message of being smoke-free, ensuring that every person who attends that celebration leaves their cigarettes at home.

Other stories simply made me want to weep. One of the most traumatic stories was told by Lloyd and Hinga Whiu. They shared the profound sadness within their midst that within their mother's line, 14 of the 16 siblings had died of smoking-related diseases, leaving a void that will never be filled. Their submission spelt out in black and white the ghastly reality that cigarettes kill one in every two long-term smokers.

This afternoon, right across the House, we have declared our condemnation of smoking as the biggest single cause of avoidable death and disease. The purpose of this legislation is very clear: it is all about the issue of psychological triggers to quit. We know that most people who quit smoking need to make several attempts before they succeed.

The second distinguishing feature of this legislation is the substantial price increase for roll-your-owns. The Government has decided to equalise the excise duties on a weight-by-weight basis, so that all smokers face the same financial incentive to quit. In effect, the excise on loose tobacco will rise by 24 percent immediately, followed by the same 10 percent increases in 2011 and 2012 as for cigarettes. Loose tobacco accounts for about a third of all the tobacco smoked in New Zealand, and we have one of the highest rates of roll-your-own use in the world, which is hardly something to be proud of. It should be known that the taxation of loose and manufactured tobacco products was last equalised in 1995. Since that time, the proportion of smokers using loose tobacco has increased from 28 percent to 50 percent today. As well as that considerable jump in numbers, users of loose tobacco tend to be younger, to be of lower socio-economic status, and to be Māori or Pasifika people. These groups are the most sensitive to the price of tobacco products and, as such, are the greatest users of loose tobacco.

The bill is intended to prompt people to stop smoking, and I will talk to two particular aspects of this legislation that warrant further explanation. The first is the rationale for why we are not bringing the price increases in all at once. As a Government, we have been concerned about the financial impact of the changes on low-income households, where smokers may struggle to immediately cut down or quit. As a consequence of our concerns, we decided to phase in the increases to give people more time to adjust. But I have a word for those who might suggest that these increases might hurt low-income families in particular. Of course the well-being of our most vulnerable New Zealanders will always concern us, but I ask where the evidence is that their well-being is enhanced by picking up a cigarette.

A far bigger concern for the family members of low-income smokers is the harm that is done through the premature death of a smoking parent, the decline of household income through a smoker's ill health, the health impacts on smokers' children from their exposure to smoke, and the health impacts on the children yet to be born when a mother smokes while pregnant. It is also noted that in phasing in the changes, frequent price rises are likely to be more effective than less frequent, larger price rises. A particular concern for me is that 61 percent of smokers who are aged from 15 to 19 years report smoking roll-your-owns. The research tells us that young people are less likely to try smoking if the cigarettes are seen to be too expensive.

Finally, I extend my genuine appreciation right across the House for the vision, the leadership, and the solidarity that has been expressed. It has been an extremely moving debate, seeing parties come together on our commitment to a healthier future for all our peoples in this land. Tonight I place on record my gratitude to all of those smoke-free champions, the advocates and analysts, the Auahi Kore providers, and the researchers. This bill has also benefited from the dedication of officials in Treasury and the Customs Service, and especially the tobacco team in the Ministry of Health.

My last word goes to all of those mokopuna out there who today tell their parents not to smoke, and who carry that message with such pride and vigour. They remind us that when one woman dies, we lose an entire generation. We owe it to our children to pass this bill.

Nā reira, ka mate te wahine kotahi he w'akatipuranga ka ngaro i te tirohanga kanohi ki te pō uriuri, ki te pō tangatango. Mā te wahine kotahi, ara anō he rau w'akatipuranga, koia nei te pūtake o tēnei pire, kua eke panuku, kua eke Tangaroa haere mai te toki, haumi ē, hui ē, tāiki ē.

[*So if one woman dies, a generation is lost from sight to the deep and intense night. On the other hand, one woman can conceive a generation that will surmount the realm and ocean of Tangaroa. Welcome the adze; we are about to lead a new life together. This, after all, is the nub of this bill*.]

Hon RUTH DYSON (Labour—Port Hills): It gives me great pleasure to stand again in support of not just the progress of the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill but also the progress of this bill under urgency. I will begin, as I began my earlier contribution in this debate, by congratulating the Associate Minister of Health Tariana Turia. She just concluded her statements in what I know was a genuine contribution. She has had real drive for this issue. Minister Turia said at the outset of this debate that it was not often that the House gets to debate what is literally a life-or-death measure. For us to have the opportunity to improve someone else's health, in part, is a huge responsibility, and I am so proud to be part of the movement that will progress so many people's health in our nation. This is a significant health-promotion measure. It is fantastic that the New Zealand Parliament has got to the point where we have almost unanimous agreement on the promotion of this measure.

I could not understand Roger Douglas' contribution earlier this evening. That is not unusual. For probably 30 years it is quite consistent that I have been unable to understand his contributions, even though I know that he makes his contributions genuinely. I chuckled, given how much debate we are having at the moment about the impact of the increase in GST, at Roger's passion—his outrage—that we were introducing a regressive excise tax. He is the man who designed and introduced GST, so his contribution was extraordinary. Nevertheless, I am sure that his contribution was genuine.

We know that increasing the cost of tobacco has a more negative impact on low-income people because we have more low-income people who smoke. It is not a good enough reason to say: "Therefore, we shouldn't help reduce the amount of tobacco consumption." It is disproportionately borne by people who are on low incomes, people who are on benefits, and, as I said earlier in this debate, people who have a mental illness. Those people deserve our support as a Parliament to stop smoking, or even better, as my colleague Iain Lees-Galloway said, to not even start. It is a big step. We have had a lot of confessions from members of Parliament about their journeys through tobacco smoking to being smoke-free. A lot of people find it really, really difficult. The more support we can give people through a variety of ways, the easier it is for them to be smoke-free. We want to make that passage as easy as possible. We need measures like this legislation, which will be one of the biggest contributors to a reduction in tobacco consumption. If we put the price of tobacco up by 2 percent, it reduces tobacco consumption by 1 percent. The figures are on the public record and are easy to see. As soon as we put the price up, we see a dramatic decrease in tobacco consumption, but we have to keep putting the pressure on because the reduction flattens out after a while and slowly starts to increase again.

This measure cannot happen in isolation. We need to make sure that nicotine replacements and advice through Quitline are all accessible and affordable for people. That is part of the package. Of course, there is the health-promotion message of making sure that people understand that if used as prescribed and as intended, cigarettes kill half the people who use them. I invite members to imagine if a breakfast cereal was developed and the inventors of this fabulous new breakfast cereal said: "Here is the breakfast cereal for you. If you eat it"—

Simon Bridges: "Killer Kelloggs".

Hon RUTH DYSON: Very good; give a gold star to that young man. If "Killer Kelloggs" were invented and the person who invented it said: "Eat this in an appropriate amount everyday and it will kill every second person.", how many people would race to the supermarket to buy a pack of "Killer Kelloggs"? Unfortunately, there has been the attraction of cigarettes. The portrayal in movies—long before Mr Bridges was born; I say to Mr Bridges that this was in the olden days, although he might not believe it—was that smoking was glamorous.

Simon Bridges: You weren't born then, were you, Ruth?

Hon RUTH DYSON: Thank you, Mr Bridges. Two gold stars and for that man. Smoking was portrayed as very glamorous. Huge amounts of money went in to advertising tobacco products, and there was a huge concentration and focus on making sure that young people were addicted early and stayed addicted until their death, which occurred 15 years earlier on average than it would have had they been smoke-free. This issue was not something that evolved; it was a deliberate campaign to ensure that the people who produced and sold tobacco were made wealthy by the illness and premature death of others in our society.

We have learnt a lot about tobacco over the years since it first came into prominent being in our society, but we have had a lot of very contentious debate even in the last

few years in this House. When Labour introduced the smoke-free environments legislation, there was debate akin to the sky falling in on civilised society as we knew it. Not very long ago, when Tukoroirangi Morgan, followed up by Steve Chadwick, introduced legislation that banned smoking in bars and restaurants, apparently it was going to be the downfall of civilised society. I have not noticed much of a change, except for the better. I was at Astoria on Lambton Quay for breakfast, and as I left people outside were smoking. I walked through a lot of cigarette smoke as I left. I reflected on how recently it was—it was in my lifetime—that that smoking would have been inside where people were eating. Again, I say to Mr Bridges that he is very fortunate that he has probably never known that in his lifetime, but it truly happened that people would be smoking at the same time as other people were eating.

Other measures that have been introduced are sometimes very contentious and sometimes receive a broader range of support across the House. They have all contributed to New Zealand having a healthier population, and to fewer people having massive heart attacks as a result of smoking and either dying far too early or being severely restricted in their ability to contribute. A lot of people who have strokes die immediately afterwards or are very severely impaired and unable to communicate, walk, or move their arms. That is a very debilitating condition that can happen after a stroke, and it is often caused by a person smoking. We know that between 4,500 and 5,000 people in New Zealand die prematurely every year because of cigarette smoke. Tonight, this Parliament will take another step forward towards addressing that, so that more of our family members can live longer and live healthier. I think we can all be extremely proud of that.

Members will recall that at the beginning of my contribution I mentioned that Labour supports not only the legislation itself but also it going through under urgency. I think that is another example of the maturing of our Parliament. The last time that Parliament was in extraordinary urgency and was increasing the price of tobacco, we had a similar debate but our party was on that side. It was a mirror image. Members get the general gist of the situation. Bill English, who is now the Minister of Finance, was outraged. I recall the debate. He was absolutely outraged that this Parliament was going into extraordinary urgency to increase the price of tobacco. He said it was an outrage because it was only 6 weeks until the Budget. He challenged Labour as to why we had not included that increase in tobacco pricing as part of the Budget. Well, let me think. How long is it until Mr English's next Budget? It is on 20 May and today is 28 April. It is half the time between this day and his Budget than it was between that day and Dr Michael Cullen's Budget, yet it caused him such outrage that we had not included increasing the price of tobacco in our Budget. We have decided that we are not going to play those sorts of tricks. We understand that the reason this legislation is coming in now is that the last thing Bill English wants is his Budget to be described as the Budget that increased tobacco tax. We support not only the urgency, but also this legislation. I once again say well done to Tariana Turia.

Hon TAU HENARE (National): As most probably one of the only real smokers in this House—

Hon Member: Have another Champix.

Hon TAU HENARE: Yes, I am on Champix. I am 98 percent or 97 percent smoke-free and very proud of it. I am on the Champix. [*Interruption*] I tell my colleagues to be quiet. I thank the drug company Pfizer. I think I speak from a position of authority. I am soon to be 50 years old.

Hon Member: You're what?

Hon TAU HENARE: I know, hard as it is to believe. For over half of my life I have been a smoker—I have lived over half of my life as a smoker. Our family has a long

history of supporting the tobacco industry. Some would have said that I would be put out by the dastardly deeds of a person who was going to increase the taxes on tobacco, but I am not. I am not a zealot, unlike some people I know—kia ora, Hone—but I think it is a good thing that we do this. The issue is about the health of a nation, not the health of one individual person but the health of a nation. I think that shows how times have changed.

The Hon Ruth Dyson mentioned a debate from not so long ago, when my brother-in-law, Tukoroirangi Morgan, stood next to me in this House while I was a full-blown, 100 percent smoker and introduced the Smoke-free Environments (Enhanced Protection) Amendment Bill, which became the Hon Steve Chadwick's bill. I railed against my brother-in-law. Fancy doing that to a large portion of people in our community! Fancy picking on the poor! Fancy picking on—

Hon Ruth Dyson: You were in the same party, too, weren't you?

Hon TAU HENARE: Yes, we were in the same party. He had the temerity to put forward a bill that now would probably get 90-odd percent support in the House.

When I was out of Parliament and the smoke-free workplace legislation came in, I, too, used to run up and down spewing forth utter shock that workers could not have their smoko breaks or have a smoke when they wanted to. But now I would hazard a guess that a very large proportion of this country would not want to go back to those days, even though some of us pine for the old days.

The issue of raising the excise on tobacco has been an interesting one. Small increases over a period of time do not work. It is the large increase that works; the large, very strong hit works. My fear is that the lag between the 10 percent rise in tailor-made cigarettes each year over a 3-year period may not work. There has to be some serious thought over the next 12 months or so about the next increase and the next increase after that. Is it to stay at 10 percent or is it to rise even more? By watching the news I heard that by 2013 a packet of 25 cigarettes will cost people around $17 or $18. One has to be mad to think that one would fork out 20 bucks for a packet of smokes, but let me tell members that the habit is so strong that people will spend $20 on a packet of smokes. It is an addiction.

I want the House to consider something, especially my colleagues on the front bench and those who sit around the Cabinet table. Although we feel good about doing something, as we are doing tonight in trying to help people quit and in trying to make sure that young people do not start smoking, there are products on the market today that are not allowed in the country because they are supposedly unsafe. An e-cigarette is one of those products. It is not possible to get an e-cigarette with a cartridge of nicotine in it because it is supposedly—

Simon Bridges: That's a pen you're holding.

Hon TAU HENARE: Yes, this is a pen I am holding. I ask members to get this: supposedly it is not safe to use e-cigarettes, but we are allowed to buy cigarettes in this country, and we know that ain't safe. So what am I getting at? We do not do enough to break that habit of addiction—we do not do enough. We spend millions of dollars on cessation programmes, and I have to say that the evidence is starting to stack up that they actually do not work as well as we may believe.

Dr Jackie Blue: Oh no!

Hon TAU HENARE: Oh yes.

Dr Jackie Blue: Oh no!

Hon TAU HENARE: Oh yes. I am one of the privileged ones who have—

Iain Lees-Galloway: That will look good in *Hansard*.

Hon TAU HENARE: Well, it may look good in *Hansard*; it may not look good in Hansard. But the fact is the figures are starting to show that the millions of dollars we

spend on cessation programmes—not all of the cessation programmes but the majority of cessation programmes of the last few years—do not work, and they may have been a waste of money. It would have been better to subsidise some of the drugs. It would have better to allow some of the products into this country rather than spend our money on those programmes.

I am very glad that there will be a bigger increase on roll-your-own cigarettes. It is a well-known fact that people smoke them because they are cheap and they last a bit longer than a packet of 25 cigarettes.

I want to send a message that is not so much about who does what in this area, or who gets the kudos. I congratulate my relation, my colleague Hone Harawira, for bringing to the Māori Affairs Committee an issue that we may have our differences about in terms of how to get there, but we agree on the final objective, and that is to be as smoke-free as possible. I also thank my National colleagues.

I have seen the blogs. I have seen the comments on my very popular Facebook page. One said "Another win for the Māori Party." I tell members that it would not have been a win for the Māori Party if it had not been for National. Without National this measure would not have gone through. So while we stand and talk about the poor health, and the disease out there that is tobacco, I thank National for taking on board the submissions and the pleas made by the Hon Tariana Turia. I also remind the Government and the House in general that the Māori Affairs Committee is doing a sterling job in its inquiry into the use of tobacco and its effect on Māoridom. Kia ora.

JOHN BOSCAWEN (ACT): I was not expecting to take a call at this time but it looked as though the debate on the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill might have been coming to a premature close. I will start by saying that unlike many people who have spoken this evening who have acknowledged that they are smokers, who are reformed smokers, who have outlined the extent to which they have gone to give up smoking, or who have spoken about the loss of family members, I have never smoked, I hope I never smoke, and I have never lost family members to tobacco. However, this is a subject on which I have had very strong views for a very long period of time. Roger Douglas said in the first reading debate that there will be some ACT members opposing this bill. I am the ACT member supporting this bill, and I say this very proudly. It makes me sad because I wish I could have convinced some more of my colleagues to support this bill, but before I explain why I am supporting this bill, I will make a few introductory remarks.

It is an absolute privilege to be a member of Parliament. Every day I come into this Chamber I remind myself of how privileged I am to be here, and of the people who have elected me here. The speech I give tonight is a speech that I knew I would be making at one stage during my career in Parliament, and I do it with a great deal of pride and a great deal of thought. I would also like to acknowledge two of my colleagues. I consider David Garrett and myself to be very lucky. We have come into Parliament and we represent a very small party, but it is a party that does not whip its members. We have a confidence and supply agreement with the National Party, and under the terms of that agreement we are committed to supporting the National Party in various matters. Beyond that, however, we are entitled to have a free vote. We have often had a split vote, as we did this evening. I would like to acknowledge the leader of the ACT Party, Rodney Hide, who has voted against this bill. Rodney Hide is a very astute politician. Rodney Hide opposes tax increases, and if there has been any disappointment about this debate so far it has been those seeking to score political points through members, such as Bill English, changing their position. I am very grateful for Rodney, because he has to go to the media and explain why the ACT Party has a vote. He is prepared to do that

so that I have the ability and the right to stand up and state the comments I am making this evening.

The second colleague I would like to acknowledge is Sir Roger Douglas. Many people forget that Sir Roger Douglas was a former Labour MP. His grandfather, father, and his brother were Labour MPs. He was the MP for Ōtara for many years. When I joined the ACT Party in 1995 I was attracted to the philosophy of Roger Douglas and his vision for the party, which he recently restated in his book, *No Second Class Citizens*. I can assure members of the public and parliamentarians that even though it may well be the public perception that the ACT Party is not overly concerned with poor people, that is what motivates Roger, that is what motivates me, and that is why I am in this Parliament. Roger has a very sincere conviction that increasing the tobacco tax is a tax on the poor. It is interesting that Tariana acknowledged that and acknowledged some of the alternative arguments we put up.

Let us go back through some of the issues we have heard tonight. We have heard that approximately 5,000 people die each year as a result of tobacco or tobacco-related causes such as lung cancer and many other diseases. That is 14 people per day. We have heard that people who smoke regularly throughout their life have a one in two chance that they will die prematurely—one chance in two. On average, smoking cuts the life expectancy of an individual by 15 years; rather than a woman living to the average age of 80, she might die prematurely at 65, and, sadly, for Māori it is a lot younger. We have also heard that smoking disproportionately affects large numbers of low-income people, large numbers of Māori, particularly large numbers of Māori women, and, worse still, large numbers of young Māori women. I had a friend for dinner last night and he explained that his stepdaughter goes to a high school in Rotorua where she is one of just three people in her secondary school class who do not smoke. I do not know how many are in her secondary school class; I would imaging there are 15, 20, or maybe 25 people. She is just one of three 14-year-olds who do not smoke.

Why are we discussing this issue? The blunt reality is that tobacco companies kill their customers. It is simple as that. Tobacco companies kill their customers. The only way they can survive is if they get new, young, fresh customers coming in the front door. I believe that this Parliament, this Government, needs to take every step it can take to reduce the number of new young people coming in the door. I see Mr Lees-Galloway nodding this evening. He made the point that this is just one of many things that this Government could be doing. For example, this Government could have adopted Mr Lees-Galloway's member's bill to put restrictions on the retail display of tobacco. Every day that we have a ballot, I look with interest to see if Mr Lees-Galloway's bill has been drawn. Sadly, it has not. I hope that Tariana Turia, who I understand is also looking at this area, will soon have a bill before Parliament that will significantly restrict the retail display of tobacco, the packaging, or the way the product is put.

I focus on young people because the reality is that the new customers who come in, as the old ones die, are not people in their 30s, 40s, 50s, or 60s; they are young people. Yes, it is illegal to sell tobacco to children under the age of 18, but does that stop them from smoking? Does that stop that class of 14-year-olds in Rotorua, where all but three of them are smoking? No, it does not. To my mind, smoking is an absolute tragedy. It is a waste. It is an absolute waste of human life. Tariana Turia has put the arguments eloquently this evening and I can not possibly repeat them in the way that she has. Luckily, I have not had someone in my immediate family die from tobacco. However, I did have to help my mother nurse my late grandmother, Mona Wheeler, in January and February of 1985. Luckily for my grandmother, her bad turn of health was very severe, very sudden, and it lasted only about 6 weeks. I cannot imagine anything worse than having to look after and nurse a child or parent, month after month, and see the decline

in their health. I acknowledge Tariana Turia talking about how she had to nurse her mother. She had to nurse her mother, she saw her decline, and she was brought up by her grandmother. Today, she is the last alive of all of her cousins; all of the others have been taken by tobacco.

I would like to devote the last part of my speech to acknowledging the efforts of the Labour Party and Helen Clark. I stood up at an ACT conference in 2001 to challenge ACT members who were opposing at that time the previous Labour Government's Smoke-free Environments Act, and I asked them to justify their decision. One by one, those ACT members got up and justified their decision. To be fair to them, I thought that Muriel Newman had a very valid point when she talked about RSAs and people who had gone off to war, and the ability for them to smoke in their RSA rooms. I thought she had a very valid point, and so, arguably, with cigarette bars. But I will never forget the first time I met the Rt Hon Helen Clark. It was in 1990. She was a young Minister of Health and she was asked to justify her decision to make it illegal for cigarette and tobacco companies to sponsor sport when she was not prepared to do the same for liquor companies. The point she made 20 years ago sticks with me today. I say to Mr Anderton that the reality is that he can have a glass of wine every night for the rest of his life, and the odds are that it will not kill him. But if he tried to smoke a packet of cigarettes every day for the rest of his life, the odds are that there is a one in two chance of it killing him.

I vote for this bill with a great deal of pride. I realise that there are many ACT supporters who voted for me and gave me this privilege, and I apologise to those who do not understand my actions. But I am doing this because I believe that it is right and the best thing to do. Thank you.

KEVIN HAGUE (Green): I say to the previous speaker, John Boscawen, that the membership form is in the mail. I want to start my contribution by thinking about the groups in our society that have higher than average rates of smoking. We have heard a little bit about some of those groups tonight. For example, we know that Māori have much higher rates of smoking than the population average. We know that Pasifika people have higher rates of smoking. We know that in general the poor have higher rates of smoking. We know that people with mental illnesses, as Ruth Dyson pointed out, have higher rates of smoking. In my own community, the gay community, there is a higher rate of smoking than there is in the population as a whole. What on earth could explain that pattern? What on earth could explain the distribution of smoking behaviour? Could it be that information about what is unhealthy about smoking only reaches other groups? Is it somehow not getting to these groups? That explanation does not hold water.

Over the last 24 years, since 1986, we have increasingly come to understand that a model to explain the patterns that we see of health and illness that is based on information simply fails. It is not an adequate explanation of what we see. Instead, we have to look at the marginalisation of communities and adopt a socio-environmental model of health that says there are risk environments that surround particular communities. Those risk environments are things like poverty, racism, prejudice, and violence. Those risk environments themselves create the psychosocial risk factors that predispose people towards particular patterns of illness.

In the health promotion model, which is the model we use to explain how to counter that pattern of ill health, we talk about five action guidelines in what is called the Ottawa Charter. Those are: to promote healthy public policy; to create supportive environments, and by that we mean not only physical environments but social environments also; to strengthen community action; to develop personal skills; and to re-orient health services towards prevention. That means that when we look at the

pattern of health and disease in relation to smoking, we see that that is also the pattern for pretty well every other disease we can think of. When we look at those Ottawa Charter guidelines we see that it is not adequate to do just one of those things. We have to do all of those things. That is the kind of holistic thinking that the Green Party typically brings to this kind of debate.

In relation to tobacco control, we are talking tonight about price control, because we know that that works. But we also need a comprehensive suite of controls. We need to look at how tobacco is displayed, where it can be bought from, what is in the product, and where tobacco can be smoked, but we also need to look to community empowerment. By that, I mean providing communities with resources in the form of expertise and also the dollars that they need to develop their own solutions to this problem. It also means tackling racism, and tackling prejudice wherever it exists. It means taking measures to address inequalities in our society, measures to create a fair society where all New Zealanders have a fair go. Those are the things that will make the big difference in dealing with the pattern of disease that we see in this country.

One of the measures to tackle inequality is tax. As Iain Lees-Galloway has said already in tonight's debate, tax is one of the areas where we are able to take some initiatives that address the inequalities in society. This Government has a policy in relation to tax that will widen those inequalities. The truth is that that pattern of widened inequalities will drive increased disease, and it will drive increased smoking rates. So we need that comprehensive pattern of interventions. Yes, we will vote for these price increases tonight because we know that that will be helpful, but we also need to address those wider psychosocial risk factors, those wider socio-environmental risk factors, that create disease in the first place.

As Ruth Dyson has commented, a number of members have spoken about their personal smoking history. I have never been a smoker. I did try it once, but I could not get it close enough to my face, so that never happened. But I did have a particularly powerful experience in Los Angeles a couple of years ago when I went to the Body Worlds exhibition put on by the German anatomist Gunther von Hagen. Very much as Paul Hutchison has described tonight, one of the things von Hagen does in that exhibition is provide actual lungs that have been preserved and plasticised. It was a very creepy experience. The contrast between the lungs of a lifelong non-smoker and the lungs of a person who has smoked is such a stunning example that nobody could go to that exhibition and come away still a committed smoker. Next door to the exhibition of the lungs was a big rubbish bin. The idea was that smokers would put their packets of cigarettes in that rubbish bin. When I went through the exhibition, I saw it was pretty well full.

Although we will vote for this measure tonight, the Green Party seeks a comprehensive suite of measures that are focused not only on tobacco control but are ones that address those risk environments: racism, poverty, and marginalisation of every sort. As Michael Joseph Savage put it: "What is there more important in Christianity than to be our brothers' keepers in reality?". What is there more important to us in our society than to take collective responsibility for the welfare of all? I again congratulate the Hon Tariana Turia and the Māori Party. This is a fantastic victory, and I wish her well.

HONE HARAWIRA (Māori Party—Te Tai Tokerau): Tēnā koe, Mr Assistant Speaker. Kia ora tātou katoa. When Minister Turia began this debate under extraordinary urgency, she said there are only a few matters before this House on which one could stand with one's hand on one's heart and declare that this was a life and death debate. This bill, the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill, she added, is purely and simply about saving lives. Today we

celebrate another step in saving the lives of New Zealanders addicted to tobacco—in reducing the number of our citizens who die in their thousands every year from smoking. For the benefit of those who want to know exactly what we are talking about, I say it is about trying to put a dent into wiping out the equivalent of the whole population of Kaitāia every single year.

For us as the Māori Party, the cause is made even more dramatic because every year Māori gather to commemorate the lives of the 600 sons of the Māori Battalion lost in the 5 years of the Second World War, and yet we mourn alone the 600 lives of Māori people stolen every year by the decisions of British American Tobacco, Imperial Tobacco Group, Philip Morris, and others to maximise their profits from a product that addicts and kills people.

Today is a big day and an important day, not just for Māori but for the whole country, as we take another step on the march to save the lives of 5,000 Kiwis lost every year to tobacco. It is a march begun by smoke-free activists like Dr Papaarangi Reid, Shane Bradbrook, Dr Mārewa Glover, Ben Youdan, Moana Maniapoto, Mere Wilson, and many, many others. It was aided by organisations like the Health Sponsorship Council, Te Hotu Manawa Māori, the Quit Group, Te Reo Mārama, Aukati Kai Paipa, Auahi Kore, the Global Smokefree Partnership, Smokefree Northland, Hapai Te Hauora Tapui, Action on Smoking and Health, Tala Pasifika, and all of the others that have been working for years to bring down our smoking rates.

Today's step is one of the hardest that we will ever take, because today we take the tough decision to increase taxes: 14 percent goes on to the tax on roll-your-owns, followed by another 33.3 percent on all tobacco products in the years ahead. We do that not just because we think that it might help to reduce smoking and improve health outcomes; we do it because the World Health Organization's *Report on the Global Tobacco Epidemic 2008* stated that increasing the price of tobacco through higher taxes is the single most effective way to decrease consumption and encourage tobacco users to quit.

When people tell us that tax increases will not win us votes, we tell them that some things we do not do just for votes; we do them because they are the right thing to do—some things are more important than winning votes. When people say that smokers will not be happy, we can tell them that in fact 80 percent of smokers want to stop, and that they tell us that anything we can do to help them to stop is a bonus for them. We know that putting up the price will also force people to cut back on their smoking, but, more important, it will also provide a strong incentive for smokers to quit. If it helps to convince young people not to even start, then that is great as well. We can tell the other ones that even though smokers might not be happy, they can be sure that most of their whānau will be happy if this tax increase helps smokers to stop smoking. Yes, it is true that increasing the price of tobacco is a tough measure for those who do not have a lot of money anyway, but the truth is that we are dealing with one of the most addictive substances in the world. It is a substance described by medical researchers as being even more addictive than heroin.

Tobacco is the largest cause of preventable death and disease for Māori. It is a cost that no nation can sustain, and it is a cost that no family should have to bear. But we have to and we do, and I constantly ask myself why that is the case. If a faulty part in a car was responsible for even two deaths, that car's manufacturer would be sued for millions of dollars. If another country was responsible for the deaths of just a couple of hundred of our citizens, we would go to war. But here we are, losing 5,000 of our country's family to the tobacco industry every year, and we do very little to stop that. The industry is driven by multibillion-dollar tobacco giants that are directly responsible for the huge social and economic cost to our country. There is the insurance cost for

fire, property, health, and for life itself. There is the cost to our health sector of chemotherapy, radiotherapy, and surgery. There is the stench that cannot be washed out of clothes, the lingering stink in homes, offices, cars, and workplaces, the damage to the unborn child, the suffering of children who are trapped in a smoker's car, the loss of earnings of those who are in care, the loss of years for those who smoke, and the loss of life that every family is forced to bear.

I take this opportunity to thank all of my colleagues on the Māori Affairs Committee—our chairperson the Hon Tau Henare, Simon Bridges, Paul Quinn, the Hon Parekura Horomia, Mita Ririnui, and Kelvin Davis—for the work being done by the committee as part of the inquiry into the tobacco industry and the impact of tobacco on Māori. I also extend my thanks to Metiria Turei, Carmel Sepuloni, and Su'a William Sio for their attendance and their support. I also thank Iain Lees-Galloway for his attendance the other day. I would like to remind all members of this House that although our inquiry is specifically targeted at Māori, we knew, going into the inquiry, that if we were successful in bringing forward legislation to slow and, hopefully, to stop the tobacco industry in its tracks, the benefits that would flow from that decision would enhance the lives of all citizens of Aotearoa—Māori, Pasifika, Pākehā, Asian, and all other peoples who have come to call this land home. The fact was that we simply could not see how Parliament would allow us to mount an investigation into the tobacco industry until, one night, Shane Bradbrook of Te Reo Mārama, who has been a critical part of our inquiry and a dedicated and committed anti-tobacco activist, came up with the bright idea of using the Māori angle in order to get the inquiry going.

We have been to different parts of the country to hear submissions from victims, from families, from doctors, from nurses, from health agencies, and even from British American Tobacco itself to build a case for our final report to Parliament, which I understand will come before the House in July this year. I have seen my colleagues grow in their commitment to our task, and I have heard some excellent speeches from them in tonight's debate. That encourages me in the last couple of months ahead of us. So on behalf of our committee, I wish to thank the Minister for the inspiration that this bill gives us in the work that we have yet to do and in the challenge of preparing and providing a report that truly reflects the feelings that we have been witness to, the damage that we have heard evidence of, and the recommendations that are needed if this country's children and grandchildren may one day enjoy a world that is tobacco-free.

When I knew that I would be speaking in this debate tonight I actually prepared an attack speech, because I thought we might be really up against it on this one. But I was wrong—deeply wrong. So I express my sincere thanks to all speakers tonight—speakers from all parties—for their forbearance in this bill being brought to the House under extraordinary urgency, for the depth of their contributions, and for their support for this initiative.

Four years ago I attended a hui where I shared the goal of getting tobacco out of Aotearoa by 10 December 2010. My timing might be just a wee bit out, but we take another step on the road to a smoke-free Aotearoa with this landmark bill tonight. Speaking of smoke-free initiatives and smoke-free bars and restaurants, let me take this opportunity also to add, for the second night in a row, my special thanks to Mr Tukoroirangi Morgan. I did so last night for his work in bringing the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill through to its second reading, and tonight I do so for his work in preparing the smoke-free bars and restaurants legislation, which he, unfortunately, was not in the House to see pass, but which I know he was happy to see become part of the fabric of this nation.

The Māori Party is proud to stand tonight to honour our co-leader the Hon Tariana Turia, the Minister who is responsible for tobacco control, for her persistence with this bill, for her courage, and for her commitment to help to save lives, to reduce—

Mr DEPUTY SPEAKER: I am sorry to interrupt the member, but his time has expired.

JO GOODHEW (National—Rangitata): I rise to speak in the second reading of the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill. I do so knowing that 4 years ago, almost to this day, our family had a call from Perth to say that my father-in-law was going to die, quite quickly, of lung cancer. Our reaction was dismay but not disbelief. You see, he was a very heavy smoker, with that horrible distinctive cough, which, when we stayed with him, woke us up each morning and made me feel quite sick. We always wondered whether it would be just a matter of time. He was 63 years old when he died—far, far too young.

I am a former nurse, and, yes, nurses also fall into a group with high rates of smoking. We heard the member Kevin Hague speak of various groups, and nurses are also amongst those. I have nursed many people whose health had been disastrously affected by smoking. Watching that happen does not stop nurses from smoking. But nursing a family member, as I had the privilege of doing in his last days of life, only 9 months after we heard of his illness, left a lasting impression on me. It left me with a resolve to listen carefully and seek ways to change the incidence of smoking and reduce the number of new smokers.

I pause now to congratulate the Hon Tariana Turia, because I feel sure that these measures will save lives. Not every Minister can steward a bill through the House knowing that that is likely to be the case. Smoking is the leading cause of preventable deaths, so I am proud to be standing here tonight in the knowledge that some people are less likely to start smoking because of these planned changes in excise.

I will briefly comment on the regulatory impact statement, which makes a couple of pertinent points in relation to the decision to bring this bill to pass. Tax on the two types of tobacco—loose tobacco and cigarettes—was last equalised in 1995, so we are looking at quite a passage of time since then. In addition, the decline in tobacco consumption has stalled, and smoking prevalence is declining, but slowly. The current tobacco control programme of regulation, health education, cessation, and taxation is holding rates steady but is not achieving the rate of decline necessary for sustainable health gains and reductions in tobacco-related costs to society and the economy. This is what we see, and this is the reason we must take this action here tonight.

This morning a newsletter arrived in my inbox. It was the *Tobacco Control Update*. I studied the newsletter more closely later in the day, knowing what was ahead of us tonight and it pointed out—of course, not knowing what was happening tonight—that the Budget would provide an opportunity for the Government to put up tobacco excise tax. There have been many calls for that to happen, and I feel sure that those who read and subscribe to that newsletter will be smiling this evening. There were calls from both the Royal New Zealand College of General Practitioners and the Public Health Association of New Zealand printed in that newsletter.

Also buried in the newsletter was a link to some research that had been carried out in Thailand by the Department of Health Education and Behavioural Sciences. It looked at 504 regular smokers and looked at what changes in their behaviour would happen if there was a tobacco tax increase. The results were statistically quite significant, with 9.7 percent of the smokers quitting, and a 48 percent reduction in the numbers of cigarettes smoked per day by other members of that group. The researchers concluded, unsurprisingly, that a tax increase was beneficial for Government revenue—I will get to that issue a little later—and that it also affected the behaviour of daily smokers. They

also said that the tax had to go up continually, and that sufficient cessation services had to be provided to respond to people wanting to quit smoking. In other words, those who suddenly "got it" needed some help.

We have heard some debate in this House that if we truly believe in reducing the amount of health-related harm from smoking, we should, as the Hon Sir Roger Douglas suggested, put the price up by 600 percent. He expressed concern that we were seeking to control the personal habits of citizens when their personal responsibility should prevail. I can understand the genesis of that argument, but it is not as black and white as that, as anyone who has tried to quit smoking understands. When a person decides to make that life-changing move to stop smoking, all of the ducks need to be in a row, all of the planets need to be in alignment, and all of the excuses need to be philosophically exhausted. This not insignificant change in the excise might be the final duck, the last planet in the line, and it might also exhaust that last excuse. I certainly hope it is that for many smokers.

For many young people, I hope they look at the costs associated with smoking and decide not to start. I hope they plan, instead, a holiday, the purchase of a car, putting money away for a house, or perhaps paying off their mortgage. I hope they recognise that they should enhance their future rather than seriously shorten it. But when the decision time arrives, and when that smoker's mind is open—the ducks are in a row, the planets are in alignment, or whatever—the challenge for us is to support that person to quit.

I am really proud that since the National Government came into power there has been an enormous increase in the subsidisation of nicotine replacement and the use of the same. It is all very well to do that—

Hon Tony Ryall: It's doubled.

JO GOODHEW: As the Minister of Health said, it has gone up from $463,000 being spent back in March 2008 to more than $1 million being spent in the month of March 2010. That is pretty stunning; it is quite a huge amount. But it is not just about subsidising; we have to make sure that people use the treatment. Since September 2009 nicotine-replacement therapy, which could be lozenges, patches, or gum, has been available on prescription, and the cost is now down to $3 for 2 months' supply. That is an important part of what we want to achieve here. The Government has committed $57 million to tobacco control and smoking cessation. That is not an insignificant amount of money, but it is a small amount compared with the cost to New Zealand society and the taxpayer of tobacco-related harm. Estimates are that it costs $1.9 billion. In fact, the revenue from tobacco is nowhere near that. The revenue is $1.1 billion. With these changes, that will go up to $1.3 billion, but it is still short of the cost.

All of the members who have spoken in this debate—not all of them, but a lot of them—have spoken about the loss of a family or whānau member, and that is not about money. That is the loss of a family support member, a mother or a father, and sometimes a child. It is also the loss of potential. It relates to lung disease, heart disease, strokes, chronic obstructive pulmonary disease, and other cancers.

This Government has made quit-smoking advice one of its six current health targets for those who are hospitalised, and not all district health boards have been doing it well. Even in my own electorate the South Canterbury District Health Board has not been doing well in that area. There has been a marked improvement in the latest figures to come out. It is one of only six targets. In the past we have had a multitude of targets and not enough concentration on a few, but this target is particularly important.

I think these measures will save lives, but, I repeat, other measures must be put in place. I hope the smoke-free ambassadors in my town who regularly come to see me and harangue me about one thing or another are smiling tonight, too. I hope they see

that this Parliament, almost unanimously, has a desire and a will on this issue and is taking some action in the House here tonight. We have taken a very important step, one I am proud of. Thank you.

IAIN LEES-GALLOWAY (Labour—Palmerston North): It is again a pleasure to speak in support of the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill. I again congratulate the Hon Tariana Turia on introducing and progressing this very important legislation. She must be immensely pleased with the vote on the first reading of 118 votes to 4, which, as I suppose we have gently canvassed this evening, is a slightly different vote result from that when legislation like this last passed through the House.

My colleague on the Health Committee Michael Woodhouse put his finger on the button when he said that there has been a path of enlightenment since the last time legislation like this passed through the House. I remind Michael Woodhouse that that path, for the most part, occurred under a Labour Government, because it happened during the last 10 years.

It is pleasing to see that this issue has not been quite as contentious tonight as it has been in the past. The reasons for so much support for this legislation have been thoroughly canvassed this evening. Parliament has a deep understanding of the effect that tobacco is having on our society. No doubt I will cover some of those issues again, but first I would like to discuss some of the arguments that have been put up against the legislation. Those arguments came from the Hon Sir Roger Douglas and other members of the ACT Party.

Essentially, they seemed to cover a couple of areas. One argument related to the fact that ACT members are opposed to tax increases. That is their ideological position, this is a tax increase, and therefore they cannot support it, which is understandable. The ACT Party also argued that it is people's personal responsibility to decide whether they take up smoking and how they try to quit smoking; that decision is over to them as individuals and is not a public issue or even a public health issue. Obviously, I disagree with both of those points. Firstly, it seems to be a shame to put ideology in front of a measure that clearly works. All the evidence indicates that this measure will have an impact on smoking prevalence. Every time it has occurred in New Zealand in the past it has had an impact, and every time it has been done overseas it has had an impact. That impact is measurable, and the research tells us that it is the right thing to do. So, to put ideology in front of that evidence, although understandable, I think is unfortunate and a bit of a shame.

Jo Goodhew touched lightly on another area of personal responsibility. It relates to nicotine, which is the addictive substance in cigarettes and tobacco. As soon as people become hooked on an addictive substance of any kind, their ability to demonstrate personal responsibility and to make logical, rational choices is utterly diminished. I again acknowledge Jo Goodhew for touching on this point. When I sat in on the Māori Affairs Committee, I heard representatives of the Nurses Organisation make their representation. They pointed out exactly the point that Jo Goodhew made: that nurses are one of those groups that have a higher prevalence of smoking than the rest of the general population. It was discussed at length. We discussed the fact that people who—I think the phrase was—"should know better" have a higher smoking prevalence, for all manner of reasons. Let us not go into why nurses might have a higher smoking rate than the rest of the population, but, absolutely, health professionals should know better. They have all the evidence in front of them, they see the effects on a day-to-day basis, and they have to nurse people who are in their last days and going through the painful effects of smoking-related disease, yet nurses continue to smoke. To me it is an indication of just how strong this addiction is. With all of that evidence in front of them,

that group of people still find it very difficult to give up this terrible affliction. I think we have to bear that in mind when we are thinking about personal responsibility.

Where does that personal responsibility lie? Indeed, where does our responsibility as a nation lie in trying to assist people who want to make this decision? Hone Harawira said that 80 percent of smokers want to quit, so it is important that we in Parliament and we as a nation support those people to make the right choices and to make that decision, and that we give them the opportunities to follow through on that decision and quit smoking for ever.

I have discussed ACT's position, and I acknowledge John Boscawen. I think it is absolutely fantastic that Mr Boscawen has voted in favour of this bill, and I thank him for his kind words about my member's bill. I hope that if my bill is drawn from the ballot—or if, indeed, the Government proposes a similar bill that would achieve the same ends—more members of ACT might get behind it, because it does not lie in the same ideological position as a tax increase. I have a lot of hope, from what Mr Boscawen said, that the next logical move—the banning of tobacco displays, however that comes about—might actually have a little more support. There is so much support from Parliament for this measure, which is absolutely being done in the right way: we are seeing increases year on year, and we are seeing greater increases to the excise tax on loose tobacco to bring it in line with that on tailor-made cigarettes. I think this is absolutely the correct way to go about it, and that is why it has achieved so much support.

So what do we do next? This bill has something of a whakapapa. There have been a number of incremental steps over a number of years: other increases to excise tax; the amendments to the Smoke-free Environments Act, which have seen smoking removed from pubs, restaurants, and the workplace; and, going right back to where it started, the ban on smoking on airlines. These days we take it for granted that one would never light up on an aircraft, but, of course, there once was a time when one could. There were smoking sections on aircraft, just like there were smoking sections in restaurants. I am sure Mr Bridges and I remember those days; we are not quite so young that we do not.

We have had an incremental, step-by-step path, and this legislation is another step along the way. So where do we go from here? Well, a number of anti-smoking advocates have made presentations—particularly at the Māori Affairs Committee—and have said that they would like to see the end of tobacco smoking in New Zealand by 2020. That is a bold and audacious goal, and it will require something a little bolder than the incremental steps that have occurred over the last few years. There are a lot of different ideas about how we might achieve that goal, and the most obvious one, when we are thinking about trying to remove something altogether from a culture, is prohibition. I do not think there is an awful lot of support out there for prohibition. We have seen prohibition used in respect of other substances in the past, particularly alcohol, and it did not have very much effect. But we do not have to go as far as prohibition to achieve this goal.

When the Health Sponsorship Council, which was actually set up as part of the Smoke-free Environments Act, made its presentation to the select committee it talked about a suite of proposals, a package that would achieve a step change. I alluded to that presentation a little in the first reading, but I will go over it again. It said that in addition to increasing taxation on tobacco products, rather than the incremental changes, we need "further restrictions, or bans, on point-of-sale tobacco displays; introducing requirements for plain packaging on all tobacco products; increasing support for cessation attempts; licensing of retail outlets that sell tobacco products" and "developing end game strategies, such as a Tobacco Control Authority." All of those ideas, I think, are open for debate. Let us not try to position anybody at the moment, but

let us start the debate on all of those measures and start really talking about a step change and trying to achieve some of those audacious goals. It is worth it. It is absolutely worth it.

Tobacco smoking costs this country $1.7 billion a year, and it is increasing. It is far more than the taxation that is already taken. It costs immeasurable amounts in terms of lives, lost health, lost productivity, and the social impact on families of nursing ill relatives and having family members die at an early age. This is a great bill. It is a step in the right direction, but I hope that in the near future we will see a considerable step-up of action so that we can really tackle this problem. I commend this bill to the House.

SIMON BRIDGES (National—Tauranga): There are some very simple reasons for the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill. First and foremost is that smoking is the single biggest preventable killer of people in this country. As Hone Harawira vividly put it, the population of Kaitāia, or thereabouts, dies prematurely every year in this country from smoking—around 5,000 people. We know, and all the experts will tell us—they certainly told the Māori Affairs Committee—that the single most effective way to reduce the death toll and to reduce smoking is to put taxes up, to increase the excise tax. So I am strongly, and I speak as strongly as I am able to, in favour of this bill.

Before I came to the House this evening, I was in a select committee meeting and then at a function, so I did not know what the various parties' positions were. I thought the most likely scenario was a House in unity, a unanimous vote in favour of this bill, and I think that would have sent a very strong signal and message to the people of New Zealand about smoking and this Parliament's view on it. I was disappointed indeed to hear that a very small number of members are not supporting this bill, but I explicitly commend John Boscawen for going against his party and following his conscience on this topic, and giving a very good and thoughtful speech.

If someone had asked me a year or two ago about my position on something like this excise tax, I may well have said that I did not support it. I would have glibly said that people are free to choose, and are free to do stupid things, if that is what they choose to do. What changed things for me was a select committee inquiry by the Māori Affairs Committee that Hone Harawira pushed for and that, as Tau Henare said, National agreed to, to its credit. We heard from hundreds of people—all sorts of people. There were academics, experts, and health personnel on the one hand, and ordinary men and women, young and old, on the other.

I will come to what they said very soon, but I think before we do that it is worth talking about the problem we have with smoking in this country. I have already said to members that it is the single biggest preventable cause of death in New Zealand. It is a major contributor—this came through clear as crystal at the Māori Affairs Committee—to health inequalities for Māori. The figures that came from Action on Smoking and Health (ASH) say it all, really. According to ASH, non-Māori male life expectancy is 79 years and for Māori males it is 70.4 years—a difference of 8.6 years. Non-Māori female life expectancy is 83 years and Māori female life expectancy is 75.1 years—a difference of 7.9 years. ASH's view, and I agree with it, is that eliminating smoking is the single most achievable way to go some way to closing the mortality gap between Māori and non-Māori.

Why is that? I forget the exact figure, but about 20, 21, or 22 percent of New Zealanders smoke, but for Māori the number is disturbingly high—42 percent of Māori men, and 49 percent of Māori women. That is also the case for Pasifika people. It is disproportionately high, although not as high as for Māori. In those figures we get a sense of the extent of the problem and of the evil of smoking. Yes, it is an evil health-wise, but we asked the experts who came to the select committee—we heard from

dozens of them—what the common factor was and what the psychosocial reason behind smoking was, and they said that it was, disproportionately, the lower socio-economic factor. It is about people coming from a certain background. We are dealing with a real evil.

I have one other thing to say on the background to the problem. This bill is raising the tax on loose tobacco. That is a first step, and then it will incrementally raise taxes across the board. According to ASH, Māori smokers are most likely to smoke low-cost cigarette brands or roll-your-owns. Young Māori predominantly use roll-your-owns. Why is that? It is because of price, and we are doing something about that as a House this evening.

We know the problem; it is a serious one for this country. But what was the solution the select committee found? We heard from nearly 2,000 submitters—no, I tell a lie; some of those were form submissions. But all in all there were nearly 2,000 submissions to the select committee. I have told the House often that we heard from academics and the like, but we also heard from ordinary men and women. My recollection of the select committee process is that not a single submitter was against the excise tax going up. I tell a lie; probably implicitly British American Tobacco was, implicitly. But in essence no one was against it, and most were explicitly in favour. I remember a young Māori woman begging us to put taxes up. She had lost her father to smoking and tobacco.

I came to this issue thinking that it was not the right thing, necessarily, to put up taxes. I had my own mantra, if you like, that I tested everything by in the select committee. It was "We have to do what works", and I wrote it down. I had a question for submitters that I put at the top of my paper every morning, and my question to submitters was: "Let's say that you can do only one thing to curb tobacco use. What would be the single most effective measure to undertake?" Nearly all submitters said to raise the tax—raise the tax, raise the price. There were those who suggested absolute prohibition, but I agree with Iain Lees-Galloway that that is probably not realistic. But nearly all submitters said to raise the tax, and the academics were very clear that that works. In fact, again, when we asked them about the effect on lower socio-economic groups, they said that lower socio-economic groups are the most price-sensitive and the most likely to change. They said, as I think we have heard from Tariana Turia, those are the groups that can potentially benefit the most from this measure.

I think that the members of this House, almost without exception, can stand proud tonight. We are doing the right thing. Tobacco is the single biggest killer—preventable killer—of New Zealanders, and raising the tax as we are doing will be the single most effective way to reduce smoking in this country. I am proud to be speaking for this bill.

Hon TREVOR MALLARD (Labour—Hutt South): I will make a brief contribution to the debate, and I will start off on a line that a number of members have taken—that is, to congratulate the Minister in charge of the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill, Tariana Turia. It is not a secret that we disagree on a number of things pretty strongly, but we are seeing in the House a degree of unanimity about the dangers of tobacco. I think that this Minister has pushed this Government as far as it can go on price. At this time I congratulate her on that.

I am not someone who believes in a single-faceted approach. I think we have to keep on trying different ways to reduce smoking in New Zealand. Now that we have made some progress with this approach, we have to look at other ways, as well. I hope that when we get the recommendations back from the Māori Affairs Committee, the committee will have some other suggestions that can be picked up in the House and developed.

I am going to sound a bit like an old fart, but I have to say that things have changed around here a bit. When I was first a member of Parliament—

Hon Ruth Dyson: "When I was a boy."

Hon TREVOR MALLARD: No, no. When I was first a member of Parliament and invited into the Speaker's Office, sitting there were cigarettes. There was a cigarette case, which was opened, and cigarettes were offered to people. In fact, I had quite a shock the first time I went to Government House for a function. I do not know whether functions were more regular then. I think they were and I think—I will be careful how I say this—that the Beatties at the time were rather more social than Governors-General since. But as well as people circulating with drink and food, there were people who circulated with trays of cigarettes and lighters. So I think it is fair to say that times have changed and that the acceptability of smoking is nowhere near what it was. Therefore, I think that it is easier for groups such as ours to make decisions that are relatively hard.

Members who have been monitoring their emails, looking at their Facebook pages, or whatever, will know that there is not unanimity on this issue. Certainly, some people who are smokers but not drinkers have questioned the decisions of the last couple of days and the quick dismissal of the Law Commission's recommendation on increasing the excise duty on alcohol. They have compared that situation with the provisions of this bill. I think it is fair to say that those people have a point. I think that giving proper consideration to the other tax would have been good, as well.

But I do not want to take anything away from what the House is doing today. I think that the vast majority of us know that we are doing the right thing. I will conclude in the way that I started, by saying congratulations to Tariana Turia. She has led this House down a path that it was very important we travelled. Thank you very much.

HEKIA PARATA (National): Tēnā koe e te Mana Whakawā, huri noa i tō tātou Whare, tēnā tātou katoa. I am very proud to be standing, if not in unanimity, as the previous speaker indicated, then in near unity and definite consensus on the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill. We have heard tonight from a wide range of speakers across the House. Many have shared personal and family stories that help affirm that the decision we are making in respect of this bill tonight is correct. Many people have been very honest in sharing their personal experiences in respect of tobacco and smoking, and I think that the House is both honoured and humbled by those genuine and personal experiences.

We have also heard a raft of statistics that tells us what the collective experience has been. We have heard about what the research and evidence supports in respect of the curse and scourge that is tobacco. We know that it is the single biggest cause of preventable deaths amongst New Zealanders. It takes a very high toll in Māori and Pacific communities. One in two Māori smoke, and almost one-third of Pacific Islanders smoke. We know that those deaths are preventable, and that Māori experience a 10 percent greater mortality rate from smoking-related deaths than non-Māori. We know that Māori are three times more likely than non-Māori to die of lung cancer. In Pacific communities 8 percent of deaths in females and 19 percent of deaths in males could be avoided if smoking was eliminated.

We have heard tonight about the high economic and fiscal costs that smoking subjects our community to, but we have also touched on the high social costs it incurs. We have heard stories of families who have suffered not just in the present but through generations. So the stand we are taking tonight as a Parliament, which comes after several years of incremental progress, is a very important step towards stopping lives being lost to this curse.

As has been noted, the bill provides for incremental increases in costs. We are very conscious that there is a very high incidence of smoking in low socio-economic

communities and families and that the impact will hit them hardest. We need to be as supportive as possible in recognising that smoking is an addiction. Almost all the smokers I know wish they did not smoke and that they could stop. We need to be aware that the decision we make tonight will have a significant impact but that there is a lot of support available for people. This change will help not only personal health but the health of whānau and communities, the health of our nation and society, and the health of our future.

I am particularly supportive of this bill, because I have spent a good deal of my life trying to persuade friends and whānau to stop smoking. I have spent a good deal of my life telling women whom I consider otherwise intelligent to stop smoking.

Hon Darren Hughes: Name them.

HEKIA PARATA: Mr Hughes suggests I name them, but I have so many friends and such a big whānau, and they are all so intelligent, that it would take us well into the extraordinary urgency, and we might find that unnecessary.

I am really pleased that this bill is another nail in the coffin of tobacco smoking in our society, and I wholeheartedly support it. I have sisters and brothers who still smoke. I hope they are watching this, and I hope they are committing to stopping smoking, but, more important, I have nieces and nephews who have started smoking. I want them now to consider how important it is for them to stop smoking and recognise that it is not cool and does not look glamorous.

The Hon Ruth Dyson recalled an earlier day when smoking was portrayed as being sexy and glamorous, and one need only watch the series *Mad Men*—the title is particularly apt—to see that that was the case. The series harks back to an earlier time when smoking was seen as something people did if they were really cool—and it was mad and we need to stop it. We need to be able to help young people to stop before they start. We need them to recognise that they cannot afford it because it is beyond their financial means, and because in terms of their long-term health it is beyond their means.

As Minister Turia indicated earlier, we have to be concerned about our whare tamariki, our ability and capacity to give birth to future healthy generations. Tobacco kills that opportunity, and it creates a very poor start for children who are carried in the womb of a mother who continues to smoke. We need to be supportive of every measure that will help people who are addicted to this terrible scourge to give up, and we know that Quitline and many other agencies are available to help them do so.

Tonight we have had many speakers talk about the costs, about the opportunities, and about what this bill provides in a further step along the path of creating a healthy New Zealand. I would like to end as every other speaker has begun. First of all, I pay tribute to Associate Minister of Health Tariana Turia, who has fought this fight when it was very unpopular, as well as tonight when we are warmed by the popularity of the support. I commend her for recognising that in many ways the least of it is the fiscal cost issue, and that mostly it is about the health of our communities, about the health of our whānau, and about the health of our babies—those who have been born and those who are yet to be born. So, Minister, ngā mihi nui ki a koe, e waha nei i tēnei kaupapa [*huge acknowledgments to you, who are responsible for this policy*].

To the Māori Affairs Committee, to my tungāne—well, he tungāne katoa kei runga i tērā komiti [*they are all brothers on that committee*]— but I commend Tau Henare, who every day struggles—[*Interruption*] Simon Bridges is asking me to remember that there are others on the select committee. First of all, I commend Tau Henare who, every day, struggles with this particular fight. He is winning the fight because he recognises that it is important to stop smoking and to be the role model he needs to be to his children, to his mokopuna, and to his community.

I commend my tungāne Hone Harawira, who brought the tobacco inquiry to the Māori Affairs Committee, who pummelled them into agreeing to have this kaupapa, and who has gone around Aotearoa New Zealand carrying the flag on many kaupapa, but on this one in particular, ki a koe, Hone, ngā mihi nui ki a koe [*to you, Hone, a huge acknowledgment to you*].

To the rest of the boys on the Māori Affairs Committee—

Hone Harawira: Name them.

HEKIA PARATA:—Quinn, Davis, Bridges—to my tuakana Parekura Horomia, and to all of them, e waha nei i tēnei kaupapa, tēnā koutou, tēnā koutou katoa [*who are responsible for this policy, greetings to you all*].

I pay tribute to the National-led Government, which has had the confidence, the strength, and the courage to support this issue alongside the Māori Party. I pay tribute to us and to this Parliament. To the members of this House who have shared their views tonight and who will give their vote to this bill, I say that I thank them all very much. We can look forward to a stronger and healthier future for all New Zealanders. I proudly commend this bill to the House. Tēna tātou katoa.

A party vote was called for on the question, *That the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill be now read a second time.*

Ayes 118

New Zealand National 58; New Zealand Labour 43; Green Party 9; ACT New Zealand 1 (*Boscawen*); Māori Party 5; Progressive 1; United Future 1.

Noes 4

ACT New Zealand 4 (*Douglas, Garrett, Hide, Roy H*).

Bill read a second time.

Third Reading

Hon TARIANA TURIA (Associate Minister of Health): I move, *That the Excise and Excise-equivalent Duties Table (Tobacco Products) Amendment Bill be now read a third time*.

A party vote was called for on the question, *That the motion be agreed to.*

Ayes 118

New Zealand National 58; New Zealand Labour 43; Green Party 9; ACT New Zealand 1 (*Boscawen*); Māori Party 5; Progressive 1; United Future 1.

Noes 4

ACT New Zealand 4 (*Douglas, Garrett, Hide, Roy H*).

Bill read a third time.

SITTINGS OF THE HOUSE

CHRIS TREMAIN (Senior Whip—National): The House has made good progress on the legislation under this extraordinary urgency motion tonight. I seek leave for the House to rise early and to return for a normal day's business tomorrow.

Mr DEPUTY SPEAKER: Leave is sought for that purpose. Is there any objection? There is no objection.

The House adjourned at 9.30 p.m.

THURSDAY, 29 APRIL 2010

Mr Speaker took the Chair at 2 p.m.
Prayers.

BUSINESS STATEMENT

Hon GERRY BROWNLEE (Leader of the House): When the House resumes next week the Government intends to make progress on the Sentencing and Parole Reform Bill, complete the third reading of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, and deal with a range of other first and second readings on the Order Paper. Wednesday is set down to be a members' day.

Hon DARREN HUGHES (Senior Whip—Labour): I signal to the Leader of the House that the Opposition is very much looking forward to the third reading of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, and thanks him for his good communication on the passage of that bill during the course of recent weeks. I wonder whether any of the Government bills for first reading will include the Minister of Local Government's bill that has been signalled in the media, and whether we can expect that any bills that amend the Local Government Act will go through a full and proper select committee process, unlike some other bills that have taken on issues of representative democracy at local government level. If the Leader of the House would let us know about that, it would be useful.

Hon GERRY BROWNLEE (Leader of the House): The first point is that the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill will be read a third time next Thursday, so I can confirm that it will be after question time next Thursday. As to the other matters, I tell members that they will of course be dependent entirely upon how the Order Paper is formed over the next short while.

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

Social Development and Employment, Minister—Statements

1. Hon ANNETTE KING (Deputy Leader—Labour) to the **Minister for Social Development and Employment**: Does she stand by all her statements?

Hon PAULA BENNETT (Minister for Social Development and Employment): Actually—yes I do, actually.

Hon Annette King: Oh, so last year!

Hon Members: Oh, so retro!

Mr SPEAKER: I guess that is about one all, I would say.

Hon Annette King: Does she stand by her many statements that people who bring information to Opposition members of Parliament can expect her to provide information to "put a bit of balance around the story"?

Hon PAULA BENNETT: I certainly did that in one incident, and, yes, I stand by what I said at that time.

Hon Annette King: Will she be asking her ministry to seek information on the woman who has come to the Opposition because she has been pursued and harassed by Work and Income to register as a job seeker, even though she is 78 years of age and the correspondence is being sent out by the senior services office of Work and Income?

Hon PAULA BENNETT: To be fair, the Ministry of Social Development administers $20 billion, looks after 1.1 million people a year, and takes about 215,750 phone calls. It would be fair to say the ministry occasionally gets it wrong.

Hon Annette King: In light of information provided to the Opposition, what is the reason investigators from the Ministry of Social Development are sending letters to people unknown to them, asking them to provide information about their neighbours, and is Mr Peter Reedy from Hamilton, who has received such a letter, correct when he says: "It is an un-Kiwi thing to do. We do not live in Nazi Germany.", and that he has no intention of spying on his neighbour?

Hon PAULA BENNETT: Certainly, but we do live in a country where we want fairness in our benefit system, and we will be following up those who present with fraud and are fraudulently taking taxpayers' money. We will be doing something about it, and that was not predominantly done under the previous Government.

Hon Annette King: Is she aware that there are many such cases being brought to MPs arising from her language and her zealous approach to beneficiaries, and that people, particularly those who have English as a second language, are scared to speak out, in fear of retaliation from her?

Hon PAULA BENNETT: In the first year of my being Minister there was a 95 percent increase in correspondence to the office compared with what had been received in the previous 10 years. That represents people welcoming themselves to write, and that is people who are interested in what we are doing. [*Interruption*] I could give the member the percentage of positives to negatives, if she likes, because people are loving this National Government.

Mr SPEAKER: I am on my feet. I hope it was an interesting answer, because I could not hear one word of it.

Hekia Parata: Can the Minister explain what has happened with welfare dependency over the last decade?

Hon PAULA BENNETT: Yes, I can. I will take just one number in particular, and look at the sickness benefit, for example, which grew by 51.6 percent. [*Interruption*]

Mr SPEAKER: I apologise to the Minister, but a moment ago I made it clear that I could not hear the Minister's previous answer. I need to be able to hear answers. I ask members, and on this occasion the Opposition front-benchers, to please be a little more reasonable with their interjections.

Hon PAULA BENNETT: I fear that they are trying to drown me out when they do not like to hear the actual figures. The sickness benefit, which grew by 51.6 percent—

Hon Trevor Mallard: I raise a point of order, Mr Speaker. This is a very simple point of order. You know, and I think the Minister knows, that she is not allowed to comment on your ruling. She just did.

Mr SPEAKER: That is correct. I ask the Hon Paula Bennett to please answer the question.

Hon PAULA BENNETT: The sickness benefit grew by 51.6 percent. To put some real numbers under that, in the year 2000 we saw 33,560 people on it, and in 2008 we saw 50,896 on it. Under the previous Government, for 9 years we saw those core benefits growing, when supposedly that Government should have been doing something to bring the numbers down.

Hon Annette King: Does she believe that her "name and blame" approach that she has been taking to people on benefits will be reinforced by her inclusion of Peter Saunders, a so-called expert, on her Welfare Working Group—a man who has stated that there is a link between low average intelligence and a low-class position, and that low-income people are innately more stupid and more often end up on welfare—and does she believe that paying overseas extremists like Peter Saunders is good use of public money?

Hon PAULA BENNETT: I make no bones about it that for years we have seen nothing done about long-term welfare dependency. It is complex, and it is hard, and

there is no one answer for one person. We need many answers. We are stepping up. I back the Welfare Working Group to look at a range of initiatives and a range of decisions, and let us see where it ends up before we start rushing to those sorts of conclusions.

Hon Annette King: I seek leave to table two letters to a woman who is 78 years of age, telling her that she has to front up for work or training.

Mr SPEAKER: Leave is sought to table those documents. Is there any objection? There is no objection.

Documents, by leave, laid on the Table of the House.

Question No. 2 to Minister

Hon DARREN HUGHES (Senior Whip—Labour): I raise a point of order, Mr Speaker. It is about the wording of questions for oral answer when they are submitted to the Clerk's Office for approval each day. Both sides of the House try to word their questions in ways that result in a pretty simple question being put to Ministers for them to answer, and try to make them free of political language. I draw your attention to the assertion made in question No. 2, which asks the Minister of Finance to talk about how something will "build on the success of Budget 2009". Clearly, of course, the Government considers Budget 2009 to have been a success, and I am sure that the Minister will have examples of why he thinks that. The Opposition, of course, would consider it to be a failure—

Mr SPEAKER: The member was doing very well up to this point—

Hon DARREN HUGHES: I am not trying to be political; I have a suggestion.

Mr SPEAKER: I think I can assist the honourable member. The point of order that the Hon Darren Hughes has raised is a perfectly valid point of order. Standing Order 371(1)(b) makes it clear that questions should not contain opinions, because, of course, opinions cannot be validated. I apologise to the House that question No. 2 has sneaked through with that opinion in it. I suggest to the House that the question that is read out omit the words "the success of" and be simply "build on Budget 2009". In that way, the opinion is omitted from the question.

Hon GERRY BROWNLEE (Leader of the House): I raise a point of order, Mr Speaker.

Mr SPEAKER: I stress that I have ruled on the matter.

Hon GERRY BROWNLEE: I am a little concerned that that may, in fact, mean that the way in which questions are validated now changes, as well. The assumption is that evidence was presented to the Clerk's Office that used the term "the success of Budget 2009". I am aware that one can obtain significant editorial comment from around the country that would back that up. If that is a prevailing view, and if it is supported by evidence presented to the Clerk's Office, it is perfectly reasonable that it is put in a question.

Hon Darren Hughes: Speaking to the point of order—

Mr SPEAKER: No, I do not need further assistance on the matter, at all. A question like that is out of order. It contains an opinion, and opinions used in a question in that way cannot be authenticated. That does not alter the substance of the question; the substance of the question is absolutely unaltered by omitting those words that contain opinion. That is what I suggest be done. If members do not want to omit the words that contain opinion, I will have to rule the question out.

Hon GERRY BROWNLEE (Leader of the House): I raise a point of order, Mr Speaker. What, then, do you make of question No. 5, which also offers an opinion in the body of the question?

Hon Darren Hughes: Speaking to the point of order, Mr Speaker—

Mr SPEAKER: I am not going to take further debate on this. I have ruled on the matter, and that is the end of the matter.

Hon GERRY BROWNLEE (Leader of the House): I raise a point of order, Mr Speaker. You will then have effectively ruled question No. 5 out of order.

Charles Chauvel: Speaking to the point of order, Mr Speaker—

Mr SPEAKER: I do not need further assistance. Question No. 5 contains a quote, and I presume that the quote was validated. It does not take a lot of intelligence to see the difference between the word "success" in question No. 2—[*Interruption*]—I am ruling on this matter—and a quote in question No. 5. I invite Chris Tremain to ask the question without the opinion—

Hon TREVOR MALLARD (Labour—Hutt South): I raise a point of order, Mr Speaker. Are we still on the same matter? I have—

Mr SPEAKER: No, that matter is not being considered further by the Speaker. Unless the member is raising a separate point of order, he is trifling with the Chair.

Hon GERRY BROWNLEE (Leader of the House): I raise a point of order, Mr Speaker. I will take that risk. Mr Speaker, you have now ruled that something that is a matter of opinion is out of order in a question. Simply because an opinion has quotation marks round it does not change the fact that it is an opinion. The Minister for Climate Change Issues is being asked in question No. 5 to confirm something. Asking a Minister to confirm something in this fashion is no different from asking the Minister of Finance whether he can confirm that Budget 2009 was a success. You can be as pedantic as you like—

Mr SPEAKER: It is rather unusual for the Leader of the House to be disciplined by the Speaker, so I will not do that, but I warn him that there is a clear difference. The opinion in question No. 5 is a quoted opinion. The opinion inserted into question No. 2 is the questioner's opinion, and questioners cannot put opinions in questions.

Question No. 1 to Minister

Hon TREVOR MALLARD (Labour—Hutt South): I raise a point of order, Mr Speaker. This is a separate point of order relating to question No. 1, and I delayed raising it because I thought my colleague would raise it. It is the question of whether it was appropriate for Paula Bennett to interject "She might like it.", referring to the 78-year-old woman who was being asked to do work or training, while my colleague was seeking leave to table those documents.

Mr SPEAKER: Forgive me. I did not hear the interjection. I think it is not a major matter that needs to take my attention.

Question No. 2 to Minister

Hon DAVID PARKER (Labour): I raise a point of order, Mr Speaker. I suggest that you reflect on the words you used in respect of Mr Brownlee when you said that "It does not take a lot of intelligence to [spot] the difference …". I thought that comment was a little gratuitous, and could cause disorder in the House. I thought that Mr Brownlee was understandably taken aback at that comment on your part, and that it was perhaps less than wise.

Mr SPEAKER: I hear the member's point. When my ruling is being questioned, members risk that kind of comment. I had ruled.

Question No. 5 to Minister

CHARLES CHAUVEL (Labour): I seek leave of the House to table a paper from the Minister for Climate Change Issues to Cabinet dated 14 September 2009 containing the words referred to in quote marks in question No. 5.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Budget 2010—Main Focus

2. CHRIS TREMAIN (National—Napier) to the **Minister of Finance**: What will be the main focus of the Budget next month and how will this build on Budget 2009?

Hon BILL ENGLISH (Minister of Finance): The fact is that Budget 2009 was a success [*Interruption*] It successfully steered New Zealand through the worst effects of the global financial crisis and the worst effects of the recession, and it started to get on top of the legacy of 9 years of mismanagement by the previous Government, which was setting this country on a track to ever-rising public debt.

Chris Tremain: How will Budget 2010 help hard-working New Zealand families to get ahead and to build on the success of Budget 2009?

Hon BILL ENGLISH: Hard-working New Zealand families will be waiting until the Budget to see how the tax package works out for them in the short term. But in the long term, we need to tilt this economy in favour of investment, work, and exporting, and away from consuming too much and borrowing too much. We certainly need to put the country on a track that is different from the track promoted by Labour, which has indicated that it is not concerned about debt levels any more, and wishes to borrow as much as it thinks it can get away with. That would, of course, leave a large legacy of debt for New Zealand families to pay off.

Hon David Cunliffe: Does the Minister believe that a Budget that does nothing, achieves nothing, and helps no one can be a success; if so, can he explain how increasing GST will create jobs and help reduce the pressure on ordinary Kiwis' family budgets?

Hon BILL ENGLISH: The Budget will certainly get control of debt. In a country that owes $170 billion to foreign lenders, it is reckless on the part of Labour to say that debt is not an issue. As we speak, Greece is in the process—

Hon David Cunliffe: I raise a point of order, Mr Speaker. There are two parts to the point of order: first, the Minister has responded to a question about his Budget and his view on the Budget; second, by talking about Labour Party policy in the second part of the question, he misrepresents it.

Mr SPEAKER: The problem is—[*Interruption*] I am dealing with this point of order. The problem is that the question asked for an opinion: "Does the Minister believe …" something, I reflect. The Minister was explaining why he believed that, and I think we have to allow the Minister to do that.

Hon David Cunliffe: Why is the Minister making the main focus of his Budget a tax package that will increase GST to redistribute to those people on the highest incomes, when, surely, his first goal should be creating jobs and taking pressure off Kiwis to make ends meet?

Hon BILL ENGLISH: The Government is focusing on a tax package because tax is one of the strongest levers to pull to influence the shape of the economy. Over the last 10 years too much of the growth in this economy came from property speculation, Government spending, and unsustainable jobs, and we will change that because Kiwis

deserve sustainable jobs and more investment in exporting, as this country earns more than it spends. That is a concept foreign to the Labour Party.

Chris Tremain: What were the most significant economic problems inherited by the Government, which are still hampering the economy?

Hon BILL ENGLISH: We inherited a legacy of an economy with anaemic growth but fast-rising debt. In the 3 years to 2008 the economy grew by less than 1 percent per year, and the export sector had been in recession for almost 5 years. The Pre-election Economic and Fiscal Update showed a sharp rise in deficits and rising debt, which turned into soaring debt, and were all the results of Labour policy before National took office.

Chris Tremain: What alternative approaches has the Minister seen for dealing with New Zealand's economic challenges?

Hon BILL ENGLISH: New Zealand is going down a similar path that other countries are beginning to follow, some with bigger challenges than us. Having borne the brunt of the recession, we need to get our public finances in order. Our policy in that sense is consistent with the best economic advice from around the world. However, the Labour Party seems to be heading in a different direction with its policy, which is to put taxes up, spend more, and borrow a whole lot of money.

Stuart Nash: Will his Budget be judged a success if it focuses on a GST increase that will erode the value of the life-savings of thousands of, mainly, retired New Zealanders who rely on savings for their livelihood, and, at the same time, makes all of the basics more expensive?

Hon BILL ENGLISH: Yes, it will be judged a success, particularly because it will flush out the Labour Party's position on GST. It says it is against the tax if it is put up, but if it is put up, Labour says it will not roll it back.

Accident Compensation—Sensitive Claims Clinical Pathway

3. LYNNE PILLAY (Labour) to the **Minister for ACC**: Does he stand by all his recent statements on ACC's new clinical pathway for victims of sexual abuse?

Hon Dr NICK SMITH (Minister for ACC): I do stand by my recent statements, but I did make one numerical error yesterday when I said that 70 percent or 260 claims in February had not been processed at the end of March. The 70 percent figure was correct, but I misread the figure 260; the correct number was 206.

Hon Darren Hughes: I raise a point of order, Mr Speaker. My point of order flows from the answer the Minister has just given to the House. If he was aware that he made an error in answering a question, surely he should have come to the House before this point, at the first opportunity, to correct the answer. This is not the first opportunity to correct an answer he has given previously.

Hon Dr NICK SMITH: I became aware of the error only when I asked officials to go through all the answers that I had given and to check them. It could have been possible for me to take a point of order. I thought it was easier during the course of the question to put the record straight.

Mr SPEAKER: It seems a perfectly reasonable course of action.

Hon Darren Hughes: Except that the Standing Orders require Ministers to correct their answers immediately; as soon as they become aware of an error. The first available opportunity would have been at 2 o'clock today. We have based our questions on an exchange with this particular Minister about a difference of opinion in respect of the material he has been using. I think it is unfair on the questioner, who is trying to prepare supplementary questions to the Minster, to have to wait until a convenient time for him, not for the House, to correct the answer.

Mr SPEAKER: I think the member is being a bit unreasonable. The question is high on the Order Paper. The Minister did not take up the time of the House; he can answer this question today. The question actually asks: does he stand by all his recent statements? A question like that is an excellent opportunity to make that minor adjustment—a misread figure—to the answer given yesterday. I think we can be a bit reasonable.

Lynne Pillay: Why does he continue to insist that there is no need for a review of these repugnant new guidelines, when yesterday he said that the figure of six in terms of people who were accepted for counselling throughout New Zealand in February 2010 could be even double that, and when any child could tell him that 12 people is still a shocking reduction from 300 people a month?

Hon Dr NICK SMITH: The member referred to the guidelines as repugnant. I remind that member that they were launched by the Hon Steve Maharey.

Hon Trevor Mallard: No, they weren't

Hon Dr NICK SMITH: I have tabled the picture. They were launched by the Hon Steve Maharey in March 2008, so the premise of the member's question is incorrect.

Dr Jackie Blue: What advice has the Minister received on the average time frames for processing sensitive claims before and after the changes were made in 2009?

Hon Dr NICK SMITH: The average time for claims to be processed prior to the changes was 63 working days. This has reduced to 47 working days, but that is still too long. A key issue for the review is that of how this can be further improved. The objective I would like to see met is that the Accident Compensation Corporation (ACC) turn round the applications within 7 days of all the information being received from providers.

Lynne Pillay: Why does the Minister insist on chanting ACC's rejection rate under Labour as some sort of argument for not facing facts today, when rejection rates skyrocketed to 60 percent last year under his watch, even before imposing his new clinical pathway?

Hon Dr NICK SMITH: The point in making reference to the fact that the decline rate for sensitive claims grew from 4 percent to over 50 percent during Labour's time—

Lynne Pillay: Now it's 90 percent.

Hon Dr NICK SMITH: That is right. What I am saying is that over 2,400 sensitive claims were declined in 2008 and not one Labour member raised the matter when Labour was in Government. I suspect that we should call that a double standard.

Dr Jackie Blue: Did the Minister offer to consult Labour members on the membership and the terms of reference for the clinical review of ACC's sensitive claims management; if so, what was the result?

Hon Dr NICK SMITH: Yes, I did so in writing, but Labour rejected that offer. This illustrates that Labour has been far more interested in making politics of this issue than in actually providing the best standard of care for those with sexual abuse claims. I am surprised that members opposite are criticising the person chairing that review when Dr Disley was a mental health commissioner under the previous Government.

Lynne Pillay: What advice did he provide to Simon Power before his statement today at the rape prevention symposium that "The Government has already taken some steps to provide survivors with greater support.", when he knows that that statement is clearly not true?

Hon Dr NICK SMITH: I commend the work that Simon Power, Paula Bennett, and Tariana Turia are doing and the announcements they made today about the most effective way in which New Zealand can deal with sexual abuse and assault, and that is by preventing it from occurring in the first place. That is why I think that everybody in this House should welcome the announcement from Simon Power.

Health Services—Minister's Statements

4. TIM MACINDOE (National—Hamilton West) to the **Minister of Health**: Does he stand by all his statements on health services?

Hon TONY RYALL (Minister of Health): Yes, including the statement that under this Government more front-line health services are being delivered than ever before. In particular, in the last year nearly 13,000 more patients received elective surgery, which was four times the average increase under Labour. A major contributor to that outstanding result has been Waikato District Health Board, which delivered operations for 1,825 more elective patients than in the previous year, an increase of over 17 percent.

Tim Macindoe: What reports has he received in relation to delivering even more front-line services at the Waikato District Health Board?

Hon TONY RYALL: I can confirm that the Government has approved the design of the new $125 million Waikato Clinical Centre and additions to the campus redevelopment. Included in these new approvals is a further increase in new operating theatres in the Waikato. These will be part of a new midland region elective surgical centre, which is part of the Government's commitment to establish new, dedicated elective surgery theatres across the country. The Government believes our doctors and nurses can deliver even more elective surgery by having dedicated elective surgery theatres, so that patients are not disappointed when their operations are cancelled because of emergency surgery requirements.

Hon Damien O'Connor: Will the Minister give in this House today an assurance that beds used for older people in need of continuing care at Murchison Hospital and Health Centre, which was opened only in 2007, will not be closed?

Hon TONY RYALL: I am meeting with the Nelson Marlborough District Health Board tomorrow. I can tell that member that there is quite a lot of interest in Murchison in improving the services for people in that community and being able to provide more care closer to home, which is the commitment of this Government.

Tim Macindoe: What other reports has he seen on advancing the delivery of care close to home?

Hon TONY RYALL: A large number of pregnant women in the Thames area are choosing to have their babies out of town, because of the poor physical standard of the birthing facilities at Thames. A survey by the district health board has found that more than 90 percent of local women would give birth in Thames if a new primary birthing facility was available in the Coromandel. I can confirm that the district health board has signed a contract with a local builder for a new Thames primary birthing unit. This purpose-built facility will have two birthing rooms, a birthing pool, three bedrooms for longer post-natal stays, and a breastfeeding room, and each bedroom and birthing room will have its own en suite bathroom.

Hon Annette King: If he has put an extra $536 million into district health boards, as he constantly claims, why were people who need eye operations at Nelson Hospital told today that they will now have to wait until they get worse and lose vision, or go privately for care; and is he concerned about the comments from Nelson ophthalmologist Derek Sherwood, who said "It's difficult for us as clinicians because we're used to providing a reasonably good service …"?

Hon TONY RYALL: I say to those people in Nelson that they are getting a much better service than they did when that member was the Minister of Health. I can tell people that in the last year Nelson Marlborough District Health Board provided 26 percent more ophthalmology surgery than it did previously, and that it is providing a good number of assessments. The current issues relate to some staffing problems. As we

know, when that member opposite was the Minister of Health, her Government doubled the budget for health and got a lot less in return for it.

Emissions Trading Scheme—Advice to Cabinet

5. CHARLES CHAUVEL (Labour) to the **Minister for Climate Change Issues**: Can he confirm that Cabinet was advised on 14 September last year that "the overall credibility […] and effectiveness of the NZ ETS" may be at risk by "harmonising with an overseas scheme that has not yet been finalised"?

Hon Dr NICK SMITH (Minister for Climate Change Issues): Yes. There is always a risk in working with other countries that their political situation and policy may change. The fact that Australia has slowed its response actually reinforces the merits of this Government's amendments, which have slowed and moderated our emissions trading scheme. New Zealand would now be very exposed had we stuck—

Charles Chauvel: I raise a point of order, Mr Speaker. I simply asked the Minister to confirm whether Cabinet had been advised as to certain matters. The question was very confined. It simply asked the Minister to give that confirmation—not to give a long speech justifying the policy.

Mr SPEAKER: The member makes a valid point in that answers should not contain more than is necessary to answer the question asked. But I think the Minister was giving helpful information, and it was not unreasonable. He did answer the question; he confirmed "Yes".

Charles Chauvel: Was Treasury advice communicated to Cabinet by him on 14 September 2009 that "the level and quality of analysis" provided by him to Cabinet on harmonisation with the proposed Australian emissions trading scheme was "not commensurate with the significance" of the proposal?

Hon Dr NICK SMITH: Yes, it was. I point out to the member that whenever countries seek to work together on an issue like climate change, there is political uncertainty as to the developments that may occur. It was Government policy in Australia, and still is—

Charles Chauvel: I raise a point of order, Mr Speaker. It is the same point of order that I raised earlier. I simply asked the Minister to confirm whether Treasury had given the advice that I quoted. I asked the Minister to give that confirmation, which he did. There is no need to elaborate.

Hon Gerry Brownlee: It is utterly absurd for the Opposition to raise points of order on one part of the day to say that inappropriate answers are being given, then to raise points of order to say that it is being given too much information. I think it is quite reasonable that Dr Smith elucidates on the way in which the material was presented to Cabinet—quite reasonable.

Mr SPEAKER: I appreciate the members' points. Strictly, I have to acknowledge that Charles Chauvel is correct about the requirements of the Standing Orders in relation to information not necessary to answer the question being included in the answer. But I think one has to be reasonable. Dr Smith answered the question. He confirmed what the member asked, and he added some further information, which was not too unreasonable. But the member raises a perfectly fair point.

Charles Chauvel: Can the Minister confirm that Treasury advised Cabinet on 14 September 2009 that there is no clear analytical basis for the proposal to align some key design elements of the New Zealand emissions trading scheme with those in the currently proposed Australian Carbon Pollution Reduction Scheme?

Hon Dr NICK SMITH: That was only one portion of the advice from Treasury. I think it is important to point out that all the advice we have now is that with Australia not proceeding with its emissions trading scheme, New Zealand would be very much

more exposed now if we had stuck with Labour policy. What has occurred internationally reinforces that this Government got it right.

Charles Chauvel: I raise a point of order, Mr Speaker. Standing Order 377—[*Interruption*]

Mr SPEAKER: The member is raising a point of order and he must be heard in silence.

Charles Chauvel: Standing Order 377(2) states: "The reply to any question must be concise and confined to the subject-matter of the question asked, and not contain—(a) statements of facts … unless they are strictly necessary to answer the question,".

Hon Dr NICK SMITH: The member asked what the advice was and quoted just a very small part of the advice. It is perfectly proper for the Minister to say that, yes, that advice was received but that there was other advice as well, and that the Government in its decisions had to take into account the full range of advice, rather than misrepresenting the situation by presenting only a portion of that advice.

Charles Chauvel: I have two very brief points in reply, Mr Speaker. First, I take exception to the Minister's suggestion that I have been misrepresenting the position. I tabled successfully by leave earlier in question time the full advice from which I am citing, so there can be no question that it has been taken out of context for the House—

Mr SPEAKER: The member is now starting to litigate matters. In fact, to deal with the last point he was raising, everyone knows that even if a document has been tabled, it is possible to take excerpts from it out of context and make them seem somewhat different from what they would seem were they presented in context. I think the Hon Dr Nick Smith has raised a reasonable point. I refer to Speaker's ruling 164/4, which states: "If some information can be given in addition to the bare facts asked for in a question, information which would supplement the reason for the answer, giving such information would comply with the spirit of question time." So although I acknowledge that, strictly speaking, the member quoted the relevant Standing Order—Standing Order 377—and he is absolutely correct, likewise Dr Nick Smith is being quite reasonable as long as the additional information is not overtly political. If the member was adding further information and using it to attack the Opposition, I would be far more concerned. As long as it does not go on for too long, I think that a little putting in context, especially if the Minister feels that the quote used in the question may be taken out of context, is not unreasonable. I think Ministers have to be able to put their answer in context.

Charles Chauvel: Can the Minister confirm that Treasury advised Cabinet on 14 September 2009 that there had been no discussion of the overall suitability or benefits of applying the allocation methods in the proposed Australian emissions trading scheme to New Zealand's unique emissions profile and industrial structures?

Hon Dr NICK SMITH: There was advice of that sort, but I say to the member that the changes we have made to the emissions trading scheme, which have halved the cost for the consumers and halved the cost for business, as well as the intensity approach that we have taken, have, according to the advice that I have had from a substantive number of New Zealand businesses, provided them with the confidence to be able to invest.

Charles Chauvel: I raise a point of order, Mr Speaker. I am sorry to be difficult about this, and I am not questioning your earlier ruling, but Speakers' ruling 165/4 is very—

Mr SPEAKER: 164/4.

Charles Chauvel: It is 165/4.

Mr SPEAKER: No, I quoted 164/4.

Charles Chauvel: Well, I am referring to 165/4: "Ministers, when replying, should address the question, (1) and refrain from making comments that are not relevant to the

question …". The question was very confined and was whether Cabinet had been advised by Treasury that the overall suitability or benefits of applying the allocation methods in the proposed emissions trading scheme in Australia were inapt to New Zealand. What the Minister is going on about has nothing to do with that particular question.

Mr SPEAKER: I again accept that, on a strict interpretation of the Speakers' ruling, there is merit to the member's point of order. I am not saying the member is wrong with his point of order, at all, but I think he is being a little unreasonable. The Minister is acknowledging there was advice. I think the Minister has agreed with the member's question, but he is also putting it in context by explaining a little why the Government chose not to follow that advice exactly. He should not go on for too long with that, but it is not unreasonable to put it in context.

Hon Gerry Brownlee: I raise a point of order, Mr Speaker. In that regard, you might want to point the member to Speakers' ruling 164/6.

Mr SPEAKER: I will have a look at it.

Hekia Parata: Has the Minister seen the statement made yesterday by the Forest Owners Association president, Peter Berg, urging the Government to hold its course on the emissions trading scheme; if so, what is his response to it?

Hon Dr NICK SMITH: Yes, I have. I note that the association has commended the Government for its resolve. It points out that any change in policy would undermine confidence in the forest sector and reduce interest in new planting. It is critical for New Zealand's long-term climate change policy that we reverse the trend of deforestation under the previous Government and get additional areas planted. Our balanced policy is achieving just that.

Welfare Working Group—Protection for Vulnerable Citizens

6. CATHERINE DELAHUNTY (Green) to the **Minister for Social Development and Employment**: How will the objectives of the Welfare Working Group protect the needs of New Zealand's most vulnerable citizens?

Hon PAULA BENNETT (Minister for Social Development and Employment): The terms of reference have been carefully developed to tackle the really hard issues of long-term dependency. I think that helps our most vulnerable—our children.

Catherine Delahunty: Is it an objective of the Welfare Working Group to promote the idea that there is a link between "low average intelligence and low class position"; if not, why has she appointed Peter Saunders, who espouses this view, as an adviser to the group?

Hon PAULA BENNETT: He is one of many advisers, both international and domestic, who have a whole range of views and will be talking to the Welfare Working Group. I have not heard that view previously; it is only one of many.

Carmel Sepuloni: Does she believe that the availability of the domestic purposes benefit makes single parenthood attractive and a lifestyle choice, as Peter Saunders, one of her social welfare working-group advisers, has claimed; and was it the reason why she availed herself of the benefit system in New Zealand?

Hon PAULA BENNETT: Personal insults aside, I say that Peter Saunders is one of many advisers. He has something to offer the group as far as international knowledge is concerned. Members can read his book Welfare to Work, which he wrote in Australia. I do not agree with everything he said; I do not agree with everything that a number of the advisers to the group said. But we are open to listening to those views from the Welfare Working Group.

Catherine Delahunty: Is it an objective of the Welfare Working Group to promote a "competitive market for sickness, invalid, and unemployment insurance."; if not, why

has she appointed to the group Catherine Isaac, who endorsed this policy as former president of the ACT Party?

Hon PAULA BENNETT: There are a range of views on the Welfare Working Group, and a range of advisers is coming in and talking to the group. We are actually holding a conference that will have a number of other people involved, including Susan St John, who was invited to be on the Welfare Working Group but has decided that she would instead like to be involved in the same way that she was with the Tax Working Group. Disability groups would like to be involved. There is a range of views, none of which we are actually jumping on to sides with.

Catherine Delahunty: Is it an objective of the Welfare Working Group to use the welfare system to benefit private interests; if not, why has she appointed Adrian Roberts, who is a contractor to Work and Income, to the group?

Hon PAULA BENNETT: He brings to the table another view and other areas of interest. A range of views is coming from different directions. [*Interruption*] Well, there actually is a range of views. Some are with Māori organisations that have been working with those who are welfare-dependent for long periods of time, and have been making significant differences in getting them off welfare. We also have some others. So there are a number of different initiatives, and I think they are equally worth listening to.

Catherine Delahunty: Supplementary question, Mr Speaker.

Mr SPEAKER: Before I ask Catherine Delahunty to ask a further supplementary question, I ask members to please keep the interjections down to a reasonable level. I cannot hear the Minister's answers, and it is important that I do hear them. I call Catherine Delahunty.

Hon PAULA BENNETT: They're just kind of angry today.

Mr SPEAKER: Order!

Catherine Delahunty: Does she consider people with disabilities to be among our most vulnerable citizens; if so, why has she not appointed anyone with an actual disability to the group, as opposed to just representing the care sector?

Hon PAULA BENNETT: One of the academics on the group has a strong interest in disability issues, and she is presenting that interest. Those from the sector will have an opportunity to advise the group as well.

Catherine Delahunty: Given these appointments, did she really have New Zealand's most vulnerable citizens in mind when she chose the members and advisers of the Welfare Working Group?

Hon PAULA BENNETT: Every bit of evidence tells us that children who grow up in a household that is not dependent on welfare do better, and I and this Government have them in mind when we look at what we can do for them in the longer term.

Catherine Delahunty: How can vulnerable New Zealanders possibly be best served by a group whose advisers and members think that those New Zealanders are inherently less intelligent, lower-class lifestyle beneficiaries whose painful personal situations are an opportunity for private profit?

Hon PAULA BENNETT: The member is taking a quote from one adviser—one of many views that are coming to the welfare group, some of which I do not agree with. As I say, I agree with some points of view that are put forward, and I do not agree with others. But those very members of society who are dependent on welfare have been ignored for 10 years. They have had money thrown at them, yet we have seen welfare numbers increasing. Those vulnerable members of society whom the member mentions are actually worse off now than they were 10 years ago. We will address the complex issues, and I make no apologies for that.

Drugs, Illegal—Police Operations

7. SIMON BRIDGES (National—Tauranga) to the **Minister of Police**: Has she received any reports on operations by the police to stamp out the illicit drugs trade in New Zealand?

Hon JUDITH COLLINS (Minister of Police): Yes. I congratulate the police on Operation Lime, which culminated this week in the arrest of over 250 alleged offenders who are facing more than 700 charges. This Government has passed a raft of new policies aimed at tackling criminal gangs and the drugs trade, and we have made sure we have enough police to carry out the organised crime operations of this nature. We are sending a very clear message to those who manufacture and sell drugs in our community that this Government and the police are determined to shut down their activities, and we will use every tool at our disposal to do so.

Simon Bridges: What steps are being taken to ensure that any profits obtained by illegal activity are not retained by offenders?

Hon JUDITH COLLINS: I am very pleased to inform the House that the police will be starting proceedings under the Criminal Proceeds (Recovery) Act, which was passed by this Parliament last year. As a result, it is likely that any assets or profits associated with illegal activity will be confiscated. Since the Act was passed, the police have identified more than $36 million worth of assets believed to have been obtained through criminal activity. They include cash, houses, vehicles, and other property.

Michael Woodhouse: Has the Minister been advised of the outcome of investigations into organised criminal activity in the Dunedin area?

Hon JUDITH COLLINS: Yes. Last week the police raided the premises of the Mongrel Mob gang in Middleton Road, following a 6-month-long investigation. As part of Operation Rocket the police made 19 arrests, and seized the gang's premises under the Criminal Proceeds (Recovery) Act. Seven of those arrested were patched gang members, and two were presidents from separate chapters.

Schools—Base Funding for New Wharekura

8. KELVIN DAVIS (Labour) to the **Associate Minister of Education**: Did he agree to the decision to give seven new wharekura base funding of $50,000, compared to the $130,000 base funding that a composite school with fewer than 250 students would normally be entitled to?

Hon ANNE TOLLEY (Minister of Education) on behalf of the **Associate Minister of Education**: No. The Associate Minister of Education agreed to the decision, and I read from the document tabled yesterday entitled *Education Report: Change of Class Applications*: "Base funding of $50,000, plus $2,000 per student, compared to $130,000 base funding that a composite school with fewer than 250 students would be entitled to."

Kelvin Davis: Why would he accept a lower level of operational funding for these Māori language schools than the funding received by comparable English medium-sized schools?

Hon ANNE TOLLEY: Because it is not.

Hon Trevor Mallard: How can he justify supporting the signing off of a kura in Northland on the basis of its getting $206,000, when other kura of exactly the same size are this year getting $451,582?

Hon ANNE TOLLEY: I think that it is important to realise that these seven wharekura that have now been approved have waited for over 10 years under the previous Labour Government for their approval to be given. In less than 18 months this Government, with the help of the Māori Party, has approved all seven applications, put in place some interim funding, and involved the wharekura themselves in the

development of a new policy that is based on their needs and their students, rather than on the ticking of some formula boxes.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. It is a very clear point of order. We have had a reply first of all from the Minister saying that the schools are not being funded less. She was asked to comment on the specific figures for that school compared with wharekura of the same size. She did not justify that. It was a simple question: how does she justify the change in figures?

Mr SPEAKER: I hear the member's point of order, and I have to acknowledge that it is not an unreasonable point of order, because the member in answering went on to talk about the length of time schools have been waiting to be approved, and what have you, which did not actually bear any relationship to the specific question asked. Maybe the Minister, on the basis of the primary question, does not have information on that particular case, but I think she should at least either answer the question or tell the House that she does not have that particular information. But it seemed to me that the Minister avoided the question totally.

Hon ANNE TOLLEY: In the latter part of my answer I explained that the arrangement is an interim funding arrangement for all those small wharekura, while they are involved fully in consultation about developing a funding policy for those wharekura.

Mr SPEAKER: Let me just clarify, because I allowed the Minister to do that. She is telling me that she answered the question. Does that mean she was confirming Mr Mallard's question?

Hon ANNE TOLLEY: This is an interim funding solution for seven wharekura that have been waiting more than 10 years for a decision. This is an interim funding solution.

Kelvin Davis: When he read the part of the Ministry of Education's briefing on these new wharekura, which says: "We will provide you with advice in later 2010 on a new resourcing methodology for small composite schools. This may include reducing the staffing and operational funding entitlements for very small schools.", did it occur to him that the very small schools that the ministry intends cutting staffing and funding for will include many wharekura?

Hon ANNE TOLLEY: These wharekura have roll expectations of between 40 and 90 students, at the absolute maximum. It is inappropriate to be resourcing them based on a minimum formula that is tied to a roll of 250 students, which these wharekura do not want to achieve. We have agreed with these wharekura to work through with them in this year to develop a new funding model that suits their needs and the needs of their communities. I know that comes as news to the Opposition party, because it likes to work on tick-box and policy formulas. But we are focused on student learning outcomes.

Kelvin Davis: Will he use his position as the Minister responsible for all matters relating to kaupapa Māori education to guarantee no further funding cuts for Māori language schools; if not, why not?

Hon ANNE TOLLEY: It is important to note that these are not funding cuts. These kura received no money, no funds, from the previous Government. This Government, along with the support of the Māori Party, is funding them for their secondary school students to develop into a wharekura. There are no funding cuts. I can assure that member that the schools have been fully consulted and they are delighted. In fact, the Associate Minister has received an email saying that awesome things are happening.

Mr SPEAKER: I did not want to interrupt the Minister, because I believed the treatment of her was sufficiently unfair for me not to add to the difficulties by

interrupting. I ask the Hon Trevor Mallard to rise to his feet and withdraw and apologise for his allegation.

Hon Trevor Mallard: I withdraw and apologise.

Kelvin Davis: Has he come across a single kura, or indeed any school, that says it receives more operational funding than it needs; if not, how does he expect these new wharekura to provide quality education with this much lower level of funding?

Hon ANNE TOLLEY: I refer the member to the actual words in the document that was tabled yesterday. In fact, many of those kura could end up with more than $130,000 base funding, depending on how many students they have. The interim funding solution gives them their staffing entitlement, it gives them their per-pupil funding, and it gives them base funding of $50,000, plus $2,000 per secondary student. I refer the member back to the document, which he should read properly.

Emissions Trading Scheme—New Forestation

9. JOHN BOSCAWEN (ACT) to the **Minister for Climate Change Issues**: How many hectares have been planted in trees in New Zealand since the emissions trading scheme came into effect in 2008, and what is the estimated present-day value of the credits of those plantings?

Hon Dr NICK SMITH (Minister for Climate Change Issues): I can tell the member that 70,200 hectares of trees were planted in New Zealand in 2008-09, but the bulk of this planting was replanting not new plantings, and they are not eligible for carbon credits. The forests eligible for credits under the emissions trading scheme and the Kyoto Protocol are those planted since 1990, amounting to 566,000 hectares. The value of the 80 million tonnes of carbon credits due to those forests is approximately $2 billion.

John Boscawen: Does he accept that if we postponed the emissions trading scheme, the very most that the Government would have to compensate post-2008 forest owners for would be less than $20 million, which would be a small price to pay for the horrific cost of the emissions trading scheme on the New Zealand economy?

Hon Dr NICK SMITH: I am aware of that pretty extraordinary proposition from the ACT Party. When the post-1990 forest owners have carbon credits worth $2 billion, the party of property rights says that we should give them $20 million. I am not sure whether that really stacks up.

Louise Upston: What reports has the Minister received indicating a shift in forest-planting trends resulting from the Government's climate change policies?

Hon Dr NICK SMITH: The Ministry of Agriculture and Forestry reports annually on forest owners' planting intentions. Despite the trend of significant deforestation from 2004-08, there was a small gain of 500 hectares last year. The survey indicates new plantings—that is, not replantings—of 4,700 hectares this year, 5,700 hectares next year, and 7,700 hectares in 2012. This reversal shows that the Government's balanced policies on climate change are restoring confidence in the important forestry sector.

John Boscawen: Does he accept that if it chose to, the Government, with ACT's support, could do exactly what it did yesterday—that is, put this House into extraordinary urgency—and postpone the emissions trading scheme until 2013, thereby aligning our position with that of Australia?

Hon Dr NICK SMITH: The Government campaigned on a policy of moderating the emissions trading scheme and proceeding with it in 2010. We will not go back on our word on that. I would also point out that the Australian scheme is not due to come into effect for a least a year. I think we will need to watch the results of the Australian election later this year before it is clear what the Australian climate change policy will be. I note that the Liberal Party's policy is for A$9 billion of spending on climate

change initiatives. My view is that that is a less efficient way for New Zealand to respond to climate change than the more efficient tool of an emissions trading scheme.

John Boscawen: I raise a point of order, Mr Speaker. I asked the Minister whether he accepted that the Government could do procedurally what it did yesterday, which was to put this House into extraordinary urgency, and amend the emissions trading scheme. I did not ask what the National Party campaigned on, and I did not ask him how many trees were planted. I asked a procedural question. I asked whether it was possible to put this House into extraordinary urgency in order to pass amendments to the emissions trading scheme.

Hon Dr NICK SMITH: In answering the question, I wanted to set out why the Government would not do that. I think that when a member asks questions of that sort, it is perfectly proper for Ministers to say: "Actually, we are not going to do that, and here's why."

John Boscawen: Mr Speaker—

Mr SPEAKER: No, I do not think the House needs to take further time on this. The member knows, of course, that a Government can seek leave to put the House into extraordinary urgency, and I do not think that there is much to be gained by having the Minister specifically repeat that. The Minister made very clear the Government's position, and that was probably quite helpful to the House and to those listening. I do not think I should criticise the Minister for the way in which he answered the question, because I think those listening to Parliament gained useful information from that slightly longer—and it was only slightly longer—answer.

Hon Rodney Hide: I raise a point of order, Mr Speaker. I ask you to reflect on what you have just said, with the greatest respect. You said that everyone knows the answer and that, therefore, the Minister does not have to answer the question. Then you said that the Minister gave some useful information in his answer. Well, the fact that everyone knows something does not mean that a Minister does not have to answer a question. When an MP asks a question, it is not for you to judge that everyone knows the answer, to say the Minister therefore does not need to answer, and then to say the answer is OK as the Minister gave some useful information. The requirement, I think, is that a Minister answers the question that is asked by a member of Parliament.

Mr SPEAKER: I accept the smack over the knuckles. Again, the member makes a perfectly fair point. I am just being reasonable, though, as Speaker. If I were to rule that the Minister had failed to answer the question, etc., I think I would be being just a wee bit too pedantic on this occasion. Had the Minister included in his answer language that was critical of the ACT Party, then I would have come down on him absolutely. But the information was not unreasonable and it was helpful information, and I cannot insist that Ministers answer a question in a particular way. I can insist that they answer a question, but I feel that was a reasonable answer to the question asked.

Hon Rodney Hide: I have to disagree, Mr Speaker. The question had one limb to it. It asked a question, and your point was that it did not need to be answered because, basically, you knew the answer. There are a whole lot of people who do not know the answer, so why are we are not entitled to get an answer to a straight question?

Mr SPEAKER: I do not think that the House should be wasting further time on this. If the Minister had said: "Yes, but", then it would have been fine. I think that most people, when listening to his answer, would understand that that was exactly what he was saying. He was acknowledging the point that the questioner was making, and he went on to explain why the Government was not doing that. I have to be careful not to be unreasonable. I have been pretty hard on Ministers in requiring them to answer questions, but I have to be careful not to be too pedantic and unreasonable about it. I apologise to the member if he feels that I have let his colleague down, because,

technically, I acknowledge that the member has a fair point. If in my judgment I have let the member down, then I apologise for that. But I have to be a little bit reasonable.

Education Sector—Operational Funding

10. Hon TREVOR MALLARD (Labour—Hutt South) to the **Minister of Education**: What decisions has she made on operational funding in the education sector?

Hon ANNE TOLLEY (Minister of Education): The primary decision I have made on schools' operational funding was to provide an additional $80.1 million over 4 years into schools' operations grants in Budget 2009. I have also directed the ministry to stop wasting taxpayers' money on costly and ineffective projects like Mission-On, so that we can get more money out to the front line.

Sue Moroney: Does she stand by her July 2008 promise regarding early childhood education that: "We will retain all existing subsidies and fee controls", and will she repeat that promise now?

Hon ANNE TOLLEY: I am not aware of where that quote comes from. I do not have it in front of me. I am not aware of the context in which that quote was given. But I can say that early childhood education funding has grown by almost three times over the last 5 years, and we are having a close look at the cost drivers behind that growth, which is not necessarily producing quality early childhood education.

Sue Moroney: Will she then guarantee that parents of children under the age of 2 will continue to receive the existing childcare subsidy?

Hon ANNE TOLLEY: The member will have to wait for the Budget for that.

Sue Moroney: Can she reassure parents that they will not face cost increases for early childhood education after the Budget, given that the Prime Minister failed to give that commitment yesterday?

Hon ANNE TOLLEY: I say to the member that she should wait for the Budget.

Sue Moroney: I seek leave to table the document containing the quote from the Minister that I used in my first supplementary question. It was from her policy statement as National's spokesperson on education.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Hon Trevor Mallard: Does she fully understand her operational funding decisions that led to her agreement to signing off the approval of seven new wharekura?

Hon ANNE TOLLEY: Yes. I fully understand that those seven kura had waited throughout all the years of the previous Government to have their change of class approved. Within 18 months, with the help of the Māori Party and the Associate Minister of Education Dr Pita Sharples, those kura have now had their change of class approved. They have had interim funding in place from the beginning of this year, and they are actively working with the Government to design a new funding regime.

Hon Trevor Mallard: Does the funding of $2,000 per pupil for those new wharekura include the Māori language programme funding?

Hon ANNE TOLLEY: The interim resourcing package made available to those wharekura from the beginning of this year includes the staffing entitlement, the per pupil operational funding—and if that covers the programme, then that is funded—a base funding, as I have said, of $50,000 plus $2,000 per student, and the property resourcing.

Colin King: What responses has she received to decisions that she has made on operational funding?

Hon ANNE TOLLEY: I was delighted to receive a letter from a principal that said: "The funding for schools has never been better, the staff at our local Ministry of Education are fabulous, and as far as I'm concerned, schools are in a great place. That is what we are here for, and we are paid jolly well to do it, too."

Hon Trevor Mallard: How can the Minister justify signing off on a kura in Northland on the basis of it getting operational funding of $206,000 per year, instead of the $374,000 that it would have received if it was an English medium school?

Hon ANNE TOLLEY: This has been a pragmatic interim solution, to allow teaching and learning to continue while longer-term policy is developed. The schools concerned have been fully consulted, and they are very happy with the resourcing that they are receiving. As I said earlier, one of the schools has even emailed the Associate Minister of Education to say that awesome things are happening. Those schools had been waiting and waiting for the previous Government to do something, and it did nothing.

Hon Trevor Mallard: Can the Minister guarantee that her cuts to the wharekura funding formula will not be extended to other area schools?

Hon ANNE TOLLEY: I repeat my answer from earlier: we cannot cut something that was not there in the first place. Those wharekura received no funding for their secondary school students, because the previous administration would not deal with the very unusual situation that they presented. This Government has provided funding on an interim basis, and is working with the wharekura to develop an ongoing policy around their funding.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. My question was very deliberately very short, and very to the point. It referred to the wharekura funding formula, not to the money that went to those schools. That formula has been changed, and that is what the question was about. Can I repeat the question, so that the Minister can understand it?

Mr SPEAKER: I will hear the Hon Anne Tolley.

Hon ANNE TOLLEY: Quite clearly, that member asked about the cuts to the wharekura funding. Those wharekura had had no funding. They were not wharekura at all; they were kura.

Mr SPEAKER: We will not litigate this matter. I hear what the Minister is saying. In fact, if I recollect the member's question correctly, it asked whether the cuts to the wharekura funding would be extended to other schools. Is the member disputing that?

Hon Trevor Mallard: It was the formula.

Mr SPEAKER: There is confusion over the question. I am not being critical of the Minister's answer in allowing the member to ask the question again, but we need to get it clarified.

Hon Trevor Mallard: Can she guarantee—[*Interruption*]

Mr SPEAKER: The member will ask his question.

Hon Trevor Mallard: Can she guarantee that her cuts to the wharekura funding formula will not be extended to other area schools?

Mr SPEAKER: I will not ask the Minister to answer that, because the member has confirmed that he did include that language in his question—the "cuts to the … formula". The Minister disputed that part of the question, and the Minister is entitled to do that. I had thought that the member might ask whether the formula for these wharekura schools would be extended to other area schools, but he used the word "cuts", which the Minister disputed. That was a perfectly fair answer to the question.

Hon Trevor Mallard: I raise a point of order, Mr Speaker.

Mr SPEAKER: I have ruled on the matter.

Hon Trevor Mallard: I know that you have, and I suppose I am disputing your ruling, but this is very important. It is the funding formula that has been cut, and I asked whether that cut to that formula, which was previously the one for area schools, would be extended to other area schools. I think that is a perfectly reasonable question.

Mr SPEAKER: From listening to the Minister's answers members would have heard her argue that this is a new interim formula, and therefore she argued that because it is a new formula, it cannot be suggested in a question that it is a cut to an existing formula. I think, in fairness to the Minister, that she answered that question perfectly fairly. If the member had had different wording in his question, then I think we would have had to hear a somewhat different answer. But he included the words "cuts to the … formula", and the Minster has pointed out to the House that it is a new interim formula.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. When there is one formula that applies to wharekura, and then another formula is put in that is less than the previous one, most of us would think that that was a cut.

Mr SPEAKER: Now the member is starting to trifle with my ruling, and that will not go any further.

Alcohol Outlets—Legislative Change and Community Consultation

11. RAHUI KATENE (Māori Party—Te Tai Tonga) to the **Minister of Justice**: My question is to the Minister of Justice—[*Interruption*]

Mr SPEAKER: That is just not helpful. I have called Rahui Katene. She is at the back of the House. The front-bench Ministers should desist from their ongoing interjections about the last question. I say particularly to the Hon Trevor Mallard that that was not a helpful interjection that he made.

RAHUI KATENE: When will the Government put legislation in place to limit the number of alcohol outlets in poor communities and give communities a say as to whether they support having an alcohol outlet?

Hon GERRY BROWNLEE (Leader of the House) on behalf of the **Minister of Justice**: Allowing more local input into licensing decisions in all communities is one of the recommendations in the Law Commission's report on alcohol. The Government is currently considering the report, and will respond to it within 120 days.

Rahui Katene: Is he aware that there are at least 15 liquor outlets in just three low-income suburbs in eastern Porirua and that if he walked from the first to the last one it would take only about 20 minutes; and does he see any problems with the fact that there are approximately 66 liquor outlets across the greater Porirua region?

Hon GERRY BROWNLEE: I am aware that there is considerable discomfort in the community about the proliferation of liquor licence outlets. This is a matter that has been discussed in the Law Commission's report. The Government is considering the Law Commission's report and will respond within 120 days.

Rahui Katene: Does the Minister agree with the Law Commission that high-outlet density can contribute to the degradation of community well-being; if so, will he support a reduction of some 4,356 off-licence liquor stores currently located in communities across Aotearoa?

Hon GERRY BROWNLEE: There are a number of things, I am sure, in the 514 pages of the Law Commissions' report that the Government would agree with. When the Government makes it response to the Law Commission's report, those matters will be evident.

Hon Lianne Dalziel: Does he agree with the Law Commission's report that it is not only the number of licensed premises but the type of licence that is impacting on increased availability and massively reduced price; and is he concerned to learn that two

supermarket chains are now supplying one-third of all beer and over half of all wine, forcing down prices even further?

Hon GERRY BROWNLEE: The Government will respond in due course, as has been said, to the recommendations in the Law Commission's report. The matters that the member highlights are of concern to a number of people in this House.

RightLight Website—Number of Unique Visitors in First 6 Months

12. CHRIS AUCHINVOLE (National—West Coast - Tasman) to the **Minister of Energy and Resources**: How many unique visitors did the RightLight website have in its first 6 months of operation?

Hon GERRY BROWNLEE (Minister of Energy and Resources): I am pleased to report that the RightLight website, which provides residential, commercial, and industrial consumers with credible and useful information on energy efficiency and lighting, had 76,339 unique visitors in the first 6 months of its operation.

Chris Auchinvole: How does this Government's approach to energy efficiency contrast with that of the previous Government?

Hon GERRY BROWNLEE: The previous Government was a firm believer in compulsion, which was counterproductive and undermined people's support for energy-efficiency products. This Government is focused on practical solutions that allow consumers choice but also provide them with information to help them make wise decisions. The RightLight campaign is a good example of that approach and can be contrasted quite neatly against Labour's blanket ban on incandescent light bulbs.

QUESTIONS TO MEMBERS

Petition on Commuter Train Between Hamilton and Auckland—Consideration

1. SUE MORONEY (Labour) to the **Chairperson of the Transport and Industrial Relations Committee**: Has the Transport and Industrial Relations Committee considered the petition presented in my name requesting the establishment of a commuter passenger train service between Hamilton and Auckland, signed by 11,500 people?

DAVID BENNETT (Chairperson of the Transport and Industrial Relations Committee): Yes.

Sue Moroney: When will submissions be heard on this petition, which has so much support from Hamilton?

DAVID BENNETT: The committee proceedings are still confidential as the committee has yet to present a report on the petition to this House.

Electoral (Disqualification of Convicted Prisoners) Amendment Bill—Consideration

2. Hon CLAYTON COSGROVE (Labour—Waimakariri) to the **Chairperson of the Law and Order Committee**: Has the Law and Order Committee met to consider the Electoral (Disqualification of Convicted Prisoners) Amendment Bill?

SANDRA GOUDIE (Chairperson of the Law and Order Committee): Yes.

Hon Clayton Cosgrove: Which Government agency or agencies were appointed as advisers on that bill?

SANDRA GOUDIE: The matter—

Mr SPEAKER: I have to be a little careful here. Did I hear the member ask which Government agencies have been appointed as advisers? I believe that that is a committee decision, and the member cannot ask a supplementary question like that. I will give him one more chance to ask a supplementary question.

Hon Clayton Cosgrove: I am happy for it to stand on the record.

Mr SPEAKER: OK.

Electoral (Disqualification of Convicted Prisoners) Amendment Bill—Report-back Date

3. Hon CLAYTON COSGROVE (Labour—Waimakariri) to the **Chairperson of the Law and Order Committee**: When will the Law and Order Committee report back on the Electoral (Disqualification of Convicted Prisoners) Amendment Bill?

SANDRA GOUDIE (Chairperson of the Law and Order Committee): The bill is due to be reported back to the House on 21 October 2010.

Hon Clayton Cosgrove: Will the Ministry of Justice, which is the Government agency responsible for all matters pertaining to an election, be invited to advise on that bill before the committee reports back to the House?

Mr SPEAKER: Again, I believe that that is a committee matter. Therefore the question is out of order.

ELECTORAL (ADMINISTRATION) AMENDMENT BILL

Second Reading

Hon JOHN CARTER (Minister of Civil Defence) on behalf of the **Minister of Justice**: I move, *That the Electoral (Administration) Amendment Bill be now read a second time*. I want to thank the Justice and Electoral Committee for its careful consideration of the bill. It is the first stage in the amalgamation of the functions of the three current electoral agencies into one. Currently, responsibility for electoral administration is split between the Chief Electoral Officer, the Electoral Commission, and the Chief Registrar of Electors through the Electoral Enrolment Centre.

This bill establishes a new Electoral Commission and transfers the functions of the current Chief Electoral Officer and Electoral Commission to it. The new Electoral Commission will be fully functional as of 1 October this year, in time to administer the next general election and the referendum on the MMP voting system. A second bill will follow this legislation, transferring the functions of the Chief Registrar of Electors to the new Electoral Commission in 2012.

The select committee initially received eight submissions that supported the bill's aims of amalgamating the functions of the three electoral agencies. The core concerns identified by submitters centred on the independence of the electoral agency and its relationship with the executive and the House. A majority of the submissions recommended that the new electoral agency be established as an Officer of Parliament rather than an independent Crown entity, as the bill proposes.

On a related theme, a number of submissions proposed that the appointment and removal process for the new electoral commissioners be strengthened in some way. Others suggested that the Speaker should be the responsible Minister, or that the Electoral Commission should be able to provide advice on electoral matters directly to the House. To assist the committee in its consideration of these matters, it sought further advice from Mr David McGee QC, who is the previous Clerk of the House and a current Ombudsman; the chief executive of the Electoral Commission; and the Officers of Parliament Committee.

As a result, the select committee recommended that the new Electoral Commission should still be established as an independent Crown entity with a number of additional safeguards. First, the commissioners are to be appointed or removed by the Governor-General on a recommendation from the House of Representatives rather than by the Minister of Justice per se. Given the important constitutional role of the commissioners, the Minister of Justice had earlier added the requirement for the Minister of Justice to consult other parliamentary parties prior to making an appointment. However, I

welcome the recommendation to make this process even more transparent by putting the appointment motion to the House, thereby creating a strong incentive to ensure that the candidates enjoy the confidence of a broad cross-section of parties.

The committee also supports a suggestion made by Mr McGee that the Standing Orders Committee be invited to develop an appointment protocol for these and similar appointments made by the House. Second, the committee recommends adding a new power to enhance the new Electoral Commission's independence and effectiveness to enable the commission to provide information and advice to the Minister or the House, of its own volition and at any time. This new power will complement other functions already provided for in the bill to enable the Minister or the House to seek the commission's advice and for the commission to provide a post-election report to the House. A new function of the commission is to make information available in order to assist parties, candidates, and others to help them meet their statutory obligations in respect of electoral matters.

I trust that the amendments to the appointment, removal, and advisory functions will allay many of the concerns of submitters regarding the independence of the Electoral Commission from the executive. However, I remind the House that these safeguards will accompany many other mechanisms that already protect the status of independent Crown entities. These include the Electoral Commission's statutory duty of independence and the inability of the Minister to direct the Electoral Commission to give effect, or have regard, to Government policy.

Although the Officer of Parliament model, given its independent status, appeared to be an attractive alternative for the new Electoral Commission, the committee ultimately decided that it was not a good fit for the function of the commission. Officers of Parliament such as the Ombudsmen and the Auditor-General provide a check on the arbitrary use of power by the executive, whereas the core role of the proposed Electoral Commission is the provision of electoral services.

It must be remembered that the overall aim of this bill is to improve the administration of elections by providing for a single agency to be established with that responsibility. A further change recommended by the committee, which is also supported by the Government, provides that each of the electoral commissioners has a distinct role—the chairperson, the deputy chairperson, and the Chief Electoral Officer.

The commission considered submissions on a number of other areas, but recommended no other substantive change to the bill. I support the approach taken by the Justice and Electoral Committee in consideration of this bill and the unanimous recommendations, which reflect careful consideration. I also thank all of those who took the time to submit or provide advice on the bill, which is all the stronger for it. I commend this bill to the House.

Hon DAVID PARKER (Labour): Labour supports this bill, the Electoral (Administration) Amendment Bill. I will address the issue that the Minister, John Carter, has just spoken on, which is the issue as to the structure of this new organisation. Listeners will have heard from the Minister that this new entity called the Electoral Commission takes over functions that were previously the functions of the Chief Electoral Officer and the Electoral Commission. Those two offices are merged into this one. The question that the Justice and Electoral Committee had to grapple with, as the Government had to grapple with, is what the proper form of that entity should be.

That is an important question. The administration of elections in a democracy has to be seen to be impartial. We have to maintain confidence in the impartiality of election processes in order to maintain confidence of the people in democracy. There is the old saying that "The only thing worse than democracy is the alternatives", which is another way of saying that democracy is incredibly important—incredibly important. If we look

at the countries that have got the most problems in the world we see that by and large they do not have the benefit of democracy. They do not have the checks and balances that come with democracy. If Governments make a mistake in our system and they get it too far wrong, the people have the right to vote them out. They get a new Government and those problems are fixed—or some of those problems are fixed; there is no such thing as perfection.

The choices that we effectively had for the entity that was being formed were an independent Crown entity, which is a Crown entity but it sits independent of the executive in the way that it administers itself. The other choice of the final two choices was an Officer of Parliament. Officers of Parliament currently include the Parliamentary Commissioner for the Environment and the Auditor-General, to name but two. There are also the Ombudsmen.

The submissions that we had in favour of the Officer of Parliament model were very well considered. They were very fulsome. They came from some eminent specialists in this area. Professor Andrew Geddis was one of them. The New Zealand Law Society's submissions supported that outcome, as well as did various other submitters. They pointed out that if it was an officer of Parliament, the organisation would be accountable to Parliament rather than accountable to the executive. They thought that that was better than an independent Crown entity, which has some responsibilities back to the Minister. There was some strength in that argument. As a committee, we were quite attracted to the argument for a while.

We sought further advice on the issue, but, in the end, we were persuaded in large part by the advice by Dave McGee QC, a long-serving Clerk of this House before he retired from that role and became an Ombudsman. He made a number of points as to why the Officer of Parliament group was inappropriate, and those are detailed in the select committee report. They include some theoretical concerns about the involvement of the Speaker in terms of officers of Parliament and that the Speaker ought not to be put in positions that would be inappropriate. He also pointed out that there are quite a number of administrative functions that this new entity has that are inconsistent with the normal model for officers of Parliament. For those and other reasons that he detailed he was strongly of the view that we would be wrong to create an Officer of Parliament in part because he thought that it would undermine the conventions that have already developed on the use of the Officer of Parliament model and where it is appropriate.

Of course, in New Zealand we do not have a written constitution. The conventions of this Parliament and the conventions of the various institutions of both Government and the courts are important parts of the actual constitution that we have in New Zealand. The convention on the appointment of officers of Parliament is another important convention that we ought to not lightly undermine. Dave McGee's advice was that to create this entity as an Officer of Parliament would undermine the conventions that have developed.

For those reasons the committee was persuaded that the proper model was the independent Crown entity model. But we did agree on an additional protection that was not found in the original version of the bill that came to the select committee. That concerned how we appoint members of that new Electoral Commission. The provision in the bill as it came to the select committee was that they would be appointed by the Minister. We thought that that was wrong. We thought that the Minister could be, and would be seen to be, potentially conflicted and might prefer the interests of his or her own party over the interests of the independence of the people who are appointed to those roles.

For that reason the committee recommended, and the Government has agreed, that the members of the independent Crown entity ought to be appointed by the Governor-General at the recommendation of the House of Representatives. The House of

Representatives is representative of more than just the Government; the Opposition parties are also represented. There will be strong incentives on the House of Representatives to make recommendations that are not biased in favour of the interests of any one party. We think that that is a good balance to have reached.

We had another submission from Mr Geddis that I feel that I should record. He thought that the Electoral Commission should be one person rather than three. He thought that in practice during elections decisions are required quickly of the Electoral Commission and that that was one of the problems we had with the prior model—implementing fast decisions for the benefit of participants in the election, clarifying areas of uncertainty during the electoral process. He thought that that would be best handled by one commissioner rather than three commissioners.

One of the submitters we heard from was Mr Henry. I forget whether he is a former Chief Electoral Officer or a former Electoral Commissioner. I think he is a former Chief Electoral Officer, but someone can correct me if I have got that wrong. In any event, he submitted to us that in reality the day-to-day decisions on what should be done in respect of advertisements, donation rules, and all those sorts of things will be delegated to the executive of this new organisation rather than be at the commission level, and that in the rare event where decisions are required from the commission, rather than falling within the delegation of people working for the commission, it was quite proper that the three commissioners be called together and meet on the issue. He did not think it would so frequent an occurrence as to be impractical or unduly expensive. For those reasons, we stuck with the status quo of three representatives.

I want to refer to one other issue and it is what this bill does not fix up, and that is a glaring omission in our electoral laws to have proper transparency around donations. This was an area where the Government has refused to be part of a consensus. It says there is no consensus, but the only reason there is not a consensus is that the Government will not agree to one. If it were to agree on reasonable rules around transparency, we would have them. But the reality in New Zealand is that we do not have transparency around donations to electoral parties.

At the last election we knew the source of less than 10 percent of the funds used by parties in elections, and that is not good enough. We need transparency around donations in order to maintain public confidence in our electoral processes. If we do not, we can never escape the imputation that there is policy for purchase. We do not know what influence has been bought by donors. Donating to political parties is a perfectly proper and worthy thing to do, but it ought to be transparent. There is no shame in making a donation. There should be no shame in transparency of donations so that we can maintain public confidence in our electoral processes. I think it is a great shame that the Government has not addressed that issue.

CHESTER BORROWS (National—Whanganui): I rise to take a call in this debate on the Electoral (Administration) Amendment Bill. I thank the members of the Justice and Electoral Committee. This is the 13th bill we have returned to the House this term. The work of the committee, and the collaboration and willingness of its members to get good results for the people of New Zealand, is reflected in the number of bills we have returned. As has been well outlined by the Minister of Justice in his introduction and by the previous speaker, the Hon David Parker, in the consideration on this bill we went through a number of concerns and issues raised by members of the public and by learned submitters. We took all of those submissions seriously and received further advice. We went to a number of other areas to seek advice on the matters that were raised.

The bill amalgamates into one agency the three electoral agencies that currently exist. For the reasons well outlined by the previous speaker, the new Electoral

Commission will be an independent Crown entity, in spite of a number of submissions suggesting that that role should be an Officer of Parliament. The bill seeks to overcome current issues around duplication of work, the confusion with overlapping jurisdictions, the increased costs of having to deal with different Government agencies around the same issue of elections, and the removal of complexity for stakeholders—that is, political parties, voters, policy groups, pressure groups, and list and constituency candidates—within the framework as it currently stands.

The submissions were very technical and we appreciate the fact that submitters went to such trouble not only in researching their well-worded submissions but also in the way in which they spoke to them in front of the committee. In any event, we have ended up reporting the bill back to the House with only two significant matters in respect of the way the bill was when it was referred to us. One of those was to confirm the independent Crown entity status of the new commission, and the second was the way in which the commissioners will be appointed on a basis of consensus rather than the Minister of Justice making a flat decision. I believe it is important for the integrity of future elections to have consensus around the House on who the commissioner would be, and also for the various parties not only to be consulted on but also to consent to the decision. I commend the bill to the House and I thank the committee for its work.

LYNNE PILLAY (Labour): Along with my colleagues on the Justice and Electoral Committee I am happy to take a call on the Electoral (Administration) Amendment Bill and to acknowledge and confirm the points made by Chester Borrows about the hard-working committee. This bill was no exception and a lot of work was done on it. It was given a lot of scrutiny, much of it around the status of the new Electoral Commission. As a member of the committee I can say that having a commission that is one entity has always been seen as the best way forward. Indeed, many people have lobbied about what a good idea it would be, and I think it has always been the intention. So on this occasion I commend the Government as I think this is very sensible legislation.

I also acknowledge the agencies that have worked so hard and have done so much work around our elections. Although I did not like the result of the last one—and, indeed, most New Zealanders do not now—I acknowledge the work that was done by those agencies. There was the Chief Electoral Officer, we had assistance from David Henry during our consideration, the Electoral Commission, and also the officers of the Chief Registrar of Electors through the Electoral Enrolment Centre. It is a really good chance at this time to acknowledge all the work they do.

Living in a democracy, there are things that cause us some concern. Participation, not by the agencies themselves but by third parties who tend to get involved in election campaigns, is perhaps not something that we in New Zealand feel proud of—and certainly members on the other side of the House should feel really ashamed of that. But we are not here to talk about that negative stuff today; we are here to talk about the good work that those agencies have done throughout numerous elections. Save for a few glitches that happen from time to time, I do not think anyone in this House would question the commitment of those agencies.

Indeed, going forward to having one electoral agency, which will be in place for the next election in 2011, we will then have one commission, and the duplication or the confusion that can arise when we have three agencies will certainly not be such a challenge. Certainly, we on this side of the House are looking forward to the next election—very much so. We are really looking forward to it and we are looking forward to it being run in such a way—[*Interruption*] There is a little bit of passion from members opposite. Bring it on! We are looking forward to that election being run in such way that we celebrate the democracy we have in New Zealand. [*Interruption*] Goodness—I think I have woken up members opposite.

As others have said, most of the bill is technical; indeed most of the discussions were very technical. I acknowledge the really, really excellent submissions that the committee received from individuals, and also from the previous executive of the Electoral Commission. The previous Clerk of the House of Representatives, David McGee, played a key role in giving us really, really constructive advice. We heard from Professor Andrew Geddis, who is renowned for his knowledge and has always played a very constructive role in other submissions that the Justice and Electoral Committee received when it was considering electoral law. There was also the New Zealand Law Society and other individuals who put a lot of time and effort into commenting and offering constructive advice on the bill.

One of the key issues, and indeed many submitters submitted on this, was about ensuring protection, so that there was no politics—if I can use that term in respect of the office. That is why many of the submitters submitted that the new Electoral Commission should be an officer of Parliament. I think it would be fair to say that that is something that the committee gave the most consideration to. As I said before, we had very good advice from David McGee and also David Henry—the Davids, as it were—on this. One of the concerns was that the officer of Parliament role was more a scrutinising of the executive whereas the Electoral Commission's main responsibility is more of a doing role—it is about delivering impartial and transparent elections in accordance with the law in order to maintain public confidence in our electoral processes. So the committee gave really careful consideration to that. We realised that although the request was for an officer of Parliament, the advice we were given was that it was not appropriate in this instance—it was really important not to have that conflict.

That is why some additional protection was recommended by the committee in that the appointment of the commissioners would not be by the Minister, in case that Minister could be conflicted. Whether or not there was a conflict, there could be a perception that there was political interference, and there was certainly a complete meeting of the minds that whether or not that was happening we on the committee would not want that perception to be there. The best way of ensuring that did not happen was seen to be by having the appointment made not by the Minister but by Parliament itself. As Chester Borrows has said, it would not be about consultation, it would be a decision that Parliament as a whole would make. The members of the select committee felt that went a long way to put at rest any concerns that submitters had on that issue.

There was also another protection in terms of the membership of the Electoral Commission. The bill as introduced provided that the three members were appointed by the Governor-General on the recommendation of the Minister of Justice, as I said before. They will now be appointed by Parliament. The board's structure for the new Electoral Commission relates to that of the existing commission before the 2008 general election. Before the election, the existing Electoral Commission required its board to meet and consider its response to complaints. We think that is really important. We are looking this time for the commission to be a completely new entity. It is really important that this legislation is enacted now to enable us to get all of the checks, balances, and processes in place to get the commission selected by Parliament, up and running, and effective in time for the next election.

In closing I congratulate the Government; I think there has been consultation on this bill. But more electoral bills will be brought before this House, and I very, very respectfully urge the Government to consider transparency around donations. That and other issues are very important. I commend this bill to the House. Thank you.

METIRIA TUREI (Co-Leader—Green): The Green Party supports the Electoral (Administration) Amendment Bill. I do not want to take too much of the House's time

this afternoon to talk about it, but I think it is important to raise some issues that concern us that were not addressed by the Justice and Electoral Committee.

The first was the issue that my colleague from Labour Lynne Pillay has just been talking about, which is what kind of body this commission set up to manage our electoral process—in which citizens make one of the most significant decisions that citizens can make in any country, and one fiercely defended and fought for—should be. How independent should it be from Parliament? What should be its status? We were strongly of the view that the new Electoral Commission should be an Officer of Parliament. I have read through the select committee justification for why that was not the case, and I have been in other meetings where we have discussed this issue. I am not convinced that it is inappropriate for an Officer of Parliament role to be accorded here. There is a requirement that an Officer of Parliament provide a check on the arbitrary use of power by the executive, and the justification for not having an Officer of Parliament system was that the Electoral Commission would not be responsible for scrutinising the executive. But in my view, those two things are different. Being a check on the arbitrary use of power is different from scrutinising the executive.

The purpose of electoral law management, which is what this commission does, is to make sure that the rules are undertaken fairly and in accordance with the law. The role of having a check on the arbitrary use of powers by the executive is to make sure that the executive, which is the Government at the time and therefore has the numbers to make any law it chooses at any time it chooses, does not interfere with a fair and democratic process. Why would we not enable a commission, whose job it is to manage that fair electoral process, to act as a check on the arbitrary use of power that could interfere with that process for something as significant as electing our most senior political officials and representatives of the people. We still remain concerned and unconvinced that it is inappropriate for this role to be held as an Officer of Parliament. We are very pleased to see that the independent appointment process is included, so appointments to the Electoral Commission are made separately from the executive, from Government—we think that is a very good step that the select committee has supported.

Finally, though, we are concerned that there is no recommendation to amend the bill to give the Electoral Commission powers to provide advice and guidance on electoral financing rules. Today legislation looking at electoral finance has been tabled. It has been a murky area for many years, with lots and lots of loopholes, some of which were very recently, in 2005, exploited by members of the community and by political interests to try to win an election through the use of excessive amounts of money. We know that those loopholes are actually very difficult to close, so we must take real care around electoral finance legislation. And in taking care in building the rules, we then have to have some certainty for all the political players—political parties and third parties that engage in electioneering and campaigning—on what those rules mean, and clear parameters for what they can and cannot do.

The consequences for political players, if they breach the rules, can be very, very severe, and could impact on the results of an election and the formation of a Government. That is no small thing. So we need to be sure that all the political players have certainty over the rules: what the rules mean, how they should be applied, and whether that party—whether it is a political party or a third party—is acting within those rules. No organisation is responsible for providing clear advice and guidance, because the select committee has not given the Electoral Commission that role. That is a mistake. It will lead to the only alternative, which is that political parties and political players will have to resort to the courts to determine the interpretation of legislation and the application of the rules to their particular case.

If we go down that path, we are talking about court case after court case. We see them every election period; they happen every election period. Some of them could be very, very serious, affecting whether a Government can form. These cases will have to go all the way through the court process to the Supreme Court level before they can be finally resolved, causing ridiculous amounts of political and financial chaos, and chaos in the constitutional system, simply because we have not given the right and the power to make decisions that can guide the use of those rules to the one body that we can give it to. It is a hole in this process that could be filled and should be filled. If it was, it would save considerable difficulty, particularly at a time when we are still working through what the best sets of electoral financing rules that we should have in this country are to make sure we have a transparent and fair level playing field in the election of our Government.

I think this is a serious opportunity that has been missed. There is no other way to fill that gap now that this legislation is to be passed. It will cause real problems in the future, and we will continue to see those problems. We can only hope that the electoral finance laws that will eventually come out of the Justice and Electoral Committee when we manage the other legislation that has been introduced today will provide some high levels of certainty. But, as I say, there can never be absolute certainty in this environment. I think that that is an opportunity missed, and will cause real problems for us in the future, as we work through those rules. Nonetheless, it is better that this is done. The reorganisation is good; we support that reorganisation, and we will support the bill. Thank you.

RAHUI KATENE (Māori Party—Te Tai Tonga): Issues of electoral integrity are of special interest to every party in this House, so we join with other speakers to acknowledge the important work being done in this Electoral (Administration) Amendment Bill. It is with real pleasure that we come to this bills in the wave of almost universal support across the House last night to address tobacco use, and we note the widespread support across Parliament today for the legislative process around this bill. It is great to be experiencing the politics of consensus rather than the politics of conflict.

The quality of the administration of by-elections and general elections is a vital component of an effective electoral system. Efficient administration can enhance equitable democratic participation, a goal that we in the Māori Party have a keen interest in promoting. The Māori Party was formed as a channel through which Māori could direct their interest in Government to achieve participation in Parliament. Our existence addresses the first issue, and we hope that electoral administration will work in a way to ensure that all New Zealanders can have confidence in the system with which they place their votes. Yet our experience out in the world is that we have been disappointed in the way in which the system operates as it has not always been efficient or integrated. The structure of the three agencies has not always been well understood by voters. The potential for confusion over which agency has responsibility for what has been evident, and we have been unconvinced that the complexity of the tripartite arrangement has been helpful.

Several administrative problems have arisen in Māori electorates, which, although isolated, we believe should have been avoided. My colleague Hone Harawira told me that in the 2005 election, voting papers ran out in several polling places in Te Tai Tokerau by mid-afternoon on polling day. It appears that a tangihanga had taken place, bringing an influx of mourners into the area, and there was an inadequate supply of ballot papers to cope. In the Tāmaki Makaurau electorate, in that same election, some voting papers were not available for voters on the Māori roll in the South Auckland area until mid-morning. In Manurewa, there had been a lack of Māori electoral rolls for a couple of hours, as well. In other electorates, electorate votes were disallowed because

incorrect voting papers were issued. Concerns were also raised about reported instances of voters being confused about whether they were on the Māori roll or general roll. Those are just a few of the complaints that we have received, pertaining to the administration of elections.

Other matters have caused offence, such as the incorrect pronunciation of Māori names by issuing officers in some polling places. It is not just a problem of causing offence; the problem is that if people are called an incorrect name—for example, I often get called "Mrs Ka-teen", or things like that—they will not recognise their names and will not respond. These are real problems for us. As a political party, the Māori Party has taken these issues, as appropriate, to either the Chief Electoral Officer or the Electoral Commission. Sometimes local representatives have raised their concerns with Electoral Enrolment Centre personnel. In general, we have always been satisfied with the responses received, but there is always a risk that in sharing concerns with one agency, it might have been more appropriate to share with another, or that a strategic response to the issues is limited by the fact that all of the key players are not in the same room together.

When the idea to split the three agencies first came up in the inquiry into the 2005 general election, we were not supportive. We know that many of our members appreciated the way in which the Electoral Enrolment Centre operated locally and was in touch with its community. The view at that time was that to replace its functions with a single Wellington-based operation would be detrimental. We also thought that to move to a single body would be an enormous task that would not be easily achieved without a risk of disruption to elections. It was our view that any changes should be contemplated with great caution. However, as we thought further about the value of creating an amalgamated electoral administrative entity, we have warmed to the idea of reducing the duplication of functions, the confusion, and the costs and complexities for political parties, candidates, and the general public. In light of our earlier concerns, we also support the phasing in of the changes to ensure that we minimise any disruption, particularly to the successful operation of the 2011 general election.

If we could be so bold, we would like to recommend some immediate priorities for the work programme for the new Electoral Commission. We support the thrust of many of the public submissions that said that the Electoral Commission could play a crucial role in informing and educating the public about the pros and cons of the various voting systems, including MMP, first past the post, Single Transferable Vote, etc. Dr Helena Catt was particularly positive about the inclusion of a clear education role for the new entity, and the recognition of a role in encouraging participation. I want to draw particular attention to the submission from the Nelson Bays Community Law Service, not just because it is in Nelson—I am from Nelson, and the best people come from Nelson—but also because it had something really good to say. Its submission articulated its wish for the new commission to be in a better position to prevent the issues that confronted Māori voters in the last election. The Nelson experience reinforced our finding that in some polling booths there were an insufficient number of Māori roll voting papers and there was a lack of Māori roll data. It was the service's view that both issues would have been extremely easy to rectify, yet a lack of information had the immediate and adverse impact of compromising the right of individual Māori to vote.

Another point the service raised was the suggestion that participation in democracy by our youth would be encouraged if all New Zealanders were automatically entered on the general roll at 18 years of age or older, or, if Māori, entered on the Māori roll with the option to transfer to the general roll. This is a great idea. In fact, it is an idea that can be found in the Māori Party policy manifesto, *He Aha Te Mea Nui*. Combining these two ideas—the need to promote the value of voting as a concept of a healthy democracy

and the issue about raising the youth vote—leads me to suggest that the new Electoral Commission could gain considerable value through looking at the campaign to get people enrolling and voting that took place in the United States. We have a large number of Māori who are not enrolled, particularly young voters. Some estimations of the 2008 campaign put the figure at around 100,000 people who were not enrolled in the vital age group between 18 and 35 years old. This could be an area where the electoral agencies could invest in schools, including kura kaupapa Māori, to promote the message that every vote counts.

Another issue that we would like to put forward to enhance the role of the new Electoral Commission is the one around cultural competency. As I have noted, there were concerns at some booths about the accuracy of the Māori roll and how election-day staff dealt with their needs. There were particular instances where staff failed to search for Māori voters on the Māori roll, and, as a consequence, gave them general roll forms. These were voters who came to the booth without their early vote cards. The default position tended to be that they were immediately assumed to be general roll voters. In some of our electorates there were people, including kuia and koroua, who needed assistance but there was a lack of resources at booths to encourage them to ask for help. Another issue that came through to us about election day was the significant queues. In some cases, where there were long queues of voters standing in the Māori roll line, some of these voters became impatient and left. Our view is that we should be doing everything we can to encourage voters, and time delays do nothing to promote that. It is felt that some training in how to engage with Māori, to ensure successful face-to-face contact, would be invaluable.

All these matters of detail are important, and there are many more. We are pleased to support the second reading of this bill and we look forward to further debate on such a crucial issue.

SIMON BRIDGES (National—Tauranga): We have heard some erudite and learned speeches this afternoon, but none was better than the speech made by Lynne Pillay. She made some very good points about the fact that we are getting a unified Electoral Commission, and she said that she cannot wait for the next election to try it out. I think that is fine; that is good. All I am saying to members on the other side is to make sure they are not in the mid to high 30s on the list. In fact, Jacinda Ardern, Maryan Street, and Carmel Sepuloni—

Grant Robertson: Don't say that with Michael Woodhouse sitting in front of you.

SIMON BRIDGES: Grant Robertson is all right; he has a seat. He should be all right. But the other three members should keep out of the high 30s on the list.

One of my favourite movies as a young lawyer was *The Castle*. I particularly enjoyed the scene where the provincial lawyer came out to visit—I have been a provincial lawyer, and there is nothing wrong with them—and was asked what principle he was relying on. He replied that it was the constitution, it was the Mabo decision, it was the vibe. Being a member of the Justice and Electoral Committee was sometimes a bit like that. We had a sort of vibe there about whether we needed to have an independent Crown entity or an Officer of Parliament. Lynne Pillay was operating on the vibe principle, actually.

It was very clear to us that perhaps what we needed was an Officer of Parliament. But we heard from some eminent legal academics and practitioners, including David McGee QC, and it became very clear to us, quite quickly, that having an independent Crown entity, as the original bill had provided for, was the right model; that is what we have followed. It was important, though, that we worked our way through the vibe, and that we acted in a multiparty way. We brought everyone on board; that is what we did. We now have first-class legislation.

The Hon John Carter gave, if I may say so, a very learned speech. I know he wrote it himself; he has thought a lot about this issue. I commend this bill to the House.

JACINDA ARDERN (Labour): I am very glad to now know, or to have learnt, where Simon Bridges' inspiration for becoming a lawyer came from. It was from *The Castle*. I think that that filled in a few gaps for me, so I thank him for that.

I will start by saying that all of my colleagues have mentioned our appreciation of the level of consultation that has gone into the development of this bill. I guess I would say that long may that consultation continue, because we anticipate that coming before us soon is some electoral legislation that probably, in the grand scheme of things, will be even more significant in the way that it will impact on each and every one of us. More important, it will impact on the general public.

The select committee approached the analysis of this bill with two key objectives in mind, and I think that that probably unified our work. There was the ultimate goal of transparency, in the way that our electoral matters are conducted in New Zealand, and also the idea of public confidence. We approached all our discussions with the idea of judging whether the legislation instilled confidence in the public that transparent, free, and fair elections would be undertaken in New Zealand. I think we probably have reached that point with this particular bill. I shall reserve judgment on any future legislation about the transparency of donations.

The point I will dwell on most, though, is probably that which some other speakers have talked about. I think that submitters, from their perspective, will be most interested in how we decided to choose the entity type we did for overseeing electoral matters in New Zealand. That new body, of course, is the Electoral Commission, which will be an independent Crown entity, so I will dwell on the justification used by the select committee to settle on the Crown entity model because, as some of my colleagues have mentioned, very strong cases were put before us to advocate that the new commission be an Officer of Parliament, instead. It might seem from an outsider's perspective that that is not a significant point of difference, but there were some differences, and I will go over those.

I also say up front that some of the submitters had some scepticism that perhaps the Ministry of Justice had not provided us with an adequate breakdown of the rationale behind the Crown entity model. I will just allay those concerns by saying at the outset that if from the submitters' perspective it did not seem as if those justifications were provided, we certainly asked for the justifications. As a committee we certainly held the ministry to task, and it certainly provided us with the information required to make this decision.

A lot of persuasive arguments were made around the idea of the new commission being an Officer of Parliament, but ultimately the evidence produced by David McGee in particular was pretty compelling, and that has been touched on by my colleague the Hon David Parker. From the outset it was explained to the committee that the Finance and Expenditure Committee had already, in the course of its business, determined the two criteria that have traditionally sat around the establishment of an Officer of Parliament. The first is the requirement that an Officer of Parliament provides a check on the arbitrary use of power by the executive. We discussed at great length the point that the Electoral Commission's primary role would be the responsibility of delivering quite a wide range of electoral services, but by and large its key role would be the responsibility to deliver impartial and transparent elections in accordance with the law. I think that when we contrast that with the role of the other Officers of Parliament, the Ombudsmen, the Controller and Auditor-General, and the Parliamentary Commissioner for the Environment, we see they have a much more direct scrutiny role of the executive in power at that particular time.

Probably, if we draw on some of the comments we heard from an Officer of Parliament, we can really see that coming to the fore. For instance, the Parliamentary Officer for the Environment just this week came out and presented a view on the Government's proposals on mining. It was quite a critical review. I think that she called the Government's proposals vague. I think there was also criticism of the cost-benefit analysis. It was quite a damning report, I would have thought, from the Parliamentary Commissioner for the Environment, so we see in that the key scrutiny role that an Officer of Parliament plays. I think that in the Electoral Commission we are probably looking for a much more functional role, a role that is involved in policy development and the like, and something that is probably quite different in terms of our expectations.

If the Electoral Commission were to be established as an Officer of Parliament, it would also mean that the Speaker would then be accountable to Parliament for its operation. We have to take into account the practicalities of that: the role that the Speaker already has, and his or her responsibility with regard to the House. The Speaker has a number of responsibilities. The Speaker already oversees the Office of the Clerk, the Office of the Ombudsmen, the Office of the Controller and Auditor-General, and other Officers of Parliament. It would probably be an unreasonable expectation to put such a weighty body under the arm of the Speaker—not to mention, I think, that there are some conflicts in that proposal in and of itself. We took that additional accountability structure, then, into account in our decision making. We also discussed the board structure of the Electoral Commission, and that as well would be a departure from the way in which Officers of Parliament exist now.

I guess, ultimately, that the select committee approached this matter from the perspective of asking what elements already existing for an Officer of Parliament submitters wished us to hold and carry over into the way the Electoral Commission would operate, if we could approach it from a different angle. So we made some changes to the legislation relating to the appointment process for the people who would be on the board of the Electoral Commission, in order to add some greater transparency, which is what I think submitters were seeking from us.

I will come back to just one more point, though—because again this is about a differentiation in the Crown entity model versus that of the Officer of Parliament—and that is our expectation that the new electoral agency will have a role in the development of policies related to electoral administration, or an advisory role in reporting directly to the Minister with regard to the administration of the Electoral Act and related legislation. Again, the example I have already drawn on from the Parliamentary Commissioner for the Environment shows, I think, the distinction between that very strong scrutiny role and the role that we expect, which is much more of a policy development role.

Having said that, I tell the House that we did not want to create a situation where the Electoral Commission was not able to raise with a Minister the concerns or issues that might exist relating to the operation of our electoral law. We recommended inserting a new section that allows the Electoral Commission to provide information and advice to the Minister at any time and on the commission's own volition—it does not have to be asked to provide that information; it can trigger that process itself—and, for the sake of transparency, the Electoral Commission can also set out a process whereby it can ensure that that information, if it so wishes, is tabled in the House within a set time frame.

I will touch quickly on the membership of the Electoral Commission. A concern was raised in the select committee that inappropriate people, who perhaps demonstrated some bias, might be appointed to this really important body. Some people specifically submitted that former politicians should not be eligible for the board. To emphasise the independence of the board, we recommended replacing section 4D, under clause 4 of

the bill, and putting in place a new appointment process for the Electoral Commission that involves an appointment by the Governor-General on the recommendation of the House of Representatives. I hope that that process will cover off any concerns that were raised with the select committee over the neutrality of the people being appointed to that body. I think that when we involve members from across the House, we are more inclined to get that kind of outcome, and we demonstrate from time to time the ability to do that.

All in all, finally I reiterate my thanks to all of those who submitted and gave their expertise to the select committee. I just highlight once again the importance of the Government continuing to consult all parties in this House, on an ongoing basis, on the very important electoral reform that will come before us.

Bill read a second time.

TELEVISION NEW ZEALAND AMENDMENT BILL

First Reading

Debate resumed from 22 April.

MELISSA LEE (National): When the debate on the Television New Zealand Bill was interrupted, I was talking about the driving force behind content and saying that commissioners had to rely on the popularity of certain genres. In recent times, we have had a lot of reality television on our screens. Reality TV is not exactly my favourite type of programme, but there is a place for those programmes. Viewers control the commissioning of that genre, because programme commissioners would not commission things that were not popular. That is the broadcaster's prerogative. If people decided to turn off the channel, the type of programming would definitely change, and very quickly.

That brings me to the Platinum Television Fund. This money was ring-fenced for the charter commitments of Television New Zealand (TVNZ), and it is now available as contestable funding through New Zealand On Air. The $15.1 million a year for projects to screen on any of New Zealand's six free-to-air broadcasters with preference for prime-time programming was a welcome move for programme makers. This bill will make sure that the function of TVNZ is to be a successful national television and digital media company that provides a range of content and services on a choice of delivery platform and maintains its commercial performance. Without New Zealand content, I guess that TVNZ would definitely not be New Zealand television.

I take this opportunity to say that we have a wonderful Minister of Broadcasting in Jonathan Coleman. I also take this opportunity to offer my congratulations to my learned colleague Tau Henare. I just found out that he has become a grandfather for the second time. I commend this bill to the House.

GRANT ROBERTSON (Labour—Wellington Central): I am pleased to speak on the Television New Zealand Amendment Bill. As previous speakers have noted, Labour members are opposing this bill. I do not really want to relitigate all the arguments as to why we oppose the bill, although I will briefly do that, because today I want to focus on what, I think, is the philosophy that lies behind this bill on the issue of public broadcasting.

I note that from our point of view this bill is in many ways the beginning of the end of public broadcasting in New Zealand. National has a history of undermining Television New Zealand and, indeed, preparing it for sale.

Hon Maurice Williamson: Here we go.

GRANT ROBERTSON: Mr Williamson knows to some degree about that. In the 1990s a significant amount of work was done to prepare Television New Zealand for sale and to push its commercial ethos at the expense of its community role.

Obviously, when Labour came into office in 1999 we set about trying to return more of the ethic of public broadcasting to Television New Zealand. The charter was a key component in that. I would accept, as someone who had a little bit to do with the implementation of the TVNZ charter, that it did not turn out exactly as we had intended. It did not provide the level of local content or the focus on areas where the market was not providing in the way we would have liked. Towards the end of our time in Government, Trevor Mallard was the Minister of Broadcasting. He attempted to make some changes to the way in which the charter was funded.

But that is a very, very long way away from what National has been doing since it came into office. We have seen hundreds of jobs gone from Television New Zealand, and a 12.5 percent cut in the news and current affairs budget. All of that leads me to the belief that the Minister's statement—

Hon Dr Jonathan Coleman: But, Robbo, what would you have done? No plan at all.

GRANT ROBERTSON: —he is interjecting now—in the first reading debate indicated where he wants to go. He said that TVNZ has effectively operated as a commercial broadcaster over recent years. He wants to go, as National did in the 1990s, towards implementing overall commercial objectives. He is not interested in community objectives.

If the charter is unworkable, as the Minister has said, then what is the replacement? This bill tells us an awful lot about what the Government does not want to do, but it does not tell us very much about what the Government does want to do when it comes to public broadcasting. In one sense, one could say that that is fair enough. When National campaigned it said did not want the charter. It said it wanted to get rid of it. On one level, that is fair enough, but I want to know what will replace it.

I think it is misguided to get rid of the charter. As I said before, I had a fair bit to do with it. It was there to help give a framework for implementing those public service broadcasting objectives. Now, even if we concede that the charter did not do that job properly, where is its replacement? Even if we concede and say that the funding should not be there, why take the charter away? Why take away the framework even if one does not think the funding should be there? It does not make sense.

Unlike the party opposite, I think that public broadcasting is incredibly significant for New Zealand. We are now living in a time when the ability to access content is seemingly limitless. People can go online and see all manner of different content that we would traditionally have seen on TV. That is fantastic. But this is the very time that we need an independent comprehensive service that reflects our country and our values. That is the role Television New Zealand should be playing in terms of broadcasting, and there is no vision for that from the current Government.

The expanding market we have is driven, for the most part, by purely commercial and profit motives. The private equity firms that are currently behind TV3 have very clear motives—they want to maximise the value for their shareholders. Well, that is fine for them. But that will not deliver us long-term public service broadcasting values. The public need to know that there will be somewhere where that is delivered.

The head of the Australian Broadcasting Corporation (ABC) has described the ABC as Australia's "town square … a place where Australians can come to speak and be heard, and to listen and learn." Well, where is New Zealand's town square when it comes to broadcast television? It should be Television New Zealand. That should be the investment the Government is making. We now know what the Government does not

want to do. Well, where is the commitment to public broadcasting? That commitment to public broadcasting, in my opinion, has to be about more than just content. It has to be about more than just programmes.

I have said in the House before that I support New Zealand On Air. I think it is a good model for ensuring that there is New Zealand content. But there needs to be something more than just content. It is said that content is king when it comes to the Internet, and so on, and that is fine. But if we are going to assure ourselves that public service broadcasting values will be implemented in New Zealand, there needs to be a place for that. We need a strong institution that will support those values with a plethora of other opportunities. It is not sufficient for the Minister of Broadcasting, Dr Jonathan Coleman, to say that there is TVNZ 6 and TVNZ 7.

We need a strong institution that allows thinking beyond individual projects. We need something that goes beyond market logic and the fact that we can put on programmes that will be attractive to advertisers. We need an institution that provides some leadership in that regard, and that is Television New Zealand—that should be Television New Zealand.

Programme producers in New Zealand do an extremely good job of producing very good, high-quality content. But they too have to constantly look at the bottom line, and some have to constantly look out for their shareholders. We need to make sure not only that is New Zealand On Air ensuring that content is being created but also that there is an institution looking out for where the market does not provide. It may come as a surprise to the members opposite, but in many cases in television, as in other walks of life, the market will not perfectly provide everything that we expect it to provide. It will provide some very good things, and some very good local content—

Hon David Cunliffe: Really?

GRANT ROBERTSON: —I know it is a shock to Mr Cunliffe—but it will not necessarily do it in television, and we need to know that our public broadcaster will be there when the market is not providing. That is what public broadcasters across the world have been able to do, and I think it is what we should do.

This bill is not a bill that the Opposition can support. Although it repeals the Television New Zealand charter, it does not really give us an indication about where the Government wants to take public broadcasting and how it will take it forward in the digital age. In fact, it leads us to believe that the Government does not believe in public broadcasting. We can certainly see that the Minister has made comments in terms of Radio New Zealand that indicate he does not believe in that kind of public broadcasting.

Television New Zealand is an even more difficult case because it has had its problems over recent years in terms of meeting that public broadcasting mandate. But there is no vision here to show me how the Government wants to do that. Abolishing the charter is a step for the Government simply in looking at Television New Zealand as a cash cow, and in the 1990s that was the very explicit, clear agenda. Now, because National went into the 2008 election with its somewhat fake promise not to privatise and not to sell State assets in the first term, it has to take a slower process towards privatising, but that, quite clearly, is the agenda.

This bill will be referred to the Commerce Committee, even though Labour is opposing it, and when it does go the committee I hope that submitters and committee members will ask questions about where the Government is going with public broadcasting. Public broadcasting is an incredibly important part of ensuring that New Zealand's culture and values continue to be reflected and exposed to the world. That is what Television New Zealand should be a part of doing. It needs a vision to do that in the digital age. This bill does not provide that vision, and we do not support it.

MICHAEL WOODHOUSE (National): I am mindful of the quote by Baltasar Gracián: "Good things, when short, are twice as good." So I will be short—probably for a very long time. I think that is what the Television New Zealand charter should have been like. [*Interruption*] I get taller with every interjection! [*Interruption*] Is that some empathy there, Mr Deputy Speaker? But I think that is true of the Television New Zealand charter.

When the Television New Zealand Amendment Bill is passed, 16 separate components will be reduced to about four succinct expectations. The present dual expectations to comply with the requirements of the charter and to act consistently with commercial imperatives are, at best, uncomfortable bedfellows and, at worst, completely unworkable. It is arguable that Television New Zealand (TVNZ) and its predecessor organisations worked very well for two generations prior to the implementation of the charter, and I wonder whether the charter has made a single bit of difference to the delivery of New Zealand content—sport, Māori content, news, and so on.

It is also worth reflecting on the actions of TVNZ's competitors through that period, and the level of Kiwi programmes—news, sport, Māori content, and so on—on private TV, radio, and Internet media. The online media developments are very interesting. TVNZ, without any expectation, has a massive interest in its TVNZ Ondemand, with 1.4 million hits per month. It actually makes a profit without any of those expectations being set in the charter. This bill amends some things to make them more explicit, which I think is very necessary.

I will talk a little about the Platinum Television Fund and the criticisms of funding that was ring-fenced for TVNZ's funding commitments now being contestable through NZ On Air. That criticism comes from a very outdated view about how programmes are made—vertically integrated companies produce, film, develop, post-edit, and then deliver the programmes—which is simply not the way TV, films, and music are now made. So I am very sure that this fund will result in better, higher-quality programmes on our screens that give better value for money.

I will put in a plug for NZ On Air. I think it does a fantastic job in promoting New Zealand music, drama, and entertainment. It is such a lean organisation; it manages about $150 million with just 13 staff. I am sure the Labour "spokesman on bureaucracy", Grant Robertson, would be astounded at that sort of achievement. It is an organisation that has been supported by both Labour and National Governments for over 20 years, and I wish it well in the future, in particular on the management of that fund.

This is a good bill, and I commend it to the House.

Mr DEPUTY SPEAKER: That ends the debate on this bill. Before I put the vote, I ask the member to provide me with that quote. I thought it was exceptionally good.

MICHAEL WOODHOUSE: I seek leave to table the quote by Baltasar Gracián.

Mr DEPUTY SPEAKER: Leave is sought for that purpose. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

A party vote was called for on the question, *That the Television New Zealand Amendment Bill be now read a first time.*

Ayes 68

New Zealand National 58; ACT New Zealand 5; Māori Party 4; United Future 1.

Noes 52

New Zealand Labour 43; Green Party 8; Progressive 1.

Bill read a first time.

Bill referred to the Commerce Committee.

EMPLOYMENT RELATIONS (REST BREAKS AND MEAL BREAKS) AMENDMENT BILL

First Reading

Debate resumed from 27 April.

DARIEN FENTON (Labour): On the day between the beginning of the first reading of this bill and today, it was International Workers Memorial Day. That is a day when we remember all of the workers who have been killed or injured on the job in New Zealand and throughout the world. It was interesting that the Minister of Labour, who introduced the Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill—and it is an important bill, because it is an important health and safety requirement that we have breaks on the job—said that it was a sober reminder that New Zealand continues to lose more than one person each week in fatal workplace accidents. She noted that serious accident statistics show that there are around 6,000 injuries or accidents in the workplace every year. She went on to say that there was a lot of room for improvement, and the Government would continue to work with businesses and unions to foster a strong workplace safety culture. I find those statements incredibly ironic when that Minister is putting forward a bill that will take away the rights of workers to have a break on the job for rest, to carry out personal business, or for refreshment.

That Minister was part of the Transport and Industrial Relations Committee that heard the submissions on Labour's bill, the Employment Relations (Breaks and Infant Feeding) Amendment Bill, which this bill completely undermines and undoes.

Chris Hipkins: How did they vote for that?

DARIEN FENTON: Actually, National voted in favour of it, but here they are, undoing all that good work. She heard one particular story that I would like to relay to the House. James Joseph was an Indian immigrant worker who came to New Zealand 11 years ago and worked in a Wellington ethnic restaurant. It took him some time to figure out that, although he was not getting any rest breaks, lunch breaks, or anything else, other workers were getting breaks, so he started to ask questions. He insisted to his employer that he should have a short break. He was working from 10 a.m. to 2 p.m. and from 4.30 p.m. to 11 p.m. or later. He wanted to have a short break every 3 hours, but he was called a troublemaker and was sacked by his employer. After 6 months he got another job, and he raised the work break issue with his new employer. He thought he would be on safer ground, because he had a written employment agreement—something that had not been given to him in his previous job. It even had a rest breaks clause. It said: "The employer can arrange rest and meal breaks so they do not cause disruptions to clients, customers, or production." To me, that sounds incredibly like this bill, as it says that the power is in the hands of employers to arrange breaks when it suits them. Poor old James went see his employer, as he thought he could talk about meals and rest

breaks since he had that clause in his contract. He was told by his employer that it was impossible to have a break because the restaurant was just too busy. So it was just tough; he could not have a break. After arguing with the employer, James was told that he was being insubordinate, and he got the sack again.

It was for workers like James that Labour introduced the rest and meal breaks legislation. It will be workers like James—the vulnerable, the unorganised, and the un-unionised—who will suffer because this Government is determined to take away their rights. The whole point of the law was to ensure that we had minimum requirements for rest, for workers to be able to carry out their personal business or pay attention to their personal needs, and to get refreshments at an appropriate time. The provisions in the current Act are extremely sensible. They provide for two 10-minute tea breaks and a half-hour unpaid lunch break for the average, normal-length day. The problem with what the Minister is proposing is that it will enable employers to decide whether a worker should have a break in the first place, and, if they do, how long that break is and when it should occur. It will also allow employers to require workers to work in an unpaid break. Apart from the fact that they might not get one, if they give them one, it is unpaid. They could put restrictions on what they are required to do.

It is very interesting. There are a whole lot of questions around this particular bill. There are a whole lot of things in it, and it provides so much uncertainty. In all my years dealing with employers, I know that they want certainty about what is required. One question I have that will come up in the select committee is how long a break has to be. The 10-minute requirement and the half-hour requirement are taken away, so an employer could meet the requirements of this legislation by allowing a 1-minute break or a 5-minute break. The employer gets to decide that. Then there is the test of reasonableness. It is a very hard test to meet. Nobody knows what that means. I would have thought that with this Minister having lectured us at length when she was in Opposition about flawed and reckless legislation, we could have expected a whole lot better.

I think that this legislation will make things worse. It provides many excuses for employers not to give breaks at all. It provides them with an excuse to say that they are sorry, but they are too busy, so there will be no breaks today. It creates another health and safety risk. We have one worker a week dying on the job in this country. This bill should not proceed.

MICHAEL WOODHOUSE (National): I once heard it said that political discourse requires two elements: trust and understanding. That is certainly true here. Labour members do not trust us and we sure as heck do not understand them. The same truism applies between employers and employees. Good employment relations are built on high levels of trust and understanding, and, consequently, poor relationships in the workplace have low levels of trust and understanding. That has been the case for generations.

The previous Government, when it passed the Employment Relations (Breaks, Infant Feeding, and Other Matters) Amendment Act, which brought in the legislation that this bill seeks to amend, said that it was motivated by the fact that there was no specific legal requirement for employees to have rest and meal breaks. Well, that had been the situation for a long, long time, but almost 93 percent of active collective employment agreements provided for rest and meal breaks. It was acknowledged that there were some problems with the organisation of work in certain niches in small ways right across different sectors. But little was known about whether the break provisions that were included in the individual employment agreements, or in workplaces generally, were working or widespread. Rather than actually find out what was going on in those

workplaces, the previous Labour Government passed that legislation. I think that it is patently unworkable in many areas. The baby was thrown out with the bathwater.

I will give members an example of a situation that existed at the hospital that I managed for some time. Throughput at hospitals, particularly private hospitals, often means that by the time the weekend comes around there is quite a low number of patients left in the ward. In nightshifts over the weekend, we would have as few as two registered nurses on staff over the night. Because of safety requirements, it literally was not possible for one of those nurses to leave the ward. The nurses had plenty of opportunities to take a break, but, under the strict definitions of the employment agreement we had with them, that did not constitute a break, because they were not able to leave the ward. What did we do? By agreement with the nurses, we paid them a meal allowance and we paid them for the time that they were there at time and a half, and it was a perfectly satisfactory arrangement. But the moment that legislation was passed, it put that arrangement at odds with the law. That employer is probably still at odds with the law, because I know that common sense will be prevailing in that organisation.

We also had the issue of sole-charge air traffic controllers, which was raised in a financial review with the Civil Aviation Authority. Even then the member Darien Fenton in her questioning of the chairman referred to the rest and meal breaks issue as being extremely thorny. The Civil Aviation Authority at that time—this time last year—was quite confident that it would be able to resolve the issue. Frankly, it could not. Unfortunately, the type of flexibility that is needed for good employment relationships no longer exists, and that is what this bill seeks to address.

I will touch on one other issue that occurred at Dunedin Airport earlier this year, when the whole airport had to be closed. It was closed because the sole-charge air traffic controller had called in sick. As a consequence, seven other—

Hon Trevor Mallard: Nothing to do with rest breaks.

MICHAEL WOODHOUSE: No, but it does have to do with flexibility in employment agreements. Six other staff members were available, but not a single one of them was allowed under the agreement to go back in and see a couple of planes land because of the overly restrictive covenants that were put in place by the unions in their employment agreement. What happened? Hundreds of passengers were diverted to Invercargill and Christchurch. The airport closed because of a lack of flexibility in the overly rigid arrangements that were put in place by the employment agreement.

I hope that that situation can change. I hope that Dunedin Airport never has to close again because of that. It is not O'Hare Airport or Heathrow; it is not as if these very good workers, one or two of whom I know, are working flat stick for 8 hours. It should be possible to accommodate those once-in-a-blue-moon events. At least in respect of rest and meal breaks, I think this bill is a very good start. I commend it to the House.

A party vote was called for on the question, *That the Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill be now read a first time.*

Ayes 68

New Zealand National 58; ACT New Zealand 5; Māori Party 4; United Future 1.

Noes 52

New Zealand Labour 43; Green Party 8; Progressive 1.

Bill read a first time.

Hon Dr JONATHAN COLEMAN (Minister of Immigration) on behalf of the **Minister of Labour**: I move, *That the Employment Relations (Rest Breaks and Meal*

Breaks) Amendment Bill be referred to the Transport and Industrial Relations Committee.

A party vote was called for on the question, *That the motion be agreed to.*

Ayes 68

New Zealand National 58; ACT New Zealand 5; Māori Party 4; United Future 1.

Noes 52

New Zealand Labour 43; Green Party 8; Progressive 1.

Motion agreed to.

EDUCATION AMENDMENT BILL

In Committee

Debate resumed from 20 April.

Part 2 Transitional provision, validations, and consequential amendments (*continued)*

Hon ANNE TOLLEY (Minister of Education): When this bill was last debated I was outlining the position of King's High School, Dunedin and the building of its performing arts centre, which the Hon Trevor Mallard's Supplementary Order Paper 99 addresses. I was pointing out that the school built a performing arts centre that was 60 percent larger than was required for a school of its size. It had paid a rate that was 168 percent higher than the industry benchmark rate for this type of facility. It paid almost $4.5 million for the centre, compared with the ministry's current valuation of $1.2 million. The situation the school is in now, of course, is that it took out a loan to complete the building of the centre. I am advised that the financial position of the school is healthy and that it is not in any trouble. I understand that it has investments of about $374,000 in the bank, so there does not seem to be any immediate reason, financially, for us to take this extraordinary action here today.

It is also unclear whether the change that the Hon Trevor Mallard has made in his Supplementary Order Paper would resolve the issue that the Ministry of Education would be in breach of the Public Finance Act 1989 if it provided funding in the clear knowledge that it would be used for a purpose other than which it had been appropriated for. So the point is made that the clause is still vague and creates some ambiguity. I repeat that allowing one school board to use 5-yearly agreement funding for a different purpose is a highly likely way of raising expectations across the sector that similar provisions would apply to all school boards. This is not a good way to make policy. It is policy on the hoof made around particular circumstances, and for that reason the Government does not support the Supplementary Order Paper.

Hon TREVOR MALLARD (Labour—Hutt South): There is a saying that an old friend of mine used with me on one occasion, and it went something like: "Slow horses, fast women, and lost causes." I think this matter might be in the last category, but it is important to put on the record the Opposition's reason for voting in this way. I will directly address the chief Government whip as I do this, and indicate to him that there will be four or five further opportunities this year when the Government introduces bills around the Public Finance Act, validation, and matters that are normally uncontroversial, and that the Opposition would normally support and not insist on a Committee stage for. But we will keep bringing in amendments to this effect in relation to finance bills until the Government sees sense in this area.

There is actually not a lot of debate around the Education Amendment Bill. Most of what the Minister of Education, the Hon Anne Tolley, says is true: the mistakes

occurred in my time as Minister; the recommendations to the board occurred in my time, and probably in the time of David Benson-Pope. The matter was considered by Mr Maharey and Mr Chris Carter, and neither of them made the decision that I think is appropriate.

The Minister is right that three other schools are in this category: Kaikorai, Cashmere, and Rangiora. This amendment does not take account of those schools, but I make the point that their issues could be solved by the Minister if she chose to do so. The Minister made some points about the costing and size of the school facility. She said that the facility is 60 percent larger than a school of that size would normally have, and she is absolutely right, but it is a joint school facility for King's High School and Queen's High School. It is not a hall for one school; it is a centre for two schools, and the Minister left that out. She went on about the costing of the facility, and it was expensive. I happen to know quite well a house in south Dunedin, which is not very far away from the site of the facility, and there is no doubt that it is hard to put in foundations in that area. Because of modern requirements, about three-quarters of a million dollars' worth of slab had to be put down for the facility to be built on, and that added to the cost. So we have to take those two factors into account. The Minister spoke about the full cost, but unfortunately she got mixed up between building costs and fitted-out costs. She added the fit-out costs into the building costs and was confused on that point, as well.

Notwithstanding all of that, as a result of the poor advice given to a previous board by a previous principal, we now have a situation whereby a school is paying $4,900 every month—not every year, but every month—to the Westpac bank, when, at the same time, it has a credit sitting in the ministry. If there was a little bit of flexibility on the part of the Government, that credit could be used, and it would not cost the taxpayer one extra cent. That money is set aside and ring-fenced for that school. The money is sitting there, and the school has indicated that the use of that money would be its highest priority. I think that it is a relatively simple issue.

I accept that the school made mistakes in my time. I think that the Ministers who followed me took the ministry's advice in a way that they should not have. I think it is fair to say that some parts of the ministry are more rigid and think less about the quality of education and the purpose of operational funding than others. My view is that on occasion the property division of the ministry can be fairly narrow in its thinking, rather than having the flexibility to ask what the best thing is for kids, and what best educational outcome can come from the situation. The amount of $4,900 is enough for another staff member, and enough for a couple of nearly full-time teacher aides to work with kids with disabilities. That amount gives the school the ability to buy five computers every month and to do some routine maintenance. Lots of things, from my perspective, can add much more to the quality of education at King's High School than giving $4,900 every month to Westpac. I reiterate to Government members opposite that I am not asking the Government to appropriate any extra money.

The Minister says that that measure does not meet the Public Finance Act requirements, but I am now briefed by two experts that it does. She says it is a terrible way to validate expenditure when it has not been properly validated in the past. I went to get a pile of legislation from the library on this issue and I pulled out at random the Appropriation (2007/08 Financial Review) Act 2009—and I emphasise 2009—passed under her Government. The Act validated tens of hundreds of millions of dollars of expenditure. The money was not appropriated; it was spent and validated.

It is the essence of our constitution that it is the role and the right of Parliament to validate expenditure or to amend its legislation, and there is no doubt that a specific amendment like this on a particular issue overrides the Public Finance Act for that issue

only. No one should pretend that that is something unusual or does not happen often. As I pick up the legislation I see, on page 14, that the Department of Conservation had $44.988 million worth of expenditure validated in this way, and the Inland Revenue Department had $123.897 million worth of expenditure validated in this way. I emphasise that the expenditure in respect of education would not normally result in extra expenditure like those examples did.

In my concluding comments I will say to some of the smaller parties in the Chamber that I appreciate people who come to these things with an open mind. I appreciate Catherine Delahunty, who did things very quickly. But I especially appreciate the work that Sir Roger Douglas has done on this matter. Sir Roger Douglas and I very rarely agree on anything controversial. It is not often these days, to use the old expression, that we go in the lobbies together, but I can say that he can work out pretty quickly that something is silly in respect of a Government organisation. He can work out when money meant to be spent in one particular area is being spent on the wrong thing. I appreciate the ACT Party support for this amendment. It is something that we have worked through. Sir Roger Douglas helped to get the wording right so that it met his bill and did the right thing.

I say to the Māori Party that I am very, very disappointed. Kaikorai Valley College is a mid-decile school, which for Dunedin is relatively low. It sits in the poorest part of Dunedin.

Hon MARYAN STREET (Labour): In speaking to Part 2 of the Education Amendment Bill I will highlight the transitional provision in relation to police vetting. The Education and Science Committee spent some time, as I understand it, considering the matter of police vetting. There is a provision in Part 1, new section 78CB(2), that states: "The board of a State school, or the management of a school registered under section 35A, that is required … to obtain a Police vet of a person must apply for the vet no later than 2 weeks after the person begins work at the school." That amendment to the Act came about as a recommendation from the Education and Science Committee. Its members had determined that the previous amount of time was too long and it needed to be shortened so that a police vet would occur within at least 2 weeks of non-teaching staff starting work, and that has been incorporated in the legislation.

Part 2 contains a transitional provision, and I would be interested to know from the Minister of Education what kinds of provisions will be put in place to allow this clause to be implemented. Clause 76, "Transitional provision in relation to Police", states: "the board of a State school, or the management of a school registered under section 35A, or a service provider of a licensed early childhood service (as the case may be) must, within 4 weeks after the date on which this Act comes into force, apply for a Police vet of any person in respect of whom—(a) a Police vet is required … and (b) no Police vet has been obtained within a period of 3 years immediately before the commencement of this Act,". In other words, it is a tidying-up clause that requires schools to initiate the process of police vetting within a period of 4 weeks after the date on which this legislation comes into force.

The question I have for the Minister of Education is: what consideration has been given to the communication strategy that is required in order for this to happen? Clearly the Ministry of Education, I presume, will be communicating with every school immediately after the passage of this legislation. This legislation will pass in due course because Labour is supporting it, despite our disappointment at the non-inclusion of some clauses that we were particularly keen on. However, it will pass, and I trust that there will be some communication to the schools and institutions that draws their attention, with some sense of immediacy, to the need to apply for a police vet of any person, particularly where no police vet has been obtained within a period of 3 years

immediately before the commencement of the Act. So these are tidying-up provisions to make sure all the police vetting processes are in order.

Although I am sure the Minister can answer the question quite readily, this is still an important consideration, and it is one of those parts of legislation that sometimes do not receive a lot of attention but for the assiduousness of officials, who are obliged to draw this to the attention of schools. Obviously in this instance a vet is not an animal doctor, nor is it even an animal doctor who looks after police dogs, but it is a process of scrutiny and assessment of the fitness of people—teaching and non-teaching staff—who have access to children in our schools and early childhood education centres.

Nothing could be more important than the fitness of both teaching and non-teaching staff to be in contact with children right up to the age of exit from secondary school, in a teaching or non-teaching capacity. So the transitional provision requires some assiduous application of the ministry to advertise this provision to schools in order that they comply. In fact, the Education and Science Committee thought this was so important that it reduced the time from the 8 weeks that was in the legislation in its first iteration to 4 weeks. That requires even speedier compliance than was originally envisaged by the Minister. I presume from the Minister's nodding a moment ago that she is very much in favour of this shortened time frame. I assume that her instruction will be very clear to officials to ensure that not only are the usual communication channels followed—the gazetting and things of that sort—but also there might even be additional communication to principals and boards of trustees that this requirement needs to be complied with within 4 weeks. That is a reasonably short order, but it is one of the essential components if we are to keep our learning institutions—our early childhood education centres and our primary and secondary schools—safe for the children who attend them.

The shortening of the period contained in this transitional provision is a good move by the Education and Science Committee. Obviously it has perceived the urgency of this provision, and the urgency of the issue behind it. There is nothing more important than the safety of the children in our schools and early childhood education centres, and the process of establishing the fitness of people who come into contact with them—not simply teaching staff but also non-teaching staff—must be paramount. So the process that determines the fitness of those people needs to be enacted, it needs to be complied with, and it needs to be satisfied in every letter and every respect.

The transitional provision in relation to police vetting is an essential part of Part 2. My colleagues may well speak to other parts of Part 2, but it seems to me that it is appropriate to draw the attention of the Committee to the importance of even a simple transitional provision. It is something that every principal of every school and every chair of every board of trustees needs to know about so that they can ensure compliance within the shortened time frame. As I say, Labour supports having a shortened time frame for this compliance period, and supports this transitional provision, not only for its mechanics but, obviously, for its greater import and purpose in protecting the safety of children in our schools.

I support these provisions, together with the provisions of Part 1, which deal not only with the appropriateness of teaching staff but the police vetting of non-teaching and unregistered employees, and the police vetting of contractors and their employees. Thank you.

SUE MORONEY (Labour): As a member of the Education and Science Committee, which considered the Education Amendment Bill, I will rise and speak to Part 2. Because it is now some time since the select committee considered the wording in this legislation, a lot has happened since then, and I wonder whether committee members may have had some different views if we had known then what we know now.

Part 2 requires early childhood education centres to have some additional costs put on them for going through some vetting procedures, and to do those procedures, as my colleague Maryan Street just said, in a truncated period of time compared with what the original legislation said. Of course, at the foremost of the minds of select committee members at the time, when we wanted that time period truncated, was the safety of children, which is as it should have been. We wanted to make sure that there were as few loopholes as possible. But that was before we learnt that there were to be Budget cuts for the early childhood education sector. I think that now, on reflection, as I look at this entire bill, and in particular at Part 2, the costs that are contained in there for the sector were not a major concern for committee members at the time, because we believed then that the Government would not tamper with early childhood education funding. We believed that the funding was in place because the Government had promised that. National had promised it before the election and we had no reason to doubt that, but this week we suddenly learnt that the early childhood education sector is costing too much. Suddenly the Government has decided, just this week, that the early childhood education sector is costing too much and that funding must be cut from the sector.

In Part 2, the sector is required to undertake police vetting procedures that it has not been required to undertake up until this point. The timing of that will be incredibly important because Part 2 concerns the transitional provisions, and because we do not know when this legislation will come into effect—it commences on the day after it receives the Royal assent, so there is no named date in the bill—we do not know whether its enactment will occur before the Budget. It is unlikely to be enacted before that. It could be, but the transitional provisions are likely to be set in place and be requirements for the early childhood education sector following the Budget. We do not know, because the Government will not say, what cuts-to-funding situation the sector will be placed in by then. As a member of the select committee, I find myself in a very difficult position: I am supporting this legislation because that is the right thing to do for the safety of our children, but I am now very, very worried about the sector's capability to put these measures into place—to go through these police vetting processes, and to make sure that that is done thoroughly and property—because I do not know, and neither does the sector, the level of the funding cuts that it is facing in the Budget coming up on 20 May.

Here we are today, in the Committee stage, debating with a new piece of information. When we were debating in the Committee stage last week I felt less worried about the funding position of the sector than I do this week. I do not know when we will be debating this bill's third reading, but I wonder what on earth we will be facing then. What situation will the sector be in? Where will its capability be to deliver what we supported in good faith in the select committee and what the submitters told us about in good faith? The submitters wanted these changes to be put in place, as well, but they did not know—and neither did we on the select committee—about the plans that the Government had for cutting funding to the sector. The reason we did not know about those plans is that National had promised that it would not tamper with early childhood education. It said that it would keep the same level of subsidies and it would keep the same fee controls in place. It promised that before the election, but now those promises look shallow. They are ringing completely hollow. Now, all the Government can do is talk about how much it will cost it to support children through early childhood education. Well, for goodness' sake. When the Government keeps saying that it wants to improve participation and have more children in early childhood education, of course the cost will be larger.

KELVIN DAVIS (Labour): I will follow on from what my colleague Sue Moroney has been saying about police vetting, and about the need for support for principals and boards of trustees within schools to go through that process. It is quite a simple process, really, when we think about it, but unfortunately in schools many school leaders have been trained purely as teachers. They used to get very little training in the art and skills of being a principal, let alone training in the sort of legal stuff that principals now have to do. So there is a real gap in the knowledge of many principals between the art of leading the school in terms of the curriculum, and administrative work, much of which is based around legal needs.

The process of a police vet is quite simple; it is a matter of filling in a form and posting it off. But that and all the other requirements that principals have when they employ staff build up for principals, and often they do not do administrative tasks in the timely manner that they should. I support the fact that the time frame to apply for a police vet has been shortened from 8 weeks to 4 weeks. I think it could be done even faster. However, one of the problems of having a limit of 4 weeks in which the police vet is to be applied for is that there is a time period when a person is allowed to work in a school but when we are unsure whether the person has a criminal background. The application has to be filled out within 4 weeks, yet there is another 4 or 5-week lag in receiving the police vet back. It could mean that a teacher has been working in the school for close to a term, or for a quarter of a school year, without the school knowing the status of the teacher's criminal history—hopefully the teacher would not have a criminal history—so there is that danger.

Going along the same lines of principals not having the legal background and training to allow them to follow the processes, I will flick back to the first part of the bill that talks about what happens when a police vet is returned. I am talking about section 319FA, inserted by clause 70, which states that principals "(b) must not take any adverse action in relation to a person who is the subject of a Police vet until—(i) the person has validated the information contained in the vet;". This is really important, but quite often, because of our lack of legal knowledge as principals—

Hon Anne Tolley: I raise a point of order, Mr Chairperson. This is very interesting, but we are on Part 2. I thought that was what the member was talking about, but he is still on Part 1.

Hon Trevor Mallard: There are, of course, the transition provisions that relate to this and they are in clause 76, which is in Part 2.

The CHAIRPERSON (Eric Roy): I think the Minister has a point. The member should draw into Part 2, and make his speech relevant.

KELVIN DAVIS: Clause 76, in Part 2, talks about police vetting and I was referring to the process that principals follow, and the need for support for principals in this whole process of police vetting. Quite often they can react hastily to the results of a police vet, without a person having an opportunity to validate the vet. It needs to be drawn to the Committee's attention that principals need a lot of support with the police vet process. As I said earlier, it is a legal process and we risk personal grievances being taken because principals inadvertently react too soon or too hastily to the results of a police vet.

The question was put that the amendment set out on Supplementary Order Paper 99 in the name of the Hon Trevor Mallard to insert new clause 78A be agreed to.

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 57

New Zealand Labour 43; Green Party 8; ACT New Zealand 5; Progressive 1.

Noes 63

New Zealand National 58; Māori Party 4; United Future 1.

Amendment not agreed to.

A party vote was called for on the question, *That Part 2 be agreed to.*

Ayes 112

New Zealand National 58; New Zealand Labour 43; ACT New Zealand 5; Māori Party 4; Progressive 1; United Future 1.

Noes 8

Green Party 8.

Part 2 agreed to.

Clauses 1 and 2

Hon TREVOR MALLARD (Labour—Hutt South): I know this is a relatively narrow debate. Clauses 1 and 2 relate to the title and commencement date of the Education Amendment Bill. As we consider these clauses, it is important that we consider the title of the legislation, which is the Education Amendment Act 2009. I wonder about the habit of this Committee in relation to truth in legislation. I know that the ACT Party is very much for truth in legislation, but unfortunately we have a bill whose title clause says it will be the Education Amendment Act 2009. I am not sure whether there is a proposal on the part of the Minister of Education—I have looked on the Table and I have found no amendment from the Minister—to amend the title of the bill to the "Education Amendment Act 2010".

It is worth focusing a little on what has happened here. I think the process at the Education and Science Committee was very good. I say to Allan Peachey that I thought he chaired the select committee well in its consideration of this bill. He got it through that committee in good time. If his work was appreciated even a little bit—well, if his work was appreciated, then he would be the Minister of Education—then I think the bill would have come back to the House and been passed through its remaining stages, and we would have been able to have an Education Amendment Act 2009, but unfortunately it is now 2010.

The other point I make to the senior Government whip is that this bill could have gone through its Committee stage in about 10 minutes. We moved a number of amendments in order to filibuster it. We hoped that the Minister would consider a particular issue and change her mind on it. We have debated Part 2 across some hours in the hope that the Māori Party would focus on it. But a large amount of parliamentary time has been used on a bill that, I think it is fair to say, everyone who understands it and who has considered it carefully, other than the Green Party, is voting for. The bill would have gone through quite quickly and would still have been entitled the Education Amendment Act 2009, as the title clause indicates.

I do not think there is much argument around the commencement date. The legislation comes into force on the day after the date on which it receives the Royal assent. I would be interested, though, in the Minister's view of the title. Does she propose to put forward a Supplementary Order Paper to correct the title of the bill?

Chris Tremain: Probably not.

Hon TREVOR MALLARD: She does not? She does not intend to correct it. I have got into a little trouble before for using the word "fib" in the Chamber and associating it with a Minister, but I think—

The CHAIRPERSON (Eric Roy): Do not go there.

Hon TREVOR MALLARD: No, I am not. But I should say that the House as a whole should not—

Hon Darren Hughes: Committee.

Hon TREVOR MALLARD: Well, the bill will go back to the House; the Committee will report to the House. We should not be passing a bill that contains an untruth right in the very first or second line. I think that a few things in the bill could have been improved—

Hon Darren Hughes: Has she signed it?

Hon TREVOR MALLARD: Probably 37 times.

Hon Darren Hughes: She signed every line.

Hon TREVOR MALLARD: Well, we have certainly seen one paper that was like that. I say to my colleague that we wondered why there had been a slight accumulation of paper in the Minister's office. But now we have seen the results of the Official Information Act request. We see that time after time, even on the same page, this Minister feels an obligation to—in very careful, childish script—sign her name. I presume that it is not a stamp. It might be a stamp; Mike Moore had a stamp. Mike Moore had a stamp that might have been appropriate. I am not absolutely certain whether I can share with members the total detail of that stamp, but I think, Mr Chairman, that as an agricultural gentleman you would appreciate that Mr Moore used a word that was associated with the bovine species. When he received paper from either officials or his caucus colleagues that he disagreed with—

Chris Tremain: I raise a point of order, Mr Chairperson. This member is a longstanding member of the House. He began his speech by saying that the debate on the title was a narrow debate, but now he is going on about bovine species, which has nothing to with the title of the bill. I ask you to bring him to order so that we can get on with this particular debate, please.

The CHAIRPERSON (Eric Roy): I just clarify for members that it is in order to say that the bill contains an inaccuracy. To go into matters of bovine species, or to indicate fibs or anything else of that nature, is quite out of order. I ask the member to continue.

Hon TREVOR MALLARD: On that point, I think the Mayor of Invercargill wrote a book—

Chris Hipkins: That's right, he did.

Hon TREVOR MALLARD: He did. He wrote a book. *Jellybeans* was the second part of its title—

The CHAIRPERSON (Eric Roy): I asked the member to direct his comments towards what is a very tight debate on clauses 1 and 2. I do not think that we need to include the Mayor of Invercargill, fine gentleman though he is.

Hon Darren Hughes: What about the next mayor—will the next mayor write a book?

Hon TREVOR MALLARD: No, she sang a song. I am beginning to wonder, as my colleagues get ready to assist me in this—Mr Hipkins—whether the senior Government whip would have preferred to seek leave to raise the House a little earlier.

I am making a point, and it is a relatively easy point. I would like an assurance that the Minister will take a call on this matter, sort it out, and indicate whether she intends to get the bill cleaned up so that it reflects the truth and is accurate, and so that her lack of diligence in getting this bill through can be corrected in at least a minor way, in order to indicate to the Committee that this legislation is current. If she does not do it, then I

am sure that eventually the Clerk's Office will come along behind her. I am sure that it will sweep up after her, clean up after her, clean the streets, and tidy things up in the way that it normally does for a Minister who makes a mess of things in a bill. It will probably be regarded as a minor technical amendment of the sort that the Clerk's Office is allowed to correct, maybe with another printing of the bill before the third reading. I think, even if it went through its third reading in its current form, it would be one of those areas where it would be allowable for the Clerk's Office to change the year, but I am not sure.

Therefore, it is important that we have some assurance from the Minister that the date in the title clause, "This Act is the Education Amendment Act 2009.", will be corrected in some way. At the moment, it is inaccurate. It cannot possibly be the Education Amendment Act 2009; it can be the Education Amendment Act 2010. It is a relatively easy matter; one would have thought that the Minister could answer it. She could have put a Supplementary Order Paper on the Table. She has indicated that she does not want to take a call on the matter. I would much prefer her to take a call and clarify it. Then we could move on to clause 2, the commencement clause.

I ask the Chairman whether we are debating the two clauses together. We are; that is good. In the next set of calls, I am sure I will be able to get on to that clause. But as she is not taking a call, there continues to be a question. If it is to be the Education Amendment Act 2010, will it be the Education Amendment Act 2010 (No 1)? I understand there is to be another Education Amendment Act 2010. Or is it her intention, when that legislation comes in, to give the subsequent legislation a different name? Will it be called the "Undoing of Zoning Act" or the "Operational Funding for Taking the Top 5 Percent and the Bottom 25 Percent of Kids from School to School Act? Will it be the "Education (Introduction of Vouchers) Amendment Act"? There could be a number of areas.

Hon Anne Tolley: I raise a point of order, Mr Chairperson. You have made the point to that member a number of times. He is a very experienced member of the House. This bill has nothing in it about vouchers or zoning. We are debating the first two clauses: the title and the commencement.

The CHAIRPERSON (Eric Roy): The point is upheld. The member should refer to clauses 1 and 2 of this bill.

Hon TREVOR MALLARD: I am. As I do so, I wonder whether my colleagues are drafting amendments to the bill that make that clear. For example, it could be called the "Education (This Has Nothing to Do with the Introduction of Vouchers) Amendment Bill 2010".

CHRIS TREMAIN (Senior Whip—National): I move, *That the question be now put*.

CHRIS HIPKINS (Labour—Rimutaka): I am very happy to take a call on the Education Amendment Bill 2009, but I am disappointed that the Minister has not risen to her feet to respond to the very legitimate concerns that my colleague Trevor Mallard has raised with regard to the title of the bill. In fact, I look across the Chamber to Mr Allan Peachey, and I am sure that had he been sitting in the chair as the Minister, he would have taken a call and clarified this issue. He would not have let this sloppy process continue: the process of passing an amendment bill dated 2009, despite the fact that we are now nearly through the fourth month of the year, nearly one-third of the way through 2010. I do not think that Allan Peachey would have let the Government get away with that. I think he would have had much higher standards than that. Certainly, that is the feedback I have had from my colleagues who sit on the Education and Science Committee.

I refer in particular to Standing Order 307, "Verbal or formal amendments", which states: "In preparing the bill for the Royal assent"—which comes under clause 2, the clause stating that this bill will come into force once it has received the Royal assent—"amendments of a verbal or formal nature may be made and clerical or typographical errors may be corrected in any part of the bill by the Clerk." Would this particular problem that we have raised be a clerical or typographical error, given that it has been brought to the attention of the Committee prior to a vote being taken on clauses 1 and 2? Could the error be regarded as clerical, or simply as a minor or typographical error, if the Committee already knew about it when it voted on it? The issue that my colleague has raised is quite significant.

Is the title appropriate? What would the consequences be if this bill's title were to be changed to the Education Amendment Bill 2010 only after the Committee had voted on it, knowing that it was voting on something that was not, strictly speaking, correct? Would there be consequences for somebody who then changed that, arguing that the error was clerical or typographical, if in fact, the Committee had known about that problem when it voted on it? There could be some reasonably significant issues with that, so I think it is a shame that the Minister in the chair, the Minister of Education, has not taken the opportunities there. It would be a relatively small amendment. In fact, I could probably talk for the length of time it would take her to handwrite an amendment that we could then vote on; I am happy to keep going in order to give her the time to write an amendment. It will not take her very long—well, it might take her a while, actually. Trevor Mallard has done it, so in fact we can vote on an amendment to change this legislation to the Education Amendment Bill 2010, which would be a very sensible thing to do. We are from the Opposition and we are here to help.

It would be very unwise for this House to go ahead and pass legislation with factual inaccuracies in it right from the very beginning. We are talking about the very first line of the bill. I have to speak for a few more minutes, because Trevor Mallard apparently has to produce six copies of the amendment before we are allowed to vote on it. I will do my best.

I will give it a go by going back to the issue of the Royal assent. The commencement clause states: "This Act comes into force on the day after the date on which it receives the Royal assent." Commencement dates are discussed by select committees quite a lot. I have been involved in all sorts of discussions about when it is appropriate for law to come into effect. The Regulations Review Committee has produced an entire report on that very issue, on the dates when legislation should come into effect. The Regulations Review Committee has made recommendations about making sure that the date when the bill can come into effect is clear within the bill. Of course there is a particular clause relating to a king—I cannot remember which one it was—

Hon Darren Hughes: King James?

CHRIS HIPKINS: No, I do not think it is the King James clause. I cannot remember which king it was, but, basically, the provision says that we should not, where possible, write into the commencement clause of a bill that the bill can come into force on ministerial prerogative, or that there should be some discretion in there. Parliament, ultimately—

Hon Darren Hughes: Is it the Annette King clause?

CHRIS HIPKINS: My colleague is asking whether it is the Annette King clause. I am not sure. I do not want to speculate on that too much; that could be career-limiting for me.

Chris Tremain: I raise a point of order, Mr Chairperson. I bring to your attention Standing Order 107(2), which brings into light "the conduct of a member who persists in irrelevance or tedious repetition either of the member's own arguments or of the

arguments used by other members in debate,". I think we have been through this issue over and over again. It is out of order, I believe. I ask you to stop this member and ask him to desist from doing that.

Hon Trevor Mallard: I was out of the Chamber for about a minute and a half doing some photocopying, but I think we are on only the third call of what is an important issue. I am sorry; I see that Mr Chairman is motioning that we are on the fourth call of an important issue. There really needed to be only one call. If there was an indication that the amendment had been accepted, I am sure we would have had only four or five more calls in order to get through into the next day. I know there is a lot of debate here. I wonder, as we have had no reply from the Minister, what we will do after this—

The CHAIRPERSON (Eric Roy): No, no. That is not part of the point of order that I was hearing the member speak on.

Hon Trevor Mallard: Well, I—

The CHAIRPERSON (Eric Roy): I ask the member to sit down, please. I am going to overrule the point of order that was raised on this occasion.

CHRIS HIPKINS: I believe that I am the first member in this part of the debate to talk about the commencement, the importance of the commencement date, some of the considerations around it, and alternative commencement dates.

Hon TREVOR MALLARD (Labour—Hutt South): I move that the Speaker be recalled in order to rule on the question of whether the change of date is a clerical error that can be corrected by the Clerk's Office, or whether an amendment is necessary.

The CHAIRPERSON (Eric Roy): Well, the member has moved that motion, and I am bound to do that. But the member has not asked the Chair for a ruling on that.

Hon TREVOR MALLARD: I apologise for being premature.

The CHAIRPERSON (Eric Roy): So what are you intending to do?

Hon TREVOR MALLARD: The question on which I would like you to rule is whether the changing of the date is a matter of clerical, or administrative, or—I forget the wording under Standing Order 307.

Chris Hipkins: Clerical or typographical.

Hon TREVOR MALLARD: Yes; whether it is clerical or typographical and can be corrected. I am working on the assumption that it is not. But I would like your opinion and then we can see.

The CHAIRPERSON (Eric Roy): I am happy to say this is not a matter upon which the Chair would normally rule. A bill normally reflects the date of introduction. It is not unusual for a bill to go through its passage and on to the Committee stage while still retaining a date that may be from a previous year—that is not unusual. Standing Order 307 does have that provision, as Mr Hipkins said, and that is when those anomalies are clarified—when the bill is printed. Does the member still want to recall the Speaker?

Hon TREVOR MALLARD (Labour—Hutt South): I raise a point of order, Mr Chairman. None of us is suggesting that the bill should have been reprinted at this point. I think the question is whether it is automatic as we move to the third reading that we will get a reprint of the bill with the 2010 date in it at that stage, or whether there is the power in the Clerk's Office to amend the bill on the way to the Royal assent. The Minister has nodded her head at both, and if we had a ruling from someone that that was going to occur, we would have finished here about 25 minutes ago, I think. My question is: is it an automatic process—

The CHAIRPERSON (Eric Roy): Let me respond. It is a normal practice, a standard feature of a bill, that normally it is adjusted when the bill is sent for Royal assent. That is the normal process.

Hon DARREN HUGHES (Senior Whip—Labour): I raise a point of order, Mr Chairperson. The Hon Trevor Mallard signalled to you about a motion of recall. Could

you could advise the Committee at what point in this debate on the title and commencement clauses—which could have been finished a long time ago; I have come down to the House and I am surprised we are still on this, as it should be completed by now—the Minister is able to clear up the whole thing by putting forward an amendment that would guillotine the need for Mr Mallard's motion? It seems to me that she could stand up and take a 10-second call and say that that is her intention, so at what point do we trigger a situation where the Minister is not able to do that and where Mr Mallard's motion would stand?

The CHAIRPERSON (Eric Roy): I have been at pains to point out that this is a normal procedure. The process we are involved in happens not infrequently. Bills are corrected typographically and in every respect before they receive the Royal assent. That is the normal procedure.

CHRIS TREMAIN (Senior Whip—National): I move, *That the question be now put*.

A party vote was called for on the question, *That the question be now put.*

Ayes 68

New Zealand National 58; ACT New Zealand 5; Māori Party 4; United Future 1.

Noes 52

New Zealand Labour 43; Green Party 8; Progressive 1.

Motion agreed to.

Hon TREVOR MALLARD (Labour—Hutt South): I raise a point of order, Mr Chairperson. I know that I will be testing you a little bit here—

The CHAIRPERSON (Eric Roy): Yes, it looks like it!

Hon TREVOR MALLARD: —but I have a very quick question I would like you to answer. Were there any other amendments to the bill? I am asking whether the passing of my amendment would require an extra printing of the bill. I would be slightly anxious about incurring any cost to the Crown in that way.

The CHAIRPERSON (Eric Roy): If there are no amendments to the bill, it will not be reprinted. If any amendments are passed, the bill will be reprinted.

Hon TREVOR MALLARD: Further to that, can we have an indication about whether the—what is it called—the pre - Royal assent amendment will be done before or after the third reading?

The CHAIRPERSON (Eric Roy): My understanding is that if this amendment in your name is passed, the bill will be reprinted before the third reading.

Hon TREVOR MALLARD: Sorry; that was not the question. It was the other way round—whether the typographical error, if it is an error, can be corrected before the third reading.

The CHAIRPERSON (Eric Roy): I am advised that it is after the third reading.

Hon TREVOR MALLARD (Labour—Hutt South): I raise a point of order, Mr Chairperson. I am not sure now whether I need to seek the leave of the Committee—I certainly do not want to put the Crown to the expense of reprinting this—to withdraw my amendment.

Hon DARREN HUGHES (Senior Whip—Labour): The point that I think has been missed is that the bill has been going through the Committee stage for some weeks, and it is a question of whether there were any amendments to Part 1 or Part 2 of this particular bill. I am not sure whether there were any Minister's amendments or amendments from the Opposition that affected Part 1 or Part 2.

The CHAIRPERSON (Eric Roy): There were none.

Hon DARREN HUGHES: So the bill is as it stands. So Mr Mallard can withdraw the amendment?

Hon TREVOR MALLARD (Labour—Hutt South): I raise a point of order, Mr Chairperson. The question I have is this: do I have the right to withdraw it or do I need to seek leave?

The CHAIRPERSON (Eric Roy): You need to seek leave.

Hon TREVOR MALLARD: I seek leave to withdraw my amendment in order to not put the Crown to cost.

The CHAIRPERSON (Eric Roy): Leave is sought for that purpose. Is there anyone opposed to that course of action? There is not. The amendment in that member's name is withdrawn, and the time has come for me to report progress.

Hon TREVOR MALLARD (Labour—Hutt South): I raise a point of order, Mr Chairperson. You are in the middle of a closure motion. I think you have to put a vote.

The CHAIRPERSON (Eric Roy): We have completed the vote on the closure motion, but we have not commenced the next vote. I have to put the question on clause 1, then on clause 2.

A party vote was called for on the question, *That clause 1 be agreed to.*

Ayes 112

New Zealand National 58; New Zealand Labour 43; ACT New Zealand 5; Māori Party 4; Progressive 1; United Future 1.

Noes 8

Green Party 8.

Clause 1 agreed to.

Hon DARREN HUGHES (Senior Whip—Labour): I raise a point of order, Mr Chairperson. With the time now being after 5 to 6, are you not required to report progress to the House?

The CHAIRPERSON (Eric Roy): No, once the voting has been commenced it has to be concluded.

A party vote was called for on the question, *That clause 2 stand part.*

Ayes 112

New Zealand National 58; New Zealand Labour 43; ACT New Zealand 5; Māori Party 4; Progressive 1; United Future 1.

Noes 8

Green Party 8.

Clause 2 agreed to.

Bill reported without amendment.

Report adopted.

The House adjourned at 5:58 p.m.

TUESDAY, 4 MAY 2010

Mr Speaker took the Chair at 2 p.m.
Prayers.

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

Financial Crisis, Greece—Lessons for New Zealand Economy

1. AMY ADAMS (National—Selwyn) to the **Minister of Finance**: What lessons can the Government take for New Zealand's economy from the current Greek financial crisis?

Hon BILL ENGLISH (Minister of Finance): The lesson we can take is that in a world where many Governments are borrowing large amounts of money, it is very important to focus on having sound finances. The adjustments in Greece are going to be harsh. It is looking at large tax increases, 14 percent cuts to State pay followed by a multi-year pay freeze, the closure of many agencies, and reductions in pensions. This is somewhere we do not want to go to, and we can keep away from it if we focus on having sound Government finances.

Amy Adams: What implications does this episode have for New Zealand?

Hon BILL ENGLISH: The Greek situation is a more extreme version of the position that New Zealand faced about a year ago, with a deep recession, rising debt, and a credit rating that was perhaps in jeopardy. In such a crisis, prevention is better than cure. Most observers agree that the two best preventive mechanisms are to have a flexible exchange rate and to keep debt at prudent levels. That is what we want to do.

Hon David Cunliffe: Despite the fact that both Crown debt and unemployment have grown markedly under his administration, does the Minister not think that he is being just a little too hard on himself, comparing his management to that of Greece?

Hon BILL ENGLISH: I think, unlike that member, that we have to be aware of where things could go wrong, and the fact is that the forecasts we inherited from that member's Government when we became the Government were sending us in the same direction as Greece.

Amy Adams: What light does the Greek situation cast on alternative proposals for managing the New Zealand economy?

Hon BILL ENGLISH: If the Government had continued to manage the economy in the manner that the previous Labour Government was managing it, we would have ended up with ever-increasing public debt and question marks over our credit rating, and we probably would have ended up with some kind of major adjustment programme. Unfortunately Labour has not learnt any lessons from that, and the policies it is advocating now would make things much worse—

Hon David Cunliffe: I raise a point of order, Mr Speaker. I seek your considered ruling on this matter. Standing Order 377(2) requires answers to be "concise and confined to the subject-matter of the question asked," and to avoid "arguments, … imputations, … [and] discreditable references". It is established that Ministers can refer to the historical record, as the Minister of Finance has done, including the record of former Governments. However, you have previously ruled that hypothetical references to another party's policies are not within the Standing Orders. Speaker's ruling 145/4 defines tightly the area of a Minister's responsibility, Speaker's ruling 145/7 specifically excludes Opposition policy from that, Speaker's ruling 153/3 underlines the need for content to be factual, Speaker's /ruling 164/7 rules out hypothetical references to another party's policies, and so on. Taken together, the intention of the Standing

Orders and the Speakers' rulings is clear on this matter. It is to facilitate the accountability of the Government to the Opposition's questions, rather than to allow the Government an opportunity to make up Opposition policy. The Opposition has no problem with having a debate about the previous Government's record, but we would ask you to consider the matter of whether the Minister has on this occasion stepped across the line into hypothetical Opposition policy.

Mr SPEAKER: I say to the Hon Dr Nick Smith that a point of order is being considered, so he must not interject. Had the Hon Bill English gone on at some length about Labour Party policies, I would have agreed with the Hon David Cunliffe's point of order. But there was only the briefest possible reference at the end of his answer. In relation to this whole issue, I would say that if Opposition members do not want Ministers to comment on Opposition positions, they need to be a little more cautious about their interjections. I heard all sorts of interjections as the Minister started to answer his questions today about his having been lucky to inherit good things from the previous Government, and all that kind of thing. So if Opposition members do not want Ministers to comment on either past policy or current policy of the Opposition, they need to be more careful with regard to their interjections. I believe today that the Minister has not transgressed.

Hon David Cunliffe: I raise a point of order, Mr Speaker. To clarify that point of order—I am not trying to relitigate your ruling, but for future guidance—can we be clear that historical references to a former Government's policy or performance are within bounds, but at least extended references to hypothetical positions that an Opposition might take are out of bounds?

Mr SPEAKER: I accept the general point that the member is making. But on this particular occasion, if I recollect what the Minister said, he said something along the lines of the policies that Labour is continuing to espouse would have a similar effect. I do not think there is enough detail in that to argue that the Minister is ascribing hypothetical policies to the Opposition. But I sympathise with the fundamental issue that the member is making.

Hon David Cunliffe: Can the Minister explain why, when Greek public debt is around 115 percent of GDP and New Zealand's net debt is around one-tenth of that amount, he is running down his country and putting New Zealanders' exports and jobs at risk?

Hon BILL ENGLISH: I am simply drawing attention to the fact that when the Government came into office, it faced forecasts in the December 2008 Economic and Fiscal Update that showed net debt soaring to 50 percent of GDP and permanent deficits—that is, never-ending deficits and ever-rising debt. That certainly would have been a path to the Greek kind of crisis.

Mining in Conservation Areas—Minister's Recommendation in Cabinet Paper

2. Hon PHIL GOFF (Leader of the Opposition) to the **Minister of Energy and Resources**: Does he stand by his recommendation in his Cabinet paper of 10 February 2010 that 467,517 hectares of national park land and protected conservation land be considered for opening up to exploration and mining?

Hon GERRY BROWNLEE (Minister of Energy and Resources): I stand by the subsequent Cabinet decision of 22 March 2010, which proposed a net addition of 5,000 hectares to schedule 4 land. So, quite patently, my answer is no.

Hon Phil Goff: Is it correct that in the paper he and the Minister of Conservation signed off he proposed removing protection from mining in nearly half of Kahurangi National Park, near Nelson, and that he proposed mining in most of Rakiura National

Park, covering almost all of Stewart Island, and also a big part of Mount Aspiring National Park; and why was he advocating in that paper that those areas be opened up for mining?

Hon GERRY BROWNLEE: I am quite sure that if the member read the paper he would see that we were proposing that those areas might be better prospected, which is prevented at the present time. We had previously made it very clear that we were conducting a stocktake of minerals in the conservation estate. Those areas are minerally prospective, and that is why the recommendation was there. But, of course, Cabinet rejected that. Cabinet has said no to mining in those areas, and that is the end of the story.

Hon Phil Goff: Did Cabinet reject the recommendations that he and the Minister of Conservation made because they were ill-considered and totally unrealistic, or did Cabinet actually decide that it was better to take the first 7,000 hectares, leading up to the full implementation of what he recommended?

Hon GERRY BROWNLEE: The discussion centred on the stocktake of minerals in the Crown conservation estate—in particular, on minerals that were known to be deposited in schedule 4 land. Cabinet made—

Hon Darren Hughes: How does that add to an answer?

Hon GERRY BROWNLEE: Through historic information that was available. There was not sufficient information to back that, quite frankly, so there was a decision, which stands, that we will not be mining in those national park areas or in the conservation areas. I cannot bind the Labour Party in terms of what it may do in the future. All I can do is look to the past and look at Labour's record—and Labour was the only Government in history to allow mining on schedule 4 land.

Chris Auchinvole: Has he seen any statements of support for mining in areas of high conservation value by members of this House?

Hon GERRY BROWNLEE: I have seen some very visual statements of support from members of this House. The picture I am holding shows a number of Labour Party members visiting the Pike River coalmine on the West Coast. I can only assume that they were there to tell the workers that if Labour ever becomes Government again, it will be shutting them down. This mine is underneath schedule 4 land; one accesses conservation land to get there. Does Phil Goff support this or not?

Hon Phil Goff: Contrary to what the Minister has just alleged, can he confirm that the Labour Government never mined in protected schedule 4 land, that there was a consensus between National and Labour for more than a decade that these areas were too important to be mined and desecrated in that way, and that it is this Minister and the so-called Minister of Conservation who recommended breaking that consensus?

Hon GERRY BROWNLEE: No, I cannot confirm that. I refer the member to a parliamentary question I answered, from Mr David Garrett. The question listed two permits on schedule 4 land that were granted by the previous Labour Government in its term of office.

Hon Phil Goff: When does the Government intend to bail out from its proposal to mine Great Barrier Island and the Coromandel, or does it intend to ignore public opinion, which is running at three to one against mining those very important areas for Aucklanders and people in the Waikato Bay of Plenty?

Hon GERRY BROWNLEE: I make the simple point that the Labour Party has been ignoring public opinion running three to one against it for a very long time. However, we are engaged in a process of consultation at the moment, and we will see that through to the end. I will not prejudice that result today, much as the Leader of the Opposition may want to. But I do ask this question: why is it that the Labour Party can go to

Blackball one year to celebrate May Day with the miners, and can march against them down Queen Street the following year? That is a confused position.

Hon Phil Goff: Does he intend to ignore the 40,000 people who marched down Queen Street, in the biggest protest in a generation, who tried to tell him that his proposal to mine the most precious areas of New Zealand is wrong?

Hon GERRY BROWNLEE: I would argue that the biggest protest in a generation was the hīkoi out the front of Parliament over the foreshore and seabed. That did not stop Labour from doing exactly what it wanted and leaving this country with an absolute mess.

Hon Phil Goff: Is it correct that the mining industry was in discussion with the National Party long before National declared that it was intending to mine protected areas; if so, why was that kept a secret rather than trying to seek a mandate from the public before the election, and not imposing National's views on it after the election, against public opinion?

Hon GERRY BROWNLEE: That is a completely untrue statement, but it is typical of the conspiratorial approach that Labour takes to most things when it does not have any decent facts to mount an argument on.

"Three Strikes" Legislation—Reasons for Government Support

3. DAVID GARRETT (ACT) to the **Minister of Police**: Why has the Government agreed to support ACT's "three strikes" policy passing into law?

Hon JUDITH COLLINS (Minister of Police): The Sentencing and Parole Reform Bill delivers on National's pre-election promise to deny parole to the worst repeat violent offenders. Parole is not a right for prisoners; it is a privilege. This privilege is earned and it should not be granted to those who demonstrate total disregard for the law by continuing to commit serious violent offences despite warnings. The bill will put the interests of victims and the wider community ahead of the interests of our worst serious violent offenders.

David Garrett: What is the level of public support for the "three strikes" policy?

Hon JUDITH COLLINS: Of the submissions received, 94 percent supported the Sentencing and Parole Reform Bill. They stated concerns about violent crime, public safety, and the need to hold offenders to account. Many supporters wanted to redress what they described as the disparity between the rights of the offenders and those of victims, and to spare victims the stress associated with repeat parole hearings. I am also aware that an independent poll commissioned by that member's party showed 75 percent public support for this regime.

Hon Rick Barker: Has she read the official advice that National-ACT's "three strikes" policy is unlikely to have a deterrent effect and will result in fewer guilty pleas, more appeals against convictions and sentences, and possibly an increased rate of homicide; if so, why is the Government proceeding with a policy that will not prevent crime, may lead to increased violent crime, and clearly will make things worse for victims?

Hon JUDITH COLLINS: We have received an awful lot of advice, and some of it the Labour Party would enjoy because of the soft approach it takes to criminals. However, I believe that it is very important to note that we received some very good advice on this issue, particularly from victims and their families. I remind that member that most offenders get a set period of sentence but, unfortunately, all victims get a life sentence every time.

David Garrett: What impact will this bill have on the victims and families of victims of repeat offenders?

Hon JUDITH COLLINS: This bill will ensure that the victims and families of repeat offenders will not have to undergo the additional stress of attending regular parole hearings. This regime will also help stop people becoming victims. It is a sad fact that some high-profile murders would not have been committed if the perpetrators had been serving full sentences for their crimes. This Government is serious about better meeting the needs of victims and putting victims at the heart of our justice system, something the previous Labour Government did not care about.

Rahui Katene: Is she concerned about claims from Peter Williams QC that the "three strikes" policy is "hysterical" legalisation, that taking away parole means that there is no deterrent for crime and there is also no incentive for people to rehabilitate, and is this a direction she thinks the police should be promoting?

Hon JUDITH COLLINS: No. Mr Williams has spent a lifetime defending the worst repeat violent offenders in this country.

Unemployment—Minister's Statement

4. Hon ANNETTE KING (Deputy Leader—Labour) to the **Minister for Social Development and Employment**: Does she stand by her statement "We absolutely believe that work is the best way out of poverty for people and we are going to back them and support them into those jobs every time"?

Hon PAULA BENNETT (Minister for Social Development and Employment): Yes, and I also stand by the rest of the quote: "It's going to be done with fairness, it's going to be done with a level of support that I think beneficiaries haven't seen before. But there are going to be mutual obligations and expectations as well."

Hon Annette King: What confidence can parents have in her, when she promised before the election that National in Government would retain all existing subsidies and fee controls and would deliver cheaper childcare to parents, but within months of becoming Minister she breaks that promise and is taking away childcare assistance aimed at helping families to get ahead?

Hon PAULA BENNETT: It is quite good that, months later, members of the Labour Party have read the papers that identify the changes—

Mr SPEAKER: That is not an appropriate way to start answering a question. The Minister was asked a question about the Government's position. She should not start her answer by talking about the Opposition, saying that it is quite good that the Labour Party might have done something. That is not the way to start answering a question.

Hon PAULA BENNETT: Currently, families on incomes of nearly $100,000 can get childcare assistance via Work and Income. We are raising the abatement thresholds, as the member might have known if she had read the papers. The papers say that beneficiaries can have their assistance increased from $80 to $100 a week. Approximately 28,000 parents will be better off. We are taking those abatement thresholds back to the 2008 levels. That is something I support.

Hon Annette King: When she said at the weekend that she makes "informed decisions", who informed her that a family with three children, with both parents working and both parents earning around the average wage of $49,000, are high-income earners and therefore should have their childcare assistance cut? Is that the new definition of a high-income earner under a National Government?

Hon PAULA BENNETT: To deal with actual numbers, I point out that those households were earning $99,320, and could get childcare assistance. We are taking that level down to $93,600. As I said previously, more than 28,000 people will gain from the abatement thresholds this Government is bringing in.

Katrina Shanks: Can the Minister comment on policies that have tried to address long-term dependency?

Hon PAULA BENNETT: The last 10 years have been marked by feeble, half-hearted attempts to tackle welfare dependency. In fact, the Auditor-General's report said that the changes the previous Labour Government made did not go far enough to have a real impact. We certainly saw that in the numbers of both sickness and invalids beneficiaries, which went up by 50 percent in that 9-year period.

Sue Moroney: Did the Minister receive official advice that her proposal to retarget childcare assistance income thresholds would reduce the income of childcare providers and reduce children's participation in early childhood education?

Hon PAULA BENNETT: I received a high level of advice on this policy, because we looked at it really closely. To be clear, I point out that it has been grandparented for 3 years. Approximately 2,137 people will not be eligible for the assistance, but others will be, and we believe that that is fair and reasonable. More than 28,000 people will gain from the increased abatement thresholds.

Sue Moroney: I raise a point of order, Mr Speaker. I seek your assistance. I asked a very specific question of the Minister and she failed to address it at any level. The question was about whether she had received official advice on two issues. One issue was that the income of childcare providers would be reduced, and the second was that children's participation in early childhood education would be reduced. She failed to address either of those questions.

Mr SPEAKER: If the member wants me to assist with obtaining an answer, she has to choose which question she is going to ask. I listened to the member's question and I listened to the Minister's answer, and it seemed to me that the Minister did try to answer the question. The member has admitted that she asked two questions in a supplementary question. Members are not meant to do that. I can be of more assistance if only one clear question is asked.

Sue Moroney: Does the Minister accept that her proposal reduces the funding for childcare by $57 million over 4 years and will affect more than 11,000 families, thereby increasing the childcare costs of those families by more than $5,000 on average?

Hon PAULA BENNETT: Yes, I take into account that the initiative will save $57 million over 4 years. We have decided that we will put that money into abatement thresholds, so that it goes to those who need it most, those who can get out there and earn a bit of money for their own pockets, gain a work ethic, gain a job, and get further ahead. I will back them every time.

Sue Moroney: I seek leave of the House to table a document. It is a Cabinet social policy committee document on the Future Focus programme, outlining the official advice the Minister received that children's participation in early childhood education would reduce, and so would the income of childcare providers.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Hon PAULA BENNETT: I seek leave to table the document that states quite clearly at the top of it that there were changes to childcare assistance—something the Labour Party said was hidden.

Mr SPEAKER: What is the document?

Hon PAULA BENNETT: It is an official document on Future Focus and benefit changes.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Mr SPEAKER: I have called Rahui Katene for a supplementary question. I ask members to please show her some courtesy. [*Interruption*] I apologise to the member; the Hon Annette King and the Hon Paula Bennett will cease their exchange and show some courtesy to Rahui Katene.

Rahui Katene: Has the Minister seen the recommendation from the Child Poverty Action Group that the Government could use the opportunity of the tax reforms to improve incomes for beneficiaries with children by immediately extending the in-work tax credit to all low-income children, and will she stand up for these children and support them to get out of poverty by advocating with the Minister of Finance for this to happen?

Hon PAULA BENNETT: Shivers! I am so sorry, Mr Speaker; I was a little distracted by the front-bench member on the other side. I do apologise.

Mr SPEAKER: What has been demonstrated here is what I was concerned about. The exchange across the House between the Hon Annette King and the Hon Paula Bennett was distracting the House, it was unfair to Rahui Katene, who was not being shown courtesy, and the Minister did not listen to her question. I invite Rahui Katene to repeat the question.

Rahui Katene: Has the Minister seen the recommendation from the Child Poverty Action Group that the Government could use the opportunity of the tax reforms to improve incomes for beneficiaries with children by immediately extending the in-work tax credit to all low-income children, and will she stand up for these children and support them to get out of poverty by advocating with the Minister of Finance for this to happen?

Hon PAULA BENNETT: My apologies to the member for not listening to her previously. Yes, I have seen the report, and I suppose this is where we stand quite differently. I certainly stand by families that are getting into work and are earning more money, and having children live in those sorts of households. I do not want just to increase those benefits, making people become even more benefit-dependent.

Mining in Conservation Areas—March Protesting Mining Proposals

5. METIRIA TUREI (Co-Leader—Green) to the **Minister of Energy and Resources**: Does he agree with Minerals Industry Association chief executive Doug Gordon that the estimated 40,000 New Zealanders who marched against Government mining proposals last weekend were misled by the organisers?

Hon GERRY BROWNLEE (Minister of Energy and Resources): I have no responsibility for statements by Mr Gordon, and I am very conscious of the fact that many of those people who marched last weekend were motivated by their very genuine concerns. However, I think it is worth noting that there were a number of signs present at that rally, ranging from "GE free" right through to "ETS", which makes me think that a number of people may have decided to use May Day just as a general day of protest.

Metiria Turei: Is it misleading to say no one is talking about mining in national parks, then release a proposal to mine in our national parks?

Hon GERRY BROWNLEE: The proposal that has been released looks at the removal of 3,000 hectares that are discontiguous with Paparoa National Park, but which were made part of it in 2008 by the previous Government, against the advice of the local conservation board and against the advice of the Department of Conservation at the time. All that the removal of schedule 4 protection does is to enable exploration—one step further than what is enabled now. It does not necessarily lead to mining, nor does it change the underlying status of the land.

Metiria Turei: Was it misleading to tell New Zealanders that schedule 4 "says to the mining industries of New Zealand: 'These are no-go areas' ", as Nick Smith did when the schedule 4 land was set aside?

Hon GERRY BROWNLEE: No, because that is exactly what schedule 4 provides at the present time. That is why we are having a discussion with New Zealanders about whether that protection should continue on some very discrete parts of the estate—about 2 percent of all of the schedule 4 land, in fact.

Peseta Sam Lotu-Iiga: Does he believe that it is possible to balance the economic concerns of miners and the conservation concerns of protecting endangered species in such a way that all parties are happy?

Hon GERRY BROWNLEE: Yes, I do. It is possible to balance the economic concerns of miners and the conservation concerns of protecting endangered species in such a way that all parties are happy. I know that the member who asked the primary question agrees with that.

Metiria Turei: Is it misleading to indicate in one Government document that a national park is a no-go area for mining, and in another Government document, issued on the same day, to state that the same national park is being considered for competitive tender for mineral exploration?

Hon GERRY BROWNLEE: On the face of that I would say no, but without giving the context of what is being proposed to New Zealanders I think it is misleading.

Metiria Turei: Is it misleading to say, on television: "I have a great love for the conservation estate in this country. I don't want to see it destroyed", while at the same time investigating the entirety of Rakiura—Stewart Island—all of Paparoa National Park, and all of Mount Aspiring National Park for mineral exploration?

Hon GERRY BROWNLEE: It is abundantly evident, and clearly stated, that the Government has no further interest in any mineral prospectivity in the Mount Aspiring National Park.

Hon David Parker: What about Kahurangi?

Hon GERRY BROWNLEE: Nor Kahurangi National Park, nor any number of other national parks. The member is being simply mischievous in making that statement.

Metiria Turei: Is it misleading to suggest that coal is sexy?

Hon GERRY BROWNLEE: Not according to two of New Zealand's leading actresses, who have got themselves extremely lathered up over my simple statement—"sexy coal".

Metiria Turei: Who understands the real story: the National-led Government, which says one thing to the public on one day and something completely different to the mining industry on the same day, or the 40,000 New Zealanders who took to the streets in the weekend to show, very clearly, where they stand on protecting our most treasured places?

Hon GERRY BROWNLEE: There are three parts to that question, so I will answer them one after the other, in reverse sequence. First, I do not have anything other than respect for those people who marched on the weekend and who have genuine concerns. I make that very, very clear. Second, we have not given one message to one group and another message to another. Third, all of the information relating to these decisions has been released and is in the public arena. We are hiding nothing. We will go through this consultation process, because that is what would be expected of us.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. Just to make it clear to the House, the Labour Opposition will have no objection to Nikki Kaye taking a supplementary question.

Mr SPEAKER: The member knows that that is outside the Standing Orders, but I trust it was done in good humour, so we will choose to ignore it.

Budget 2010—Job Creation and Reduction of Cost of Living

6. Hon DAVID CUNLIFFE (Labour—New Lynn) to the **Minister of Finance**: How will Budget 2010 create jobs and reduce the cost of living for hard-working New Zealanders?

Hon BILL ENGLISH (Minister of Finance): In many ways it will support growth by getting the economy back to saving, exporting, and investing rather than relying on borrowing and Government spending. It will provide better front-line public services, particularly in health and education. It will continue the Government's multibillion-dollar investment in infrastructure, supporting jobs and growth. It will control public debt, and it will deliver a fairer and more incentivised tax system.

Hon David Cunliffe: Why did his Government gut KiwiSaver and defer New Zealand Superannuation Fund savings, when the Australian Government has further increased its rate of compulsory savings; and why does he not follow Australia's example and increase Government contributions to KiwiSaver?

Hon BILL ENGLISH: In respect of the Australian decision on its superannuation contributions, it is talking about a 3 percent increase over 10 years. We expect to do much better than that. We expect New Zealand wage earners to have a bigger increment in their hands much sooner than that, and they will have a choice as to whether they save it in KiwiSaver or in some other way.

Chris Tremain: How will the Budget 2010 outlook compare with that of 18 months earlier?

Hon BILL ENGLISH: Fortunately, this Budget will be prepared against a background of 12 months of sound management by this Government, rather than 9 years of mismanagement by the previous Government. In October 2008 the pre-election forecast showed net debt climbing rapidly; by December 2008 the forecast showed net debt soaring past 50 percent of GDP, and permanent deficits. In this Budget we will not have to take action to improve that kind of mismanagement.

Hon David Cunliffe: Why, when New Zealand's unemployment is rising and Australia's is falling, is he still doing the opposite of Australia: raising GST, cutting contributions to the Superannuation Fund, and removing incentives to save?

Hon BILL ENGLISH: The member is wrong about some of those things. We are putting together a Budget and a tax package that will be suitable for the needs of the New Zealand economy. Unfortunately, the New Zealand economy was managed badly for 9 years. The previous Government squandered the best opportunity for economic growth in a generation, and we have to fix it.

Hon David Cunliffe: I raise a point of order, Mr Speaker.

Mr SPEAKER: Point of order, the Hon David Cunliffe.

Hon BILL ENGLISH: Mr Speaker, I am still on my feet.

Mr SPEAKER: But he has raised a point of order.

Hon BILL ENGLISH: He has not, Mr Speaker; he simply stood up.

Mr SPEAKER: No, he has called a point of order and I must hear it. The Hon David Cunliffe.

Hon David Cunliffe: Sit down, Bill.

Mr SPEAKER: The member had better have a good point of order.

Hon David Cunliffe: I recall the preceding point of order, with the same Minister, in question No. 1. Mr Speaker, you have ruled that historical references to a former Government are in bounds where they are succinct and related to the question asked. You have further ruled that hypothetical references to another party's policies are out of

bounds. This Minister has in his reply to this question tried to reinterpret the historical record, making up stories about the previous Government's performance, and that would be out of the bounds of the ruling you made earlier, Mr Speaker.

Mr SPEAKER: If the member thinks back to his question, he will see that he asked the Minister for his opinion about something, asking why the Government was doing this or that. The Minister has to have some licence in answering a question asking for his opinion. I cannot rule that the Minister give a particular opinion; he will give his opinion. Sometimes when Ministers are asked for their opinions, members may get answers that are not exactly what they want to hear. I believe the reference he has made so far was not ascribing any particular policies to Labour; he was giving his opinion about previous policies. I think the Minister is entitled to do that when he is asked for his opinion.

Hon David Cunliffe: Why, unlike in Australia, will this Minister not roll out a real plan for jobs and growth, such as creating more than 1,200 jobs by building train carriages for Auckland's electrification project?

Hon BILL ENGLISH: As has been explained, the business of building those trains is reasonably sophisticated. One would not expect a taxi company to suddenly decide to manufacture its own cars in New Zealand. In the end, the KiwiRail board will make that decision. It is clear that KiwiRail will need to renew its rolling stock. It has the capacity to do that, and perhaps its workshop should focus on something that is within its capacity, where it can be competitive.

Chris Tremain: What economic recipe would see hard-working New Zealanders lose their jobs and increase their cost of living?

Hon BILL ENGLISH: The kind of recipe that would have that effect for New Zealanders would be promulgated by a Government that set out to borrow a whole lot more money, spend it on low-effectiveness public services, raise taxes, and leave a lot of debt for future workers to pay back. That recipe is the one promulgated by Phil Goff and his finance spokesperson.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I do not think that we could have had a clearer example of a breach of your ruling from earlier in the day than that. Not one part of that reply, as he finished it and made it clear, was within the areas of responsibility of the Minister of Finance.

Mr SPEAKER: The great bulk of the Minister's answer was absolutely within the Standing Orders. It was the last bit that he should not have ascribed. But this is a political Chamber. If he had gone on I would have absolutely cut him off, but, for goodness' sake, he added only about five words there that were what I would consider to be in breach. But most of his answer was describing policies that he believed would be the wrong recipe. OK; then he did transgress in suggesting that those policies are what Labour is promoting. But we cannot divorce this place from political exchange. I have heard several Ministers and members, particularly Labour's spokesperson on finance, asking questions where they have inserted their views about things into the question. That is the dilemma, but I do not think I should try to stop that. After all, this Chamber is a political debating chamber, and I try to make sure that transgressions do not go over the top. But if the Minister had continued to ascribe a whole lot of particular policies to Labour I would have stopped him, because the Minister has no right to do that.

Water Management—Water Take Consents and Metering Regulations

7. COLIN KING (National—Kaikōura) to the **Minister for the Environment**: What proportion of New Zealand water take consents are currently measured and how will the Government's regulations to require metering improve this?

Hon Dr NICK SMITH (Minister for the Environment): Mr Speaker—

Hon Shane Jones: Privatisation; privatisation.

Hon Dr NICK SMITH: Ha, ha! If we meter the water, they cry "privatisation", eh? Only 31 percent of water by volume is currently measured. New regulations announced on Friday will progressively improve that to 92 percent by 2012, and to 98 percent by 2016. The regulations apply to larger takes of over 5 litres per second, which is the equivalent of the use of about 250 homes. Although 39 percent of consents are smaller than that, they take only 2 percent of the water by volume, so the metering costs for those cannot be justified.

Colin King: Why is the Government proposing to use national regulations to require metering, rather than using the national environmental standard or leaving it to regional councils?

Hon Dr NICK SMITH: If we left it until water consents come up for renewal under a national environmental standard, it would take more than 20 years before we would get reliable information on water extractions. That is far too slow. The alternative is to leave it to regional councils to review all individual consents, which is estimated to cost many millions of dollars in paperwork. The national regulation approach is the most efficient, and the least costly, way in which we can get reliable information on water takes, and as a consequence deliver a step change in freshwater management.

Brendon Burns: If consent holders' water meters show unused allocation, does the Minister believe that they should be able to sell those surpluses at whatever price they can command; and is that not privatising the common right all of us have, as New Zealanders, to our water?

Hon Dr NICK SMITH: No, not at all. I do not agree with that. I say to the member that if we are to improve the management of water—something I think every member of this House would agree we need to do—surely we need to measure it, and that is exactly what this Government is doing.

Colin King: What number of water meters will need to be installed to meet the new requirements, and what is the likely cost?

Hon Dr NICK SMITH: The regulations will affect 11,000 resource consents that take water. Large consents—over 20 litres per second—will be required to have meters by 2012. Consents for 10 litres per second will require meters by 2014, and the smaller 5-litre consents will require meters by 2016. The initiative is expected to come at an overall cost of about $40 million, but that needs to be considered in the context of water being worth over $5 billion a year to the New Zealand economy. The regulations contain pragmatic exemptions to ensure that metering is required only where it is necessary and where its cost will help us to improve water management.

Health Services—Minister's Statements

8. Hon RUTH DYSON (Labour—Port Hills) to the **Minister of Health**: Does he stand by all his recent statements on health services?

Hon TONY RYALL (Minister of Health): Yes, including the statement that the issues the member raises are clearly not the result of this Government reducing funding in health, because it has provided the district health boards with $536 million extra funding this year. One of the major reasons for individual district health boards looking carefully at their service priorities is that the last Government set them on a track to delivering towards $200 million of unfunded services, and we are endeavouring to fill that gap.

Mr SPEAKER: The Minister should not go on too long in that vein. He was just asked whether he stood by his statement.

Hon Ruth Dyson: Given the $536 million extra in the health budget, what does he say to Age Concern elder abuse coordinator—

Mr SPEAKER: I have called the Hon Ruth Dyson, and her question should be heard.

Hon Ruth Dyson: What does he say to Age Concern—

Mr SPEAKER: I apologise to the Hon Ruth Dyson, but there is so much noise I cannot hear her question and that is unreasonable. [*Interruption*] I say to all members that while I am on my feet they must not interject.

Hon Ruth Dyson: What does he say to Age Concern elder abuse coordinator Jenny Michelle, from Auckland's North Shore, who says that more elderly people who are trying to live safely in their own homes are now being denied Meals on Wheels help in an effort to save his health budget $5.13 per person, per day?

Hon TONY RYALL: If those facts are correct and the member wants to make that information available to me, I will look into the case. But I will tell members opposite that we are putting more money into health services, and more and more New Zealanders are receiving better front-line services.

Hon Ruth Dyson: With 3,000 elderly and frail people in the Southland District Health Board area, 1,500 in Canterbury, and hundreds in Kapiti having their home support cut or reduced, Horowhenua proposing to close its rehabilitation beds for older people, and eye surgery at Nelson Hospital being reduced, how many more cuts in health services for the elderly can be expected over the coming few months?

Hon TONY RYALL: First of all, those numbers the member quotes are quite incorrect.

Hon Ruth Dyson: I raise a point of order, Mr Speaker. The Minister is implying that I am misleading the House, and I take exception—

Mr SPEAKER: The member will resume her seat immediately. The member inserted a string of what she claims are facts into her question. The Minister has disputed those figures, and he is perfectly at liberty to do that. He is not saying that the member is misleading the House; he is just saying that his figures do not agree with the member's figures, and he is perfectly at liberty to do that.

Hon TONY RYALL: I raise a point of order, Mr Speaker. The member made another unparliamentary comment—the same as she made the last time the House sat—and she should apologise.

Hon Ruth Dyson: I withdraw and apologise.

Hon TONY RYALL: I say to those members to remember the history. That member's Government stopped home support cleaning for 700 people in Otago-Southland. Ruth Dyson was the Minister for Disability Issues when that Government cut home cleaning for 300 people in Wanganui, and she never said a word.

Dr Paul Hutchison: What reports has he received on improving front-line services?

Hon TONY RYALL: I have received reports indicating improved front-line services at the Counties Manukau District Health Board in South Auckland. Last year it delivered a record 15,200 elective surgeries, an increase of 14 percent. It made almost 30,000 surgical first specialist assessments, an increase of around 10 percent. The emergency department there is seeing more people faster. It is seeing around 90,000 patients a year, and it is meeting the new Government's 6-hour maximum waiting target. Around 7,000 patients attended a nurse-led clinic, which is a 16 percent increase on the previous year. If members want to know where the additional money in health is going, it is going into improved front-line services in priority areas that the party opposite neglected for years.

Hon Ruth Dyson: Why did he allow the 198 Youth Health Centre to close last Friday, after assuring the public of New Zealand that it would give continued services to young people in Canterbury?

Hon TONY RYALL: I am advised that the Waipuna Trust has been contracted to provide mental health services and alcohol and other drug services for young people for 6 months. It has employed the staff from the 198 Youth Health Centre, and clients have transferred across. An existing local practice has accepted 198 Youth Health Centre patients. Records are transferred, but youth can choose to go elsewhere. Youth sexual health services are available free at all practices across the city. The funding previously used for the 198 Youth Health Centre is supporting these new arrangements of front-line services in Christchurch.

Prisons—Level of Drug Use

9. JONATHAN YOUNG (National—New Plymouth) to the **Minister of Corrections**: Has she received any reports that indicate the level of drug use in the country's prisons?

Hon JUDITH COLLINS (Minister of Corrections): Yes. Random drug-testing over the last 9 months indicates that the level of drug use in our jails has dropped to its lowest level since 1998. The figures show that positive results have dropped to 10 percent across all prisoners tested throughout the country. Half of New Zealand's prisons have rates of 10 percent or less, with two prisons having no positive results so far this year. Those prisons are Auckland Region Women's Corrections Facility and Christchurch Women's Prison.

Jonathan Young: Can she explain the reason for these good results?

Hon JUDITH COLLINS: Yes. One of the main reasons is that legislation passed by this Government has allowed for the monitoring of prisoners' phone calls and mail. This has enabled the Department of Corrections to more effectively target those responsible for smuggling drugs. Twelve drug-dog teams across New Zealand regularly search visitors and their vehicles, prisoners' cells, and incoming mail. I was very impressed by the skills they demonstrated this morning at the national police dog championships. The results also reflect the Government's commitment to doubling the number of places available for prisoners to undertake treatment for drug and alcohol addiction.

Rail—Business and Economic Research Ltd Report

10. Hon DARREN HUGHES (Labour) to the **Minister of Transport**: What strengths does he see in the Berl Economics report *Business Case for Building Rolling Stock in New Zealand*, and what response, if any, does the Government intend to make to the report?

Hon STEVEN JOYCE (Minister of Transport): It is difficult to see strengths when the report is based on highly debatable assumptions. For example, the cost per electric unit has been compared as if the examples in the report are all the same, when quite obviously they are not. The report suggests that the newer Asian manufacturers are having trouble selling trains overseas, and then suggests that New Zealand, though, could somehow be a successful exporter. The economic benefits are calculated by suggesting that the trains will be built mostly by skilled train manufacturers who are currently unemployed, which is doubtful. It has also made no allowance for any commercial risk for the trains to be built in this country despite the fact that it has never been done before, which, frankly, is inexplicable.

Hon Darren Hughes: Why did he suggest yesterday that the new electric multiple units are high-tech and much more challenging to manufacture than conventional carriages when the Business and Economic Research Ltd model already has the engines,

bogies, and electronics being sourced from overseas, which would leave 70 percent of the work to be done by our skilled Kiwi work force?

Hon STEVEN JOYCE: Because these are highly specialised pieces of equipment. They are very high-end units, which have never been built in this country before. I note that a previous Government, which the member represented, also took that view, because it bought the trains for Wellington from Korea, rather than having them built—

Hon Darren Hughes: I raise a point of order, Mr Speaker.

Mr SPEAKER: I say specifically to the Government front-benchers that a point of order was clearly called. Members should cease interjecting.

Hon Darren Hughes: My question was free of any political comment or commentary. I asked the Minister specifically about the difficult or high-tech parts that he referred to. Those parts are being sourced from overseas, leaving the more elementary aspects of the manufacturing to be done here in New Zealand. I am not sure whether he heard the question or did not respond to that part of it. I particularly separated that part of the manufacturing so that I could get an answer on the point of the more basic aspect of the proposal that has been put forward.

Hon STEVEN JOYCE: In response I was noting that together these are very high-spec pieces of equipment, and I was noting, by comparison, that it has not been done in this country before. That was the reason for noting another example, which, I think, is an entirely fair answer to the question.

Mr SPEAKER: On this occasion I cannot expect the Minister to give a particular answer. The Minister has basically disputed the member's assertion when he asked the question—that some of the manufacture is fairly simple. The Minister argued that the manufacture is complex, and in disagreeing with the fundamental aspect of the member's question, I believe he has answered it. He has not dodged it altogether at all.

Clare Curran: When the Minister told *Close Up* last night that building the new electric trains in New Zealand would be a step too far in terms of capability, was he aware that Hillside railway workshops in Dunedin are already building 17 AK class carriages for the Tranz Scenic service, and that the quality of those carriages is equal to anything from overseas; if not, why not?

Hon STEVEN JOYCE: I absolutely am aware of what is being built in the workshops in Dunedin. They are doing a fantastic job of building carriages and refurbishing and rebuilding rolling stock. I point out to the member that it is quite a different exercise to build electric multiple units, which are engines and carriages in the same train, the last time I looked.

Hon Trevor Mallard: Has he ever visited either Woburn or Hillside workshops?

Hon STEVEN JOYCE: No, I have not.

Hon Darren Hughes: Does the Minister agree with the comments of the Prime Minister to the working party on this project that "We are spending all this money. It would be good if as much of it as possible could come back to New Zealand."; and if he does agree with the Prime Minister, can he not see that this plan increases the country's GDP, increases revenue to the Crown through taxation, creates hundreds and hundreds of manufacturing jobs, all within the allocated budget for rail, and is exactly the kind of step change in economic activity that the Government should be supporting?

Hon STEVEN JOYCE: I indicated in my answer to the primary question that I do not agree with the assumptions and, therefore, the result of the report, but I do agree with the Prime Minister that we absolutely should do as much as we possibly can in this country. It is very important to note that the decision is to be made by KiwiRail, which says that it is unlikely to do the work because it does not want to take the commercial risk. I do not think politicians should be placing themselves over the top of KiwiRail.

Let us face it: the last time politicians in this country decided that they could make a decision on rail, they spent $1 billion for a $388-million asset.

Criminal Offending—Cooperation in International Criminal Law Proceedings

11. SIMON BRIDGES (National—Tauranga) to the **Attorney-General**: What international efforts has the Attorney-General recently participated in to foster increased cooperation in combating transnational criminal offending?

Hon CHRISTOPHER FINLAYSON (Attorney-General): Last week I attended a meeting in Washington with the Attorneys-General of the United States, England and Wales, Canada, and Australia. This grouping of common law countries seeks to share ideas and deal with issues of mutual concern, including countering violent extremism and organised crime, and encouraging closer legal cooperation. As part of the meeting, I led a discussion on cooperation in international criminal law proceedings. The discussion explored the possibility of improving cooperation in the investigation and prosecution of cases involving genocide, crimes against humanity, and war crimes.

Simon Bridges: What progress was made during the recent quintet meeting?

Hon CHRISTOPHER FINLAYSON: In November 2009 the Attorneys-General agreed to work together this year on a framework for cooperating in combating organised crime. At last week's meeting, the Attorneys-General discussed a multilateral declaration of understanding to give effect to this objective. The declaration is intended to facilitate better coordination in shaping organised crime policy at both the domestic and international levels, the sharing of criminal intelligence, and assistance in organising criminal investigations and prosecutions.

Mining in Conservation Areas—Minister's Recommendation in Cabinet Paper

12. Hon DAVID PARKER (Labour) to the **Minister of Conservation**: Does she stand by her recommendation in her Cabinet paper of 10 February 2010 that 467,517 hectares of national park land and protected conservation land be considered for opening up to exploration and mining?

Hon KATE WILKINSON (Minister of Conservation): No. I stand by the subsequent Cabinet decision of 22 March 2010 that proposes to add 5,000 net hectares of land to schedule 4.

Hon David Parker: Does the Minister of Conservation accept that it is her role in Cabinet to advocate for the conservation of public conservation lands? Is it not that her failure to properly do her job is the reason why the Government's handling of this issue has been panned by the Parliamentary Commissioner for the Environment?

Hon KATE WILKINSON: It is absolutely my job to advocate for conservation of behalf of all New Zealanders. I am quite prepared to allow the public to have their say on what activities can take place on that land.

Hon David Parker: Does the Minister understand that of the 2 million hectares of land in national parks in the North and South Islands, zero hectares are in Northland, zero hectares are in the Auckland region, and zero hectares are in the Waikato, and that is why it is all the more important to protect the schedule 4 areas in the Coromandel?

Hon KATE WILKINSON: I understand that the Broken Hills mine, which actually was approved under a Labour Government, is on schedule 4 land.

Hon Members: Oh no!

Hon KATE WILKINSON: It is. The Pike River coalfield, which was approved by Labour, is on schedule 4 land—

Mr SPEAKER: I listened to the Hon David Parker's question, and he asked whether the Minister understood that there were zero—I recollect—hectares of conservation land in Northland, zero hectares in the Auckland region, and zero hectares in the Waikato

region, from memory. In answer to that, the Minister is going on to talk about decisions of the previous Government to approve mining on schedule 4 land, which is not what the member asked about.

Hon Gerry Brownlee: Yes, he did.

Mr SPEAKER: I see some members are disputing what I heard. To clarify the matter, I invite the Hon David Parker to repeat his question.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I apologise, but the point I would like to make to you—and I think you acknowledged it in your ruling; your ruling might have even changed part-way through, as a result—is about an interjection from the Leader of the House while you were making your ruling. I reflect on what happened to one or two members on this side of the House when they did a similar thing; you treated them a bit more roughly than you treated Mr Brownlee then.

Mr SPEAKER: I note the member's point. I certainly have not ruled in any way against the Opposition. I have invited the Hon David Parker to repeat his question, without penalty.

Hon David Parker: I raise a point of order, Mr Speaker. The other point to be made is, of course, it would have been illegal for any Government to authorise—

Mr SPEAKER: Now the member is litigating issues by way of point of order. That is not acceptable. I have allowed him to repeat his question; he should not abuse that privilege.

Hon David Parker: Does the Minister understand that of the 2 million hectares of land in national parks in the North and South Islands, there are zero hectares in the Northland region, zero hectares in the Auckland region, and zero hectares in the Waikato region, making the protection of the Coromandel schedule 4 lands all the more important?

Hon KATE WILKINSON: I am very aware of the importance of protecting our conservation land, whether it is in the North Island, in the South Island, or on Stewart Island.

Hon David Parker: Will the Minister accept the advice of the 40,000 protesters in Auckland, the thousands of submitters, and the tourism industry and head off her Government's ridiculous plans to mine in national parks and other schedule 4 areas?

Hon KATE WILKINSON: Well, I say to that member, and I thought he was an intelligent member, that—

Mr SPEAKER: Order!

Hon KATE WILKINSON:—this is a discussion document, not a decision document. The land is public land, and the public have a right to say what activities can take place on it, which is the whole point of having a discussion document.

MOTIONS

Misuse of Drugs (Classification of Ketamine) Order 2009 and the Misuse of Drugs (Presumption of Supply—Ketamine) Order 2009—Approval

Hon PETER DUNNE (Associate Minister of Health): I move, *That, pursuant to section 4A of the Misuse of Drugs Act 1975, this House approve the Misuse of Drugs (Classification of Ketamine) Order 2009, and the Misuse of Drugs (Presumption of Supply—Ketamine) Order 2009, made under section 4 of that Act.* These orders demonstrate the Government's commitment to prevent and reduce the harm associated with drug use in New Zealand. I am pleased that after considering these orders, the Health Committee has recommended that they should be approved. The Health Committee has worked hard in its consideration of these orders, in a short time frame. I thank all members of the committee for their valuable work.

Ketamine is a short-acting, dissociative anaesthetic, currently listed as a prescription medicine in schedule 1 of the Medicines Regulations 1984. It is commonly and legitimately used by veterinarians, primarily as an anaesthetic agent, and is becoming increasingly used in human surgery and palliative care. However, ketamine is also gaining popularity as a drug used illegally, for non-legitimate purposes. When used in this manner, ketamine can induce potent hallucinogenic effects, including out-of-body - type experiences, whereby the user feels numbness and detachment from themselves and others around them.

The Expert Advisory Committee on Drugs has assessed this substance and noted that its recreational use can induce schizophrenia-like symptoms in healthy adults, and that there is growing anecdotal evidence of physical and psychological symptoms of ketamine dependence amongst recreational users. Taking this into account, the Expert Advisory Committee on Drugs provided advice that ketamine poses a moderate risk of harm and should be appropriately classified as a class C4 drug in schedule 3, Part 4 of the Misuse of Drugs Act 1975. The Expert Advisory Committee on Drugs further recommended that the presumption for the supply of ketamine be set at 10 grams whether or not it was contained in a substance, preparation, or mixture. This means that anyone found in possession of 10 grams or more of ketamine will be presumed to be in possession of the substance for the purposes of supply, unless it is proven otherwise.

As the Minister in charge of the National Drug Policy, I believe that the classification of drugs should be based on expert medical and scientific advice. To this end, I accept completely and commend to the House the recommendations of the Expert Advisory Committee on Drugs that ketamine be scheduled as a class C4 controlled drug and that the presumption of supply for this substance be set at 10 grams whether or not it is contained in a substance, a preparation, or a mixture. The classification of ketamine as a class C4 controlled drug will not remove the availability of ketamine for legitimate use by health professionals, by veterinarians, and by researchers who hold a controlled drug licence. But the classification will increase regulatory controls, and increase police and customs enforcement powers to control the importation and diversion of ketamine for illegal purposes.

As the synthesis of ketamine is complex, this is not a drug that criminals can manufacture in New Zealand. Rather, those who use ketamine for non-legitimate purposes are generally able to obtain the substance only from the theft of legitimate medical and veterinary stocks. Therefore, real gains to control the harmful, non-legitimate use of ketamine can be made by mandating for the safer storage of the substance, in the same manner as other controlled drugs that are also medicines are stored, such as morphine. That is what this classification will achieve.

In regard to the proposed presumption of supply of ketamine, I acknowledge that concerns have been raised in the past that presuming any quantity of a substance to be available for supply may be in breach of one’s right to the presumption of innocence. For this reason, I support the Law Commission’s review of this matter within the wider review that is under way into the Misuse of Drugs Act, and I will take very seriously the Law Commission’s recommendations in regard to the presumption of supply.

However, we also have responsibilities under the current legislation, and that legislation mandates that should a specific presumption of supply, such as 10 grams in the case of ketamine, not be set, then a default quantity of 56 grams will take effect. Members will surely agree that for a substance deemed by the experts to pose a moderate risk of harm, possession of that particular quantity of ketamine would be excessive. Should the House agree to this motion, I will direct the Ministry of Health to consult further with affected parties before setting an enactment date for the classification, which will be brought into force with separate commencement orders.

This consultation is necessary to ensure that hospitals, veterinarians, and other legitimate users of ketamine, such as researchers, are given enough time to prepare for the changing requirements in relation to the storage of the substance.

These orders are necessary to limit the dangerous non-medical use of ketamine without compromising legitimate access to the substance by medical and veterinary professionals. They will send a message throughout the country that the harmful use of drugs is not acceptable and will not be condoned by this Government. I therefore commend these orders to the House.

Hon RUTH DYSON (Labour—Port Hills): I start by acknowledging the Associate Minister of Health Peter Dunne and thanking him for his comments in praise of the Health Committee and its consideration of this issue. The only puzzle I have is what triggered the referral of such items to a select committee, rather than the Associate Minister being able to sign them off directly. That is an issue that the select committee is yet to receive advice on. It is not a criticism; it is just an interesting difference in process. I also acknowledge the Associate Minister and congratulate him, because I understand that earlier this week he was a recipient of a very distinguished award, which acknowledged his support of philanthropy in New Zealand. I think that that is a matter of pride. We will all share in his glow from that award. I think it was well deserved. The other recipients are very highly regarded people. Peter Dunne now joins that list, and I congratulate him on that.

As the Associate Minister said in his introductory comments, the reclassification of ketamine is not directly comparable to the way that other drugs have been considered by this House. Ketamine is a drug that is legally used, but not for recreational purposes. It is a drug that is used by vets, but over recent times it has become more prevalent as a recreational drug in New Zealand. The habit has been imported, in particular from Asia. It is very commonly used as a recreational drug in Asia, particularly in Hong Kong. This drug has some serious consequences. Its use does not cause serious health effects, but it can do enough to have a person admitted to hospital and treated. Although those health impacts are not permanent, long-lasting, or significant, the Health Committee nevertheless looked at these orders, the Misuse of Drugs (Classification of Ketamine) Order 2009 and the Misuse of Drugs (Presumption of Supply—Ketamine) Order 2009, and decided that approving them was an appropriate step to take.

One of the more concerning aspects that we were made aware of was that people who use this drug recreationally have a feeling of disassociation with the objects, people, and activities around them, which can be quite dangerous. They literally are not aware of their connection to activities that are going on around them. Obviously, that can put them in very vulnerable or dangerous situations, rather than it being a case of the drug itself causing some physical effects.

Another consideration that the Health Committee examined in its process of looking at these recommendations was on the advice it received from the Expert Advisory Committee on Drugs, particularly in terms of understanding how the process the advisory committee had followed led it to the conclusion that ketamine needed to be reclassified. The proposed classification of ketamine as a class C4 controlled drug would allow the police and other enforcement agencies greater powers and it would increase deterrent penalties. Obviously, one would be able to be convicted for importing ketamine, unless it was for the purpose for which it is originally intended—that is, as I mentioned earlier, for use by a vet. The classification also considers manufacturing ketamine, supplying it to a person up to the age of 18, and selling or offering to supply it to a person 18 years or over, which would incur a maximum penalty of up to 8 years' imprisonment. So this is not being considered as a light measure. Further penalties would include up to 7 years' imprisonment for conspiracy to commit such an offence,

and up to 3 months' imprisonment or a fine of $500, or both, for possession in breach of section 7 of the Misuse of Drugs Act.

I think it is a rare moment in this Parliament—which perhaps has not been seen before in the life of this term—when the Associate Minister, who is from United Future, moves a resolution that Labour supports, and I am sure that will be followed by National supporting it. I think that both the Green Party and the ACT Party will support it. If the member representing the Māori Party takes a call in this debate and supports it, there would be a break-out of agreement, and perhaps we might consider having the House rise early at that point—

Hone Harawira: Hear, hear! I'll second that.

Hon RUTH DYSON: —because it happens so rarely. That has been moved by Peter Dunne and seconded by Hone Harawira!

To go back to the more serious issue, we know that a lot of people put pressure on members of Parliament to have drugs classified in different ways. Certainly, it was the view of the select committee that this should not be a response that happened as just a knee-jerk reaction after a single event. This matter has been well considered by people who have expertise in this area, and the Health Committee took very serious note of the considerations that those people had taken into account when proposing this recommendation. On that basis, Labour is pleased to support this motion.

Dr PAUL HUTCHISON (National—Hunua): Thank you for the opportunity to speak on this motion on the Misuse of Drugs (Classification of Ketamine) Order 2009 and the Misuse of Drugs (Presumption of Supply—Ketamine) Order 2009.

The Health Committee considered this matter and, as other members of this House do, its members feel strongly that it is appropriate to classify the drug accordingly. I note that there are currently no requirements for ketamine to be held securely, and that quantities of the drug have recently been stolen from hospital trolleys. Ketamine has potentially harmful effects. It can induce symptoms similar to schizophrenia in healthy adults. There is growing anecdotal evidence of physical and psychological symptoms of ketamine dependence amongst recreational users. Therefore it is highly appropriate that ketamine is scheduled accordingly as a class C4 controlled drug. I, too, commend this motion to the House.

HONE HARAWIRA (Māori Party—Te Tai Tokerau): Tēnā koe. When this notice motion came up for classification of ketamine under the Misuse of Drugs Act, I was hoping that maybe ketamine was a chemical agent used in cigarettes, effectively making tobacco an illegal drug. That would have been a great idea, supported by the Māori Party and all other parties in the House, as well as overseas, where, a couple of years ago, the Commons Science and Technology Committee of the UK Parliament called for a major rethink on the classification of alcohol and tobacco, based on the fact that together they account for 90 percent of all drug-related deaths in the UK, and are among the top ten most dangerous substances in society. Its report was backed up by research in *The Lancet* and the *British Medical Journal* in 2007 that said that, based on physical harm, dependence, and social harm, alcohol and tobacco were ranked among the top 10 most dangerous substances—higher, indeed, than both cannabis and Ecstasy. But when I read the motion, I see that ketamine is something different from tobacco—something altogether milder and way less dangerous—but reclassification of ketamine as a controlled drug will now mean that general practitioners, district health boards, and vets, etc., will have to put it under lock and key, and track and record its use, which is what the sector has been after for some time, so we will support the motion.

Apparently this ketamine—also known as "special K" and "vitamin K"—is not widely used, but the experts tell us that there may be a rise in recreational use, with some speculation that its use is growing amongst young people. But in truth, the

evidence is fairly limited, and it makes us wonder what all the fuss is about—only two customs seizures at the border, two or three cases of low-level harm each year, and no deaths at all. It reminds me of the debate about party pills a couple of years ago. That was the same thing—a big hullabaloo about nothing. There were no deaths, no crime, no nothing, yet we banned that, too.

Ketamine is hardly worth a mention in comparison to tobacco, which kills more than 5,000 New Zealanders every year—more, in fact, than any other single product or disease in Aotearoa. Those deaths are preventable. Tobacco is a known cause of lung, bladder, mouth, pancreatic, kidney, and stomach cancer, and is linked to significant causes of heart disease, emphysema, and other respiratory diseases known to society. We will support this motion, but we urge Associate Minister of Health the Hon Peter Dunne to seriously consider alcohol and tobacco use as also worthy of review. Tēnā koe.

Hon DAMIEN O'CONNOR (Labour): I am led to believe that the Associate Minister of Health the Hon Peter Dunne, who moved this motion in the House, should be congratulated on an award that was made last night. I am not quite sure what it was, but I am sure that he received something. I have been informed of that by my colleagues.

Labour will, of course, support this motion to approve the Misuse of Drugs (Classification of Ketamine) Order 2009 and the Misuse of Drugs (Presumption of Supply—Ketamine) Order 2009. How could any party object to the wiser use of a drug that potentially could be misused by young people in this country? It is important to specify, as previous speakers have done, the harm that is currently caused in this country by ketamine. That harm is at a very low level at this point. So I applaud the Associate Minister for moving this motion, which is clearly making the case that prevention is better than cure. If we had done this with other drugs, this country would be a whole lot better off. The previous speaker made reference to both nicotine and alcohol. If we were starting from a different place, I am sure we would have a similar amendment to regulations and legislation.

When I read through the effects on recreational users of this drug, ketamine, I see that it delivers a short duration of hallucinogenic effects—as, I guess, a very good cup of coffee might do. I am not trying to make light of it, but I think we do have to keep certain things in mind. It is usually snorted as a powder, so I guess some people might pretend they are having cocaine. Well, if they stick to this drug, it might be a good alternative way to get their hits.

It is a sad reality that young people and older people resort to drug use, and that no matter what we block, or make illegal, smart people around the world will come up with a new kind of drug. This drug, to be fair, is used at higher levels in Asian countries. That is why I think it is very fair for the Associate Minister and the whole House to assume that its prevalence could increase in this country. I think it is logical that we put in place some provisions that secure its storage. Vets and pharmacists will have to protect their supplies so it cannot be lifted easily, and there will be some penalties for illegal supply.

Let us look at those changes and at what will happen when we have reclassified the drug. There are some fairly severe penalties here, and that leads to a question that, I am sure, will be asked by many intelligent young people. As was said earlier, the effects of the use of this drug are not that severe. They are short term. In emergency departments across this country there have been, in the last year, two or three cases of hospitalisation through ketamine misuse, but there have been hundreds of cases of alcohol misuse.

In supporting this motion, I challenge to the Government to take up the package of recommendations from the Law Commission on alcohol use. When doctors, specialists,

and nurses tell us every week that hundreds of people are in emergency departments because of alcohol misuse, the careful considerations of the Law Commission must be taken up by the Associate Minister and his colleagues in Cabinet. The Government should bring to this House comprehensive proposals and legislation that address alcohol-related harm.

We will look like a bunch of idiots and, I have to say, like a bunch hypocrites if we do not move on alcohol, which affects thousands of people every weekend, when we bring to this House a perfectly sound, reasonable proposition to reclassify ketamine, which puts two to three people each year into emergency departments. So let us be consistent. We have moved on tobacco, and I applaud the Government for that. I think it was a good move, but we have yet to see just how committed this Government really is to reducing the harm caused by alcohol.

The penalties in the case of ketamine are very severe. Supplying this drug to anyone under the age of 18 years carries a maximum penalty of up to 8 years' imprisonment. That is a severe penalty for a drug that puts two to three people into the emergency department each year, and I again compare that with alcohol. Let us get real here. Let us take the bull by the horns and take the opportunity to address drug harm in this country. It is upon this Minister and all Ministers to bring comprehensive recommendations back to the House.

Labour supports this reclassification on the basis that we want to reduce harm from the misuse of any drug in New Zealand. We think that this is a good move at this time, and we will be supporting it.

Motion agreed to.

SENTENCING AND PAROLE REFORM BILL

Second Reading

Hon JUDITH COLLINS (Minister of Corrections): I move, *That the Sentencing and Parole Reform Bill be now read a second time*. This bill has two main purposes: to deny parole to repeat serious violent offenders and to offenders who are guilty of committing the worst murders, and to impose maximum terms of imprisonment on persistent repeat offenders who continue to commit serious and violent offences.

This bill is specifically focused on offenders who show no regard for victims, their families, or the community, and who are repeatedly convicted of serious violent and sexual offending. Parole is not a right for prisoners; it is a privilege. This privilege is earned, and it should not be granted to those who demonstrate total disregard for the law by continuing to commit serious violent offences, despite being warned of the consequences. This bill ensures that the victims of repeat offenders and their families do not have to experience the additional stress of attending regular parole hearings or worry that an offender may be released on parole.

I thank the members of the Law and Order Committee and in particular the chair of the committee, Sandra Goudie, for returning this bill to the House in good time. The committee has recommended by majority that the Sentencing and Parole Reform Bill, as amended, be passed. I also thank the ACT Party for its continued commitment to this bill.

In February 2010 the New Zealand Police became the lead advisers on the bill, with the Department of Corrections assisting. It was particularly important for New Zealand Police officials to advise the select committee. That was because the threshold for the regime was to be changed from a qualifying sentence to a conviction for a relevant offence. That meant that police discretion as to what charges were laid, and the charging process itself, would be critical to the operational elements of the new legislation. Under

the new regime, all prosecutions involving charges that qualify for stage three of the regime will be referred to the Crown solicitor for peer review, either pre-charge where circumstances allow, or by the second appearance. This provides an assurance that the appropriate charges will be laid in those cases.

I would also like to thank all those members of the public who took the time to make submissions on the bill. Ninety-four percent of submitters supported the bill. They stated their concerns about violent crime, public safety, and the need to hold offenders to account. Many supporters wanted to address what they described as the disparity between the rights of offenders and those of victims, and to spare victims the stress associated with repeated parole hearings. In addition to that, concerns were expressed about how violent crime impacts negatively on the reputation of this country.

Only 3 percent of submitters opposed the bill. Many of those submitters considered that the Government should be focusing on addressing the causes of offending and/or reoffending. Let me assure those people that this Government has a strong focus on addressing the causes of offending, and it views that as a vital component of our efforts to create a safer community.

The Labour Party did not support this bill. Labour members say that it could result in disproportionate sentences for offenders at stage three. I make no apology for that. By stage three, an offender has been convicted of two previous serious violent offences and has been warned on two occasions, both orally and in writing, of the consequences of further convictions for serious violent offences. This legislation recognises the repeat nature of offending by those few who fail to heed the warnings and continue to offend regardless of the consequences. The community can rightly expect to be protected from these serious recidivist offenders for a lengthy period.

In January this year the Government proposed a number of changes to the bill as introduced in February 2009 to better reflect the purpose of the bill. The Law and Order Committee agreed by majority that the bill be passed with those changes. The first change is that the threshold for each of the three stages of the regime has been changed to a conviction for a qualifying serious violent offence rather than a determinant prison sentence of 5 years or more or an indeterminate sentence of imprisonment. Secondly, the sentence for a conviction for a qualifying offence at stage three has been changed to the maximum sentence for that offence, and, unless it would be manifestly unjust, the court must order that the offender serve the sentence without parole. That replaces the sentence of life imprisonment with a minimum non-parole period of 25 years at stage three, as in the bill as introduced. Section 86 of the Parole Act 2002 is to be amended so that an offender serving a short-term sentence of imprisonment at stage two serves the sentence in full, rather than being released after serving half the sentence, as is currently the case.

Other changes have been made to ensure consistency in the definition of what constitutes a qualifying serious violent offence. This includes five further offences being added to the list of qualifying serious violent offences. All of these offences carry maximum penalties of more than 7 years' imprisonment, which is a defining characteristic of the offences in the bill as introduced. The offences are all closely related to the existing offences contained in the definition of "serious violent offence". In addition, all cases involving offenders on a final warning who are subsequently charged with committing a serious violent offence will have their cases heard in the High Court. Only the High Court, Court of Appeal, or Supreme Court will be able to sentence an offender for a stage three offence.

This bill creates a three-stage regime that will improve public safety by imprisoning the worst repeat violent and sexual offenders for longer periods and under stricter regimes if they continue to offend. At stage one, offenders who are convicted of a

serious violent offence will be sentenced as normal, but will be warned, both verbally and in writing, that they are on the first rung of the regime and what will happen if they are convicted of another serious violent offence in the future.

At stage two, an offender who is convicted for a second time of a serious violent offence and has previously received a warning will be sentenced as normal but will be required to serve any sentence of imprisonment imposed by the court, without parole. Such offenders will also be warned, both verbally and in writing, of the consequences of a further conviction for a serious violent offence.

At stage three, an offender who is convicted for a third time of a serious violent offence and has previously received a final warning at stage two must receive the maximum prison sentence for that offence and serve that sentence in full without parole. The exception to this is a conviction for manslaughter, for which an offender will be required to serve a life sentence with a minimum non-parole period of at least 20 years. The minimum non-parole period recognises the difference in seriousness between manslaughter and murder. The court also has the option at stage three of imposing a sentence of preventive detention, in which case the minimum non-parole period must not be less than the maximum finite term of imprisonment for the offence.

The bill makes specific provision for those convicted of murder at either stage two or three of the regime. At either stage, an offender convicted of murder will be required to serve a life sentence without parole. However, this bill also recognises that in some very rare cases the circumstances of the offender and the offence will be such that a sentence served without parole would be manifestly unjust. The bill takes that into account and makes provision for the court, where it is satisfied that a non-parole order would be manifestly unjust, to not make such an order at stage three when imposing the maximum term for a serious violent offence, or when imposing a sentence of life imprisonment for murder at stage two or three. In the case of murder, the court can instead direct that a substantial minimum term of imprisonment be served before parole eligibility.

In addition to the three-stage regime, the bill makes special provision for offenders who are convicted of the worst murders. In these cases, offenders can be sentenced to imprisonment for life without parole, even if they do not have a record of previous violent offending.

This bill is tangible evidence that the Government is delivering on its election promise to toughen up on criminals. I am proud that this bill puts the victim's and the wider community's interests ahead of the interests of our worst serious violent offenders.

This bill may appear harsh to some, but I make no apologies for it. The bill is aimed at the minority of offenders who even after receiving two previous warnings continue to offend in a serious, violent way. These people have demonstrated that they will not change, and for those few people there is no alternative but to prevent them from offending in such a way that they no longer present a danger to law-abiding New Zealanders and visitors to this country. I commend this bill to the House.

Hon LIANNE DALZIEL (Labour—Christchurch East): In the 16 December 2009 Cabinet paper from the Minister of Police, who is also the Minister of Corrections, which is entitled *Changes to the Sentencing and Parole Reform Bill*, the Ministry of Justice noted: "… the deterrence effect of the three stage regime is uncertain. The proposals will add substantial direct costs to the justice system without creating any significantly improved outcomes in terms of reducing the drivers of crimes, improving social outcomes or reducing reoffending and victimisation." The Department of Corrections also said in its report to the Law and Order Committee: "Further information requested by the Law and Order Committee regarding prison bed

forecasts"—which was received on 5 March 2010—indicates "… there is an implicit assumption that the Bill will have no deterrent impact."

I think that those reports from the two departments that are now advising on this matter are of significance for the quality of the debate that we now have to have. Obviously, the Government challenges the Opposition on the basis of saying that this measure proves that the Government is tougher on crime than Labour is. I say to this House that it is not a competition. I am deeply concerned about a Government that proceeds with a measure such as this when the Minister of Justice and the Minister of Māori Affairs are attempting to engage with the broader community, which has an interest in these matters. Those Ministers are trying to find some way of addressing the underlying drivers of crime in an environment where we actually can have a debate about the things that will make a difference in the long term, without having to be challenged on something that we know is not an effective deterrent and that the Government knows is not an effective deterrent.

The other problem I have with debating this measure before we have had a response from the Government on the ministerial meeting on the Drivers of Crime, which the Government held just over a year ago last month, is that we still have not seen the fruit of the work that people put into that meeting, nor the subsequent work that has been done ever since. I know that one of the areas of work is on reoffending, because our reoffending rates are pretty, pretty appalling. I think one of the reasons our reoffending rates are so appalling is that there is a lack of work being done on rehabilitating and directing people away from the prison system at a very early stage. There are people ending up in our prison system too early and without the level of intervention that one would expect.

So let us go through the circumstances of one gentleman who ended up in the category that was defined by Minister Collins. He was brought up here in New Zealand, and although I am not sure of his age now, we are going back into the 1950s. His stepfather saw fit to tie him to the dog kennel in the backyard as a punishment for his constant bad behaviour inside the house. He thought that tying him to the dog kennel would be a good way to get him to behave well when he was inside the house. This young boy, this child, ended up with an entirely—

David Garrett: What's his name?

Hon LIANNE DALZIEL: I accept the fact that that member is the driver behind this bill but—

David Garrett: Let's hear the name of this person.

Hon LIANNE DALZIEL: I am not going to name an individual in this House. I will just have to ignore the barrage of interjections from somebody who does not want to hear the example that I want to use.

I wanted to say that when people have been brought up in an environment where they do not learn empathy or any of the behaviours that we would take to be normal, and where they do not have the capacity to form close relationships because they have not bonded with a significant adult at any stage since they were born, then we as a society are responsible for growing monsters, not for growing healthy young men with healthy attitudes and the capacity to form loving relationships. When a male child has only ever seen his father beat his mother to a pulp, it is really hard to think about how he is going to have a good relationship with a woman in the future. We have an intergenerational problem in this country. We do not fix that just by saying: "Here is the mess, the disaster, that has been created in the lives of some people. Let's just lock them up for what they've done. Let's not try to see whether there is some degree of humanity left within these individuals, or some potential for redemption and rehabilitation." I think

what is missing from this debate completely is that there are people who have the capacity to change.

All I am saying is that removing the discretion that sits with the judiciary, and allowing the judicial system simply to impose a sentence because certain previous offences have occurred, will not do anything to reduce the drivers of crime. It will not improve social outcomes, it will not reduce reoffending, and it will not reduce re-victimisation. That was identified in the departmental report to the Minister of Police, the Minister of Corrections, and the select committee.

As we know, this bill was subject to a report from the Attorney-General because it is questionable in terms of our obligations under the New Zealand Bill of Rights Act. The reason that was the case was that it was found to provide for disproportionately severe punishment. Of course, there are different messages that can be taken from the legislation. It really will depend on the order in which certain offences are committed, in order to get a disproportionate impact.

The regulatory impact statement that accompanied the original bill stated that the bill would be disproportionate, expensive, and impact most severely on Māori. I know that the Māori Party has a very strong view on this matter. It is very well accepted that a Māori is much more likely to be stopped by police. A Māori is much more likely to be arrested, if stopped. A Māori is much more likely to be charged, if arrested. He or she is much more likely to be charged with a more significant offence, if he or she is charged. He or she is much more likely to be convicted if he or she is charged, and he or she is much more likely to get a longer sentence than an equivalent individual who is not Māori, if he or she is found guilty of that offence. The evidence is out there for everyone to see. This bill will make that situation worse. This bill is about putting more Māori in prisons, when we really ought to be addressing why we have so many of them there now. Māori are disproportionately represented in our statistics, as we all know.

The trouble is that this is one of those bills that is designed to send a message about what the Government is doing. Unfortunately, the message it sends is not backed up by any evidence anywhere in the world. It is not an effective way of addressing the issues the Government says it is trying to address. I think that is unfair not only on this House and the people of New Zealand but also on those who have been working very hard to try to address those underlying drivers of crime. That is where we know we can make the most substantial difference over the long term. Short-term quick fixes never work. This approach has never worked in any jurisdiction internationally. All of the evidence that has been put up in relation to the "three strikes" policies in the American jurisdictions does not stack up when it is actually investigated. Unfortunately, this bill is predicated on a flawed foundation, and I do not believe that it should proceed any further.

SANDRA GOUDIE (National—Coromandel): I am delighted to talk to the Sentencing and Parole Reform Bill in the debate on its second reading. I acknowledge my Law and Order Committee colleagues for the excellent work that they did on this bill. I also acknowledge the Minister, advisers, the Parliamentary Counsel Office, and the committee staff, who also did an excellent job of assisting in the process on the bill.

I point out to the previous speaker, Lianne Dalziel, that in January 2010 the Minister of Police, who is also the Minister of Corrections, took over responsibility for the bill for its remaining parliamentary stages, due to the significant roles that the New Zealand Police and the Department of Corrections will have in implementing the changes that are made in this legislation. So I correct the previous speaker: the Police were the advisers on the bill, not Ministry of Justice staff, and the comments about the Department of Corrections were also incorrect.

It was particularly important for New Zealand Police officials to advise the select committee on whether we should change the threshold at which the new regime applies from a qualifying sentence to a conviction for a relevant offence. This change meant that police discretion as to which charges were laid, and the charging process itself, would be critical to the operational elements of the new legislation. Under the new regime all prosecutions involving charges that qualify for stage three of the regime will be referred to the Crown solicitor for peer review, either prior to any charge being laid where circumstances allow, or by the time of the person's second court appearance. This provides an assurance that the appropriate charges will be laid in that case. I thought it was pertinent to actually point out those things to the previous speaker, because she seems to have been somewhat incorrect in some of the things she was saying.

Lianne Dalziel also spoke about the New Zealand Bill of Rights Act. I recall that when she spoke to another bill, she mentioned the New Zealand Bill of Rights Act and suggested that we have a moral obligation to allow prisoners, in that case, to vote. I suggest that in the first instance the moral obligation is on the individual not to commit a crime. Yes, this Government is taking action to find the drivers of crime and address them, but also it is taking action to deal to the perpetrators of crime, who fail to take responsibility for not committing crime.

I will also talk about how many offenders are likely to be affected, which was an issue raised by the previous speaker. The impact on the New Zealand prison population is estimated at 56 beds after 5 years, 142 beds after 10 years, and 288 beds after 20 years, at the most. These figures are based on 1980-2008 figures, and do not factor in the deterrent effect of the new policy. One must remember that there is a deterrent effect in a policy such as this, and as such the estimate is conservative, so the actual figure may indeed be much lower than that. One must also remember the victims in all of these crimes; this policy goes some way towards meeting the needs of victims.

How much will this policy cost? Again, this issue was mentioned by the previous speaker. After 5 years the operating cost is estimated to be $5.1 million per year, with a total capital cost of $22.4 million. The previous speaker may like to be cognisant of that. We are certainly not soft on crime, unlike the previous speaker from the Opposition. We believe that people have a moral obligation not to commit crime in the first place, because once they commit a crime they give up their rights. That is a consequence of committing a crime: they give up those rights, and they are subject to the full effect of the law.

How will the bill work? This bill creates a three-stage regime that will improve public safety. That is the primary objective. Sentencing, parole, and bail should be driven by the need to put public safety first—that is the primary driver—and by giving some consideration to victims. I love to hear the comments from the Opposition members, who did nothing in 9 long years and now start to get all soft and "touchy-feely". We are committed to taking the tough steps needed in order to tackle violent crime and make people feel safer in their homes and on the streets. I think that is incredibly important. Do members know that the public are feeling that already? It is exactly what they asked for, and that is what we are giving them. We are serious about better meeting the needs of victims and putting victims at the heart of our justice system, rather than putting criminals at the heart of the justice system, as the previous speaker seemed to do when she was in Government. We believe that there is a moral obligation on people not to commit crime, and that once they relinquish that moral obligation, they relinquish their rights.

At stage one, offenders who are convicted of a serious violent offence will be sentenced as normal, but will be warned—as has been previously said—both verbally

and in writing that they are on the first rung of the regime. They will also be warned about what will happen if they are convicted of another serious violent offence in the future. At offence one—at the first strike—they are told about the likely consequences if they do not take control of themselves and take some responsibility for their behaviours.

At stage two, an offender who is convicted for a second time of a serious violent offence—this is all about serious violent offences—and who has previously received a warning will be sentenced as normal, but will be required to serve any sentence of imprisonment imposed by the court without parole. The sentence for that second offence will be served without parole.

Melissa Lee: Good job.

SANDRA GOUDIE: Good job—absolutely. My colleague says: "Good job.", and I am sure most people out there will also be saying: "Good job." Why should those offenders get parole? They have already been warned at the first offence, and they have been told what the consequences of further offending will be. Why should they suddenly get parole on the second offence? They did not take responsibility for their actions, so they must wear the consequences of that.

At stage three, an offender who is convicted for a third time of a serious violent offence, and who has previously received a final warning at stage two, must receive the maximum prison sentence for that offence and serve that sentence in full without parole. That is as it should be. If offenders are going to do the crime, they need to do the time. They need to think more about their behaviours.

Hon PAREKURA HOROMIA (Labour—Ikaroa-Rāwhiti): The Labour Party is very clear in its support of victims—

David Garrett: Oh, yeah!

Hon PAREKURA HOROMIA: Our period of time in Government proved that, as our learned friend down here would understand if he had followed us over that period of time. But the Sentencing and Parole Reform Bill is an outrageous bill. Enough international research says that lengthy prison sentences do not correct behaviour or get people on a better plane. I hope the Māori Party is voting against this bill, because there is no evidence to suggest that this will reduce crime. Regarding recidivism in Māoridom, it is common knowledge that young Māori who commit a crime under the age of 22 or 23 will appear in court six times.

I remind the Government about that great public servant Margaret Bazley, who recently let a report come out that suggested that the process of legal aid had a lot to answer for. I am appalled about that, and I relish the speech that my fine whānaunga Hekia gave, apparently out at the marae, about people's attitudes to how we should manage crime. She said that when the subject is Māori, the articles are splashed all over the front pages of the *Dominion Post*, or something like that, anyway. And that is a fact—for example, if it is about a kōhanga reo misusing $20,000. But I remind members that a lot of those quick deliverers of profit, and finance companies, have gone down the gurgler—it is outrageous—yet we hear hardly anything about that. We hear hardly anything about that at the time; that is terrible. Small businesses are struggling at the moment; that will not help it.

We can already hear the Government complaining about the lack of bed space in prisons. It is amazing. So the Government has a policy of "three strikes and you're out". If we listen to previous speakers we can get that hint of "Bash 'em over, lock 'em up, and everybody will know that we're tough! This is about tough love." But that is a whole lot of rubbish. If we go back to the time of the previous National Government, we heard them say, time and time again, that in correcting the insidiousness of crime, longer sentences were not the way to go. We recognise that, and that Government did say that, and meant it. But all of a sudden now, we have this huge flip-flop.

The Minister of Justice, Simon Power, has slowly and carefully distanced himself from this legislation. Everybody knows that. The commentaries from some of the senior judges of this country are saying the same thing. I could stand and hypothesise about history, and cite the facts about being colonised, but I will not. But if people were working-class people, I tell Mr Garrett, like those in the 1950s, 1960s, and 1970s, and all those people were used as factory fodder, and the landed gentry and the upper class managed all the wealth, what would that member say about that? Of course there would be trouble. And the working-class Pākehā were no different.

Now we get to this supposedly great time, and we ask how this will attract the vote. How will this attract the vote? We will sting them with it. It is unreal. It is said that this bill is good for victims. Well, if we read the writings about victims, we find that one of the real fears is how they broach it—how they manage it. Of course, our families, having been victims, know that it is a horrendous experience. But there is all the essence for prolonging that hurt, that agony, in this long period of sentencing.

The previous speaker, Sandra Goudie, was really trying to play stand-over tactics. Yet the Attorney-General, Chris Finlayson, has found that the bill as introduced has an apparent inconsistency. So we can see that the gap in the Government is widening, is splitting, over the section of the New Zealand Bill of Rights Act protecting New Zealanders against "cruel, degrading, or disproportionately severe … punishment". We had Hone Harawira and his colleagues huffing and puffing, and celebrating, about signing up to a United Nations declaration. That process will evolve, and history will tell us how it can help us. But that was about rights, so how can people in the Government support this bill? How can they do that? Where I come from, people still line up in the courts in Hastings, and so on. There are huge queues of them. Can we blame them if they are trying to feed their kids? Can we blame them if they are getting nicked for everything they are getting into?

It is all very well to be clean and clear, and to pontificate about how well the world should work, but we were sent to Parliament—some of us, anyway—to protect and support those people. In my case, they are a whole lot of Māori, but they have not been recharged and counted up again, through no fault of their own.

This party believes in being tough on crime, but it is quite clear that some people have taken just a single line in legislation, and are making tougher sentences and bringing down crimes to benchmark something that is really academic. Experts say that. Mr Bolger was great in the sense of trying to push for, and have people understand that there were, different ways of correcting and penalising people for crime. We are supportive of the rights of victims, and we are supportive of those who are victims of people who are consistently committing horrendous crimes, but this is spreading the blanket so far that it is catching the people who are being penalised through no fault of their own.

When young Māori of 16 or 17 years of age go to court, the legal aid lawyers—who have guaranteed payment—say to them that they had better plead guilty till the lawyers work it out. They go to court again in 3 months' time, and the lawyers tell them again they had better plead guilty, but the lawyers get paid. Those young men go back the next time, and the lawyers tell them that they might get a deal for them. The young people say they will consider it, and then the lawyers try to bargain. So those lawyers are getting paid four times, but at the end of the day the Māori get locked up. Why should they be punished for minor issues and other such crimes? "Three strikes and you're out"—the only place that that is fit for is the softball paddock. We have the Minister here pitching the ball down to a whole lot of other fancy-footed academics, but the Minister is being unkind and trying to make out that this legislation is about getting tough.

Then Government members are squealing, because it is about beds. What about the 15 staff who are being put off in Gisborne at the moment? What about the 47 percent unemployed in Wairoa? That is how crime busts out, but it has to be managed. I heard the Minister one day, or someone over there today, saying it was about being intelligent. If this is how the Government wants to be perceived as being intelligent, then God forbid what will happen in our prison system as we go forward. Thank you.

DAVID CLENDON (Green): Kia ora koutou. The Sentencing and Parole Reform Bill purports to improve public safety and increase confidence in the justice system by imposing longer sentences and making certain offenders ineligible for parole. Those are admirable intentions. We would all like to practically increase both public safety and people's perception of safety, which is equally important. Unfortunately, nothing in this bill will contribute to either of those things—confidence or safety. In fact, all the evidence points to exactly the opposite conclusion—that these sorts of regimes do nothing for public safety and will probably make our societies more dangerous, more unequal, and more divided.

This bill is a very punitive and reactive approach, a very reactive proposal, and, for a host of reasons that have been alluded to, it is unlikely to have any real effect. It cannot have any effect for at least another 10 years, even if it were imposed in legislation, and that is something that has not been made clear to people. The Ministry of Justice has said that the deterrent effect of the regime is uncertain, which I think is very polite language. The Department of Corrections has also demonstrated real scepticism that there will be any deterrent impact from this bill. Again, in relation to their language one does not have to read very carefully between the lines to see that the expertise in those two key departments is telling us that this legislation simply will not work.

The provisions in the bill will not reduce offending, and after having heard so many promises and so many assurances, the public expectation will be disappointed. The bill will serve to diminish people's confidence in our justice system. They again will ask: "Why has it failed? Why do we not feel safe? Why are the crime numbers not telling us we are in a better situation?".

This bill is a classic example of an end-of-pipe solution. The Government is attempting to tidy up the mess. It is dealing with the symptoms at the end of a process, rather than going to the root cause, to the beginning of whatever process is causing the mess in the first place. Putting the focus on locking offenders away for longer and giving them a tougher time while they are in prison is simply an exercise in storing up trouble.

Eventually those offenders will be released into society, be it after 5, 10, or 20 years—however long. With very few exceptions, offenders will come back into society so alienated and so brutalised that they will be almost impossible to reintegrate. We are literally storing up trouble for ourselves by putting serious offenders in prison for longer and treating them in the way that is proposed in the bill.

The time and effort that has been frittered away on this non-solution, this attempt to put a band-aid on a gaping wound, would have been much better spent on some real solutions. There are some truly sensible people in this country who despair of us breaking the cycle of offending and reoffending, of people entering jail for the first time as offenders and coming out as very skilled criminals.

The Greens agree with the many in the community who do not share the obsession with retribution and punishment for its own sake. We look for evidence-based solutions, and we look for solutions that will work for the community. The legislation being debated today simply fails to meet those simple tests of value.

We know there are numerous changes that could be made to lower the incidence of violent offending and to reduce offending. A study done by the Department of

Corrections 10 years ago into the prevalence of mental illness revealed that of the total prison population some 90 percent had a current substance abuse or dependence diagnosis, and that only 35 of those were receiving adequate treatment at that time. The report also noted that substance abuse disorders are known to contribute to reoffending among offender populations. It is almost taken as a given.

Ten years on, the recent Law Commission paper on liquor includes a summary of the relationship between crime, alcohol, and other drug abuse and dependence. It estimates that something like 76,000 people are currently in need of intervention. These are people who come into the justice system either as accused or as offenders, and they are in need of some sort of drug or alcohol treatment. Of those 76,000 in need of help, in the last 12 months or so, judges were able to order scarcely more than 6,000, only about 7 percent of that number, to attend a substance abuse programme, simply because those programmes are not there. They are not funded; they do not exist.

There is a massive need for more drug and alcohol abuse prevention programmes. Without more such programmes people will stay on the treadmill of repeated and increasingly serious offending. The National Committee for Addiction Treatment suggests that at least a doubling of funding would increase the number of people able to be treated to, perhaps, 50,000, which still leaves a significant gap between those needing help and those in front of the justice system. Until we begin to adequately address some of the primary causes, like drug and alcohol abuse and dependence, these longer sentences and other make-believe solutions are just window dressing.

The second area where the investment of relatively small sums of money could have a real and positive effect on reducing the number of offenders is the provision of better support and assistance to the families of offenders. This can improve prisoners' behaviour while they are serving their sentences, and it will certainly increase the likelihood of their keeping out of trouble when they come out of jail. On occasion, family backgrounds are part of the root cause of offending, but in many more cases positive family relationships, and maintaining those relationships, will go a long way towards breaking the reoffending cycle.

Comparative studies in Europe demonstrate that a combination of shorter sentences—not longer sentences; shorter sentences—and family-oriented prison policies and practice is a major factor in protecting children from the harmful effects of parental imprisonment and in breaking the intergenerational cycle. If families are adequately supported, then the children are much less likely to become offenders during an offender's term in jail.

The relevant research in New Zealand around the relationship between imprisonment and the effect on families is some 10 or 20 years old. No decent work has been done for nearly two decades. All the work that has been done points to the fact that some really simple strategies could help us to reduce offending, such as small amounts of financial assistance for travel, improving prison visiting conditions and facilities, and information on prison protocols being made available to families. There is no current research, but there is overwhelming anecdotal evidence from the base organisations, the voluntary and community organisations that work in this area, that very little has changed in the last two decades.

I have spoken personally to families of inmates, as I am sure other members have, and we hear the same stories again and again. It is incredibly difficult for people, even for educated people, to get basic information about where a family member is, what ways they can assist their family member, and how they can maintain a relationship with him or her. It is difficult even for people who are confident in dealing with bureaucracies and Government departments, who are resourced, and who have jobs and incomes.

It is exponentially more difficult for someone from a disadvantaged background, somebody without an education and without an income, or someone on a benefit with dependent children. It is almost impossible for those people to break through those barriers. I have heard that from the families of inmates, and I have heard acceptance of that point from officers in the Department of Corrections, the people who work in the prisons. It is time we put some real resource into those areas, because those are the real solutions. Locking offenders up and throwing away the key is a 19th century approach. It is not even worthy of our attention, and it should not come before this House.

My final comments are, I am sure, ones that have been made elsewhere. The process of getting this bill to this stage has been suboptimal, to say the least. Despite very significant and substantive changes to the original bill, there was completely inadequate opportunity for a second round of submissions, and a highly prescriptive approach to engaging with the communities of interest, and that begs the question: what were the proponents of the bill afraid of? Why would they not allow a decent and comprehensive second round of submissions to a significantly changed bill?

As members may have gathered from my comments, the Greens will continue to oppose this legislation, and we hope that significantly better and more intelligent proposals will come to this House. Kia ora.

Hon RODNEY HIDE (Leader—ACT): This is a very proud day for the ACT Party and for our members and supporters, who have campaigned for many, many years for the better protection of law-abiding citizens. It shows that those people who have supported the ACT Party and voted for it have made a difference to our country and will make our country a safer place in which to live. The ACT Party, as part of its constitution, has the view that the primary role of any Government is to keep citizens safe in their communities, in their places of work, and at home. We are also aware, as a party, that keeping our communities safe is part of the wider set of policies that are needed in order to deal with disadvantage in our society.

I take on board the comments made by the Labour Party and the Green Party. The way that the ACT Party looks at the wider issues is that in order to address poverty and economic and social disadvantage, we must reform welfare, keep our communities safe from crime, improve education through providing a choice of schools, and stop taxing low-income people as punitively as we do. Instead, our taxation system punishes enterprise and hard work, our welfare system encourages attitudes that destroy personal responsibility, self-reliance, and self-confidence, and our schooling system fails up to a third of our children. Out of all these failures has come a crime rate, particularly a rate of violent crime, that should shame us all. Our poorest communities suffer the most from criminal offending—from petty offences through to the most violent offences. Murder, rape, and aggravated robbery have become all too common. I say to Mr Horomia that it is from amongst Māori that the ACT Party, in comments, has received the most support, because Māori suffer so badly from violent crime.

Our sentencing system is weak, and the parole system has clearly failed us. Offenders who are released on parole all too often commit further violent crime. These criminals have torn apart the lives of their victims. Their victims must live with the effects of the crime—the pain, the fear, the anguish—for the rest of their lives. For victims, the crime is just the beginning. ACT campaigned hard for tougher sentencing, with the "three strikes" policy at the 2008 election. After the election we negotiated an agreement with National to give ACT's "three strikes" policy a fair hearing at the Law and Order Committee, and throughout the past year ACT and National have worked constructively together to agree on a "three strikes" policy designed to keep Kiwis safe. I particularly single out the Minister of Justice, Simon Power; the Minister of Police,

Judith Collins; the Prime Minister; and the entire National caucus as those with whom we have had many discussions over the past year.

The Sentencing and Parole Reform Bill is a huge step towards getting the most violent repeat offenders off our streets and keeping law-abiding citizens safe. The "three strikes" policy that it implements is focused on a small subset of criminal activity. It is not by any means a policy that addresses the wider set of issues surrounding effective policing or that gets younger people off a pathway towards committing crime. Those issues are, of course, of the utmost importance, but the "three strikes" policy is an essential part of the full mix of policies that are needed. It is focused solely on the worst violent crimes; it is focused on the few offenders who repeatedly commit violent crime. Unlike the Californian law, people will not receive severe sentences under this law from conviction for relatively trivial offences. The offences on the qualifying list all represent serious crimes. This policy is about protecting our citizens from violent repeat offenders. It will keep our communities safe by deterring those criminals who are rational enough to see that their repeat violent offending will be met with an escalating level of punishment. Those who are not rational will be locked away, which is as it should be.

On strike one the offender will receive a sentence with parole as determined by a judge, as at present. Nothing will change, except this: the judge will tell the offender that that is strike one. At strike two, the offender will receive a sentence as determined by a judge, but now with no parole. Again, the judge will tell the offender that that is strike two. At strike three, the offender will receive the maximum sentence for that crime, with no parole. That is strike three: the maximum sentence with no parole. An essential element of the "three strikes" policy is that it deliberately escalates the punishment for repeat violent offenders. Most offenders will not want to risk a second strike, so when they are told about their first strike, they will have to think very, very hard about whether to amend their ways or carry on with a life of violent crime. Is it not a good thing to send a signal to young, male, violent offenders that it is a good idea to stop their violent offending? Is that not the sort of signal that we would want to send to Māori, Pacific Islanders, Europeans, or whoever else commits that crime in our community? That is what this bill will do. Most offenders will not want to risk a second strike, and they certainly will not want to risk a third strike.

The evidence demonstrates that these policies work. Some offenders modify their behaviour, and I ask again whether that is not a good thing. No longer will they hurt people, but, more particularly, they will improve the way that they live their lives. Those who do not modify their behaviour will be locked away for longer than is the case currently—and so they should be, because, as I said, the ACT Party has the view that our first priority is to protect people from violent crime. If people cannot modify their behaviour, and if they are going to come out and kill, rape, and maim people, then we say our first priority is to keep our citizens safe. That is what the "three strikes" policy is all about.

This policy is about making New Zealand a safer place in which to live, work, and raise our children. It is about sending the very powerful signal to repeat violent offenders that their repeat violent offending will no longer be tolerated. I say it is about time that we all stood up as New Zealanders and said no to violent crime. It is time that all of us in this House stood up and said we will not tolerate repeat violent crime and we will not make excuses for it. I am astonished to be sitting here and listening to members of the Labour Party and the Green Party excuse it. I think that that might be OK for those people who are protected and safe from violent crime and who do not live amongst it on a day-by-day basis. But I say that, for the first time ever, we have a Government that hears the message of New Zealanders. It is responding to the concern

of New Zealanders and is saying "Halt, enough!" to violent crime. We will not tolerate repeat violent crime. I say to New Zealanders that everyone can see, on this day in this Parliament, that the ACT Party has made a difference, that people's support for the ACT Party has made a difference, and that their vote for the ACT Party has made a difference. I think it is a shame that more MPs have not heard the concerns of their communities that it is now well past the time when we should have said no to repeat violent offending. This is a good bill and I commend it to the House.

Dr CAM CALDER (National): It is a privilege to stand and speak—somewhat huskily—on the Sentencing and Parole Reform Bill.

John Key's National-led Government, as we know, is principled and pragmatic, and it is seeking solutions to the many challenges facing our country. We in National are keeping our promises. We promised action, and we are taking action on combating violent crime. We are making families safer in their homes and communities.

This bill is part of a raft of legislation that we have brought to the House: legislation to toughen sentences and parole and bail conditions for violent offenders, to crack down on gangs and on P, and to support the victims of crime. We have also initiated Fresh Start programmes. Almost 3,000 young offenders benefited last year from interventions to turn them away from a life of crime.

We in National recognise that drug and alcohol addiction is the root cause of much crime, and we have increased the access to drug and alcohol rehabilitation programmes. We have recognised the woeful undermanning of the police under the previous lacklustre, lackadaisical, unlamented Labour administration. We have already deployed over 200 more police in the Manukau-Manurewa area, where I have the privilege of being based. A hundred more police will be deployed by the end of 2010, and 300 more police will be deployed nationwide by the end of next year. Along with initiatives in health, social policy, and education and initiatives addressing the drivers of crime, those are some of the areas of the previous Government's mesh that we will be reshaping in our effort to make our communities more secure.

We have heard some criticism from Opposition members. But I ask how useful its policies were in reducing crime when it was last in Government. In fact, some might ask whether it had any policy in this area. We may well ask. I believe that it did, but how useful was that in reducing crime and making New Zealanders feel safer in their homes and on their streets? Judging by what I saw when walking the streets of Manurewa in 2008, I would say that it was not very useful. People had three locks on their doors, and they had two more locks on the screen outside. Labour's policy was not very useful. People might ask how useful it was. It was perhaps as useful as a cricketer's box to a ballerina. It was as useful as a drink of water to a drowning man. It was as useful as a sunhat at midnight.

The Sentencing and Parole Reform Bill is part of the National-led Government's raft of measures to make our communities safer. Let us not ignore the fact that it puts the interests of victims and the wider community ahead of the interests of our worst and most serious violent offenders. This bill is aimed at the minority of offenders, who, even after receiving two previous warnings, continue to offend in a serious and violent way. Those people have demonstrated that they will not change, and for those few people there is no alternative but to prevent them from reoffending, in such a way that they no longer present a danger to law-abiding men and women living in our communities.

Not one of the 41 qualifying offences for the "three strikes" is a relatively minor offence. All offences involve serious violence or sexual offending, and all have a maximum penalty of at least 7 years in prison. In defending the rights of offenders, critics of "three strikes" downplay the goal of the legislation, which is to protect the public from criminals who have a track record of serious offending. This bill does not

focus on the poor or innocent, who are, unfortunately, dealt with by the State; it focuses on the repeat nature of offending rather than just the offence itself. Critics of "three strikes" may also argue that offenders do not consider the consequences of their actions when they commit crime. Critics say that the offenders did not know what they were doing when they committed their crimes, and that longer sentences are not an effective deterrent.

The road to a third strike is a long one, involving clear warnings delivered by a judge about the consequences of further serious offending and considerable time in prison, where it is hoped that they will reflect on their actions. When making a choice of whether to commit a third serious crime, offenders will have a very good idea of what is in store for them. I comment this bill to the House.

HONE HARAWIRA (Māori Party—Te Tai Tokerau): Ā, tēnā koe, Mr Assistant Speaker. Huri rauna, kia ora tātou katoa e te Whare. When we want to look at prison statistics and prison programmes, at programmes that work and programmes that do not, we do not have to look any further than the good old USA, where dingbat sheriffs think they are clever to march prisoners around in pink uniforms, and idiots sign laws allowing police to arrest and jail anyone who looks like they might be an illegal immigrant—people like Parekura Horomia and Mita Ririnui sitting over there! The USA is also where Governor Arnold "The Terminator" Schwarzenegger oversees California's penal system, which is facing a crisis of overcrowding, with more than 167,000 inmates, often triple-bunked, angry, fearful, and exploding into violence across our screens every week on *America's Hardest Prisons*. California's penal system costs $8 billion, which is 11 percent of the state budget—and blowing out of control as we speak.

Arnie might be a muscle freak, but he did not get to be the governor of one of the world's top ten economies without having some smarts. It occurred to him that there had to be a better way to deal with prisoners than the philosophy of locking them up and throwing away the key, which the "three strikes" morons of the overseas and domestic variety would use to deal with crime. So he proposed a simple solution. He divided criminals into two categories: those who pose little or no risk, and those who need regular supervision. The idea was to take all the less threatening prisoners out of jail and put them into other programmes. It was a simple solution, but it was a seismic shift in reform, and it has been long sought by independent analysts and commissions into penal reform. That brings us back to Aotearoa, where, instead of trying to learn from the mistakes of the Californian penal system, we seem hell-bent on following it down the deep dark hole that Arnie is struggling to get out of.

The Sentencing and Parole Reform Bill is scary. It ignores even the advice of the Government's own Attorney-General that the "three strikes and you're out" law could be in breach of our fundamental human rights, and, in particular, in breach of the section of the New Zealand Bill of Rights Act that protects New Zealanders against cruel, degrading, or disproportionately severe punishment, such as having to face a sentence of life imprisonment for, perhaps, a third charge involving the unlawful discharging of a firearm, which is a common occurrence at Tūhoe and Ngāpuhi tangihanga, and Tūhoe Treaty settlements, for that matter. Unlawfully discharging a firearm could mean using granddad's rifle when one is out hunting, having never even thought to get it registered.

Experts like Dr John Pratt, Professor of Criminology at Victoria University, will tell us what I told the House last week about a similar "kick them while they're down" bill, which is that without a sound philosophical base, penal measures are nothing more than the nasty, vicious form of vengeance that we thought had died out in Europe before Pākehā even came here. Just 5 years ago, a Cabinet paper entitled *Effective Interventions* concluded that there are smarter ways than prison to prevent crime and

make criminals accountable to their victims and to society, and that prison is not the most effective or efficient approach to reducing crime.

That same paper noted than even the practice of remanding people in custody was being influenced by growing public, political, and media pressure for change. In fact, in the 10 years from 1997 to 2007, prison sentences went up by 37 percent but cases of remand in custody went up by 214 percent. All of that, of course, saw the Department of Corrections' budget blow out to $900 million for 2007-08, and if we carry on the way we are going, the budget blowout will be $2 billion by 2020.

The silly thing is that this mania about building more and more prisons and filling them even before they are built, and at a cost that this country cannot sustain, is not only illogical but also unnecessary. International research out of Washington confirms that there are excellent alternatives to prison, which reduce not only the demand for prison beds but also crime. The problem, though, is that although all our resources are being siphoned off into building prisons, doubling up the bunks in cells, putting prisoners in containers, and locking inmates down for 16 hours to cope with overcrowding, the positive programmes for prisoner rehabilitation, like work, training, and education, are being closed off. We cannot even provide for 500 drug rehab places a year in a system with 6,500 prisoners who are currently drug or alcohol dependent.

International evidence tells us that "three strikes" has led to a massive increase in prison populations and jailhouse homicides. It has had a major negative impact on non-violent offenders, their families, and their poor communities. It has resulted in a blowout in cost for society, and the problem is getting worse. The evidence also shows that imprisonment does not deter crime, and that harsher prison conditions and longer sentences do not reduce reoffending. The evidence shows that reductions in crime usually come about through better drug and alcohol programmes, greater employment and education opportunities, stronger families, and stronger communities.

For the last few years, we have seen a "build 'em and we will fill 'em" philosophy in terms of our prisons, to the point where prisons targeted to be completed in 2011 are already filled in 2010, before building has been finished. That philosophy will be exacerbated by the "three strikes and you're out" rule, because it means we will be locking them up in rugby clubs and moving them around the country in buses at night time because there are no other beds for them to sleep in. We will be filling up the day rooms at police stations. We will run out of places to put people in jail. We will simply not be able to sustain that, because, at the end of the day, we either lock them up for life—and we pay for it for life; we pay for it through the nose for life—or they will get out. And when they get out, they will be seriously upset people, and they will take that out on a whole lot of other people.

There is no rehabilitation in this proposal. There is no intent to use the opportunity to change the nature of some of these people. I hear people asking how many chances they need. They do not even need one chance—it is about giving them the right chance the first time. The threat of heavier and heavier punishment does not change people. All it does is piss them off. It makes them angrier, so when they come out they will be worse than when they went in. We have to try to turn this round, and the "bash 'em and bash 'em again" philosophy has been proven not to work overseas. We would be foolish to go down that track.

If the evidence was different, I would say to give it a try. But the evidence is not different. It suggests that the best opportunity to turn people's lives round is to try to get to them before they get to prison, to improve their lot, to address the causes of crime, rather than the effects of crime, and to attack poverty in the home. Whānau Ora provides the opportunity for Māori on this side of the House, and on the other side of the House, to put our hands up and say we think we can do better, and then to challenge

ourselves to do better, so that we do not need Draconian legislation like this. This bill will simply take our country backwards into a time of vengeance and nasty, mean-spirited viciousness; the kind of punishment meted out to people in 16th century England. Koinā nō mō tēnei wā. Thank you very much. Kia ora tātou katoa.

LYNNE PILLAY (Labour): I start my speech on the Sentencing and Parole Reform Bill by congratulating the member from the Māori Party, Hone Harawira, on a fantastic speech. On this side of the House we agree with the member, and that is not always the case. For its key platform this Government said—if I can remind members in the House—that there would be 100 days of action. Enough was enough, there was blood on the streets, and this Government was going to get tough on crime and fix things! Eighteen months later, we see that that is simply not the case. The National Government has brought in that legislation, which is very similar to the legislation we see before the House today, and what have we seen? What are the results of that legislation? Violent crime has escalated dramatically under the National Government. Now we are seeing the highest homicide rates in New Zealand in decades, under a Government that said it would fix it. It said it had the remedies, and its 100 days of action would get tough on crime and fix it. Well, it simply has not. This Government should hold its head in shame for the record that it has.

I would be very interested to hear the Minister of Justice, Simon Power, to take a call on this. I would be very interested for Chris Finlayson, the Attorney-General to take a call. They know that this legislation will not fix things. If anything, this legislation will make things worse.

I pause for a moment, because this week is Rape Awareness Week, and it is important in this House that we acknowledge the victims of sexual assault, and their courage, in terms of what they have been through and what they go through with re-victimisation during the court process. It is also important to acknowledge the agencies that advocate for victims of serious crime, and to acknowledge the support they give.

When Rodney Hide gave his speech, he spoke about keeping New Zealand safe—that was the key focus of this legislation; it was about keeping New Zealand safe. I say to this Government and to the ACT Party that one of the key principles should be about supporting victims and ensuring that they are treated fairly through the system. It is about crime prevention. It is about ensuring that agencies have the funding they need to work with people to cut the cycle of crime. It is about ensuring that police have the funding and support they need. All we are seeing is the funding for those very services that would actually have an impact on violent crime in this country being cut. The results speak for themselves. The escalating violent crime rates are an absolutely clear picture of what this Government, through its policies, has brought about.

One of the consequences in terms of the victims of crime, and I will talk about it in terms of the "three strikes" policy, is that this will result in fewer guilty pleas. If an offender is on stage three, or even on stage two, that offender will not think "Oh goodness, I must not be naughty any more." At this point these people will think they cannot possibly admit it, they cannot plead guilty, because all that will happen is that they will get the worst-case scenario, so they have no choice. Whereas an offender could possibly be in a position where he or she thinks "Right, I will be accountable for what I have done.", and will plead guilty. But where is the incentive when they know that if they do that, they will get the toughest sentence possible? There is no logic to that.

What does that mean for victims? It means they are re-victimised. So many victims say that that is exactly what the court process does when they have to go through the lengthy trial because there is no incentive at all for offenders to plead guilty.

I also remind this House that Labour tried to bring in sentencing guidelines. The recommendation from the Law Commission was to introduce sentencing guidelines, so there would be consistency in sentencing, and a steer in terms of serious crime. That would have been a really good initiative, and it was strongly supported, but not by National and not by ACT. If we did have that consistency, then that would go a long way to addressing many of the concerns that have been raised by victims.

I also will talk about the research that—as the previous speaker said—found that imprisonment has little, if any, deterrent effect. There is a great deal of evidence saying that it does exactly the opposite. This "three strikes" legislation, due to its cost—and I will talk about the cost in a moment—will not achieve anything, except a sweetheart deal with the ACT Party to keep it sweet in order to keep National in Government.

Hon Steve Chadwick: Cynical.

LYNNE PILLAY: It is very cynical. We on this side of the House are very cynical about the motivation behind that. If this were good legislation, then we would see the Minister of Justice standing up—

Hon Steve Chadwick: And the Attorney-General.

LYNNE PILLAY: —and the Attorney-General standing up in support of it. Do we see that? No, we do not.

I will talk about the financial cost. We all know the financial cost, and that every cost—every cent, let alone dollar—that is put into prisons is money that is not spent in preventing crime, or in supporting victims. I will explain for the other side of the House—I do not know that National members know the figures—that this policy requires an extra 50 prison beds after 5 years, 142 prison beds after 10 years, and that increases to 725 prison beds after 50 years. After 5 years the operating cost is estimated to be $5.1 million a year, with a total capital cost of $22.4 million. After 20 years, the operating cost will be $26.2 million, with a total capital cost over $115 million; and after 50 years, the operating cost will be $66 million per year, and the capital cost will be a total of $290 million.

We are not saying that there are no offenders who would get the maximum penalties; indeed, they do. We on this side of the House are not saying that. We are saying that to have that as the cost for everybody found guilty on his or her third offence, irrespective of what has happened, or irrespective of the case, is absolutely ludicrous. There is no evidence at all, in summary, that longer sentences reduce crime—none whatsoever. If we look at the US, we see that the evidence is exactly the opposite. Therefore, the policy is absolutely ineffective.

There is no parole for good behaviour, so what is the incentive for prisoners to go into rehabilitation schemes and address what they have done? What is the incentive when they know that no matter how impeccably behaved they are—and we know that that is not the case in prison—there is no parole, even if they face up to their crimes and try to fix their problems so that when they are back in the community they will not reoffend again? There is absolutely no incentive, whatsoever. This legislation is absolutely flawed. It does nothing. It does nothing for victims and it does nothing to halt crime. The previous Labour Government was not soft on crime; as people know, we brought in tougher sentences when we were in Government. There is no incentive whatsoever for criminals to plead guilty or to improve themselves when in prison.

JONATHAN YOUNG (National—New Plymouth): Let us get it right: there is a punitive element to prison. It is punishment, as well as a covering of many other bases. Let us get it right that the Sentencing and Parole Reform Bill is talking about the protection of citizens in our society. It is addressing not only the issue of wanting to reduce crime but also the issue of wanting to make our society safer on the outside for our citizens.

It is easy to rail against the Government because of recent increases in crime statistics, but we know, and members opposite understand, that this issue is endemic, that the problem is often generational, and that turning the tide takes more than 18 months. But we are putting in policies and processes that will do exactly that. Labour says that the Sentencing and Parole Acts of 2002 achieved the same purpose as the "three strikes" legislation, but we say that those Acts did not go nearly far enough in protecting the community from the worst repeat violent offenders.

As a background, I tell members that under the Parole Act 2002 offenders sentenced to prison for 2 years or less are automatically released after serving half their sentences, and those with sentences longer than 2 years are eligible for parole after serving only one-third of their sentences. The public has been concerned about the number of serious offences committed by people who have been released on parole, and concerned that sentences of home detention have been given to violent criminals. Home detention was designed as an option for non-violent offenders. Under the previous Government it was given to too many violent sex and drug offenders who posed a serious threat to the community. The figures are these: in 2006 and 2007 more that 50 percent of offenders on home detention had convictions for violent sexual and drug offences, compared with 39 percent in 2001 and 2002. That is an unacceptable relaxation of attitude, but it also speaks of the increase in crime through that decade.

Our Minister of Corrections, the Hon Judith Collins, recently said: "In the 18 months that I have been police minister I have been shocked at the level of violent and anti-social behaviour in our society. There is a section of our community that has no respect for other people and no respect for the law. We are seeing it in the frequent attacks on police and innocent members of the public." I take that on board, and I have listened to the comments regarding the wider issues. As a Government, we are committed to long-term, comprehensive measures by dealing with the drivers of crime. They are just as important as responding to the aftermath of crime. The Hon Simon Power has said: "As you will be aware, most of the government's agenda for law and order since the last election has been dominated by measures to improve the immediate safety of the public.", and so it should be, but we also need to get serious about how we stop crime from happening in the first place. So we are approaching this issue from both directions—that of the drivers of crime, and that of the protection of society today.

These are some of the questions that our political leaders are confronted with and that we are confronted with as a Parliament. We want lasting solutions, but today we are forced to draw a firmer line. It is a line meaning that should people continually choose not to be law-abiding members of our society, but to be persistent repeat offenders of violent crime, then the constraint of the law, which seeks to bring freedom and protection for its citizens, will deny freedom to those who abscond from that responsibility. The law causes constraints to curtail their behaviour, in order to ensure that the rights of others are protected so that they can live in freedom. When people refuse to live under such reasonable constraints of law, the law constrains them until those persistent repeat offenders come to the ultimate constraint, where, for the sake of the freedom of others, their freedom must be denied.

This bill is about freedom. It is about who deserves freedom most. The Prime Minister has said: "Where there is a balancing of rights to be done between criminals and victims, … I will take a side. And that side will be the side of the victim." However, there is a discretionary measure in this bill. It recognises that in some very rare cases, the circumstances of the offender and the offence will be such that a sentence served without parole would be manifestly unjust. The bill takes this into account, and it makes provisions for the court where the court is satisfied that a no-parole order would be

manifestly unjust at stage three when imposing the maximum term for a serious violent offence. Thank you.

CHRIS HIPKINS (Labour—Rimutaka): As with all debates on law and order, the rhetoric is the easy part. It is easy to stand up and say that we will be tough on crime by locking up more criminals for longer and that we will make communities safer by locking up more people for longer. The reality is somewhat different. I find it totally offensive that any member of the House would label another member or group of members, based on their support or opposition to this particular measure, as being soft on crime or tough on crime. It is a lot more complicated than that, and the public of New Zealand deserve better than the type of hollow rhetoric that so often characterises the debates we have on law and order.

People are not stupid. People are smart enough to know that we have one of the highest incarceration rates in the developed world and that doing more of the same simply leads to more of the same. For the last couple of decades we have been on a trajectory that has seen us exponentially increase the number of people we have put into prison, but has that made our community safer? No, it has not. It has not made our community safer and it will not make our community safer.

I absolutely abhor violent crime, and I think, yes, those who commit violent crime should be held to account for their actions—absolutely. But I think that we, as an entire community, should also be held to account for the moves that we take to prevent crime from happening in the first place, and should get serious about addressing the drivers of crime. I congratulate Simon Power on having the gumption to hold a ministerial meeting on the drivers of crime and on getting serious about some discussion around those things.

We, as a society, cannot keep turning our backs on the people who commit crimes, suggesting that only they are responsible. There is the old saying that it takes a village to raise a child, and it is absolutely true. We cannot simply turn our backs on the ones who get into trouble. We all have to accept responsibility for them. We have to accept the fact that, in many cases, offenders have themselves been victims before they were offenders. Often they have lived in households where little love was shown towards them, where they were abused, and where the love they knew was actually violence. We cannot turn our backs on them and simply say we will lock them up and throw away the key. We must look seriously at the causes of criminal offending, including the causes of violent crime. The rhetoric is the easy part; the solutions are a lot harder. I, for one, will not label members on any side of the House as soft or tough on crime based on whether they support or oppose this bill.

I will talk about a number of serious concerns I have about this bill as it stands, and suggest that there are other, better ways that we can deal with the issues. I believe that this bill removes some of the motivations for offenders to reform and better themselves, and increases, in some cases, the likelihood of reoffending and the seriousness of the reoffending, should it occur. We can keep people in prison for longer, but there is no evidence, from anywhere, that suggests it makes them less likely to reoffend.

This bill is bad for victims, and the Ministry of Justice has advised that it will lead to fewer guilty pleas and more appeals, which means the victims of crime will be dragged through lengthy and painful trials and appeals processes. That is one of the key questions that we should always ask in a law and order debate on any issue: what will this measure do for victims? Will it make them better off, will it help them, or will it simply provide them with an outlet for their anger?

I can understand why victims of crime often have so much anger towards those who commit criminal offences. That is one of the reasons that victims of crime are not on juries and are not the judges—they cannot make objective judgments. It is why we have

an independent judiciary. That practice goes back hundreds of years, and it is absolutely right for us to have an independent judiciary, and independent juries, so that proper decisions can be made, free from the emotion of being directly involved in something. I understand the anger that so many victims have. That does not mean we should necessarily be locking people up for longer and resorting to a much more primal instinct of retribution. It is not the right way to go.

There are many problems with this bill as it is drafted. It removes judicial discretion. As I said, we have to trust judges. Only on the first qualifying offence will the court solely determine the sentence. For the second offence, the offender will serve any prison sentence that is imposed, in full, without parole. For the third offence, the judge will have no discretion whatsoever. The judge will be required to impose the maximum sentence, with no parole, regardless of any extenuating circumstances. What, I ask then, is the point of having an independent judiciary if judges do not get to make independent judgments? We have to trust judges. We have to give them discretion.

We also have to ask what the bill will do in terms of the discretion that it provides to the police, and the pressures that it may place on the police. For example, the bill removes all judicial discretion at the third strike and severely limits it at strike two, but the police, on the other hand, will have much greater discretion. Under this legislation, the police could, for example, lay a charge of aggravated injury against an offender, which is a "three strikes" offence, but then plea-bargain with the offender and reduce the charge to aggravated assault, which is not a "three strikes" offence. They could do that on the condition that the offender pleaded guilty to the lesser charge. So the police discretion to prevent something getting into a court of law is greater than the discretion that judges have once the matter reaches the courts. How can that be fair? How can that be consistent with an open, transparent, and fair judicial system? It simply cannot be.

The bill potentially leads to punishments not fitting the crime. Under this bill it is no longer just about the most serious offenders, as the Government claims, because some of the qualifying offences can cover conduct ranging from serious to relatively minor. This bill could lead to situations where the punishment does not fit the crime.

It potentially reduces the incentives or ability to gain guilty pleas from those who have committed an offence. Studies in the United States have found that the rate of guilty pleas decreased after the "three strikes" law came into force, because there was no incentive to plead guilty, and defendants hoped that juries would find them not guilty when they discovered what the penalty would be. That is the other challenge to the judicial system and to those who serve on a jury. Will a jury find somebody guilty if its members know that the consequence of doing so is that the person may well never, ever be released from jail? So we put more pressure on the judiciary.

It places more pressure on victims of domestic violence, because they may be less likely to report abuse if it is more likely to result in a lengthy term for the abuser. That is something we should think very long and hard about.

Of course, tremendous pressure is placed on those who work in the prisons. If prisoners are never to be released, where is the incentive for them to behave appropriately in prison and make any effort whatsoever to reform their ways? If they know that they will go to prison if they get caught for a crime, it will create more of an incentive for them to go further with that crime. Someone on a third strike who does something wrong may think that he or she could commit another crime—maybe kill the person who saw the crime being committed—knowing that he or she will go to prison anyway. What is the incentive for that offender not to do that? There is no incentive.

The rhetoric on this issue is easy. The complexities are so much more difficult. We need to step back from the raw emotion of the law and order debate and consider what will work. We need to step back and consider the drivers of crime. We need to look at

drug-dependency, victimisation within the home, family violence, and so on. Those are the things we should be looking at. This is a punitive bill, and it will not make our communities safer.

MELISSA LEE (National): It is a pleasure to rise to speak in this debate on the second reading of the Sentencing and Parole Reform Bill. Normally I like to listen to the speeches of the member who has just resumed his seat, Chris Hipkins, but I am rather disappointed with his speech today. He started off by talking with hollow rhetoric. Let me tell members what has been hollow. The speeches from the Labour Opposition have been rather hollow, because none of the speakers were part of the select committee process in the Law and Order Committee. Where were the members who sat through the select committee process on this bill? If members had been at the select committee, they would know that 94 percent of the submitters supported this bill. So the hollow rhetoric has come from the Labour Party—let me start by saying that.

Labour members are very loud in opposing this bill now that they are in Opposition, but I wonder what Labour's stance on violent crime really is. I wonder about its voters, and whether they know about its stance on violent crime. It seems that in the 9 long years that Labour was in Government, it did absolutely nothing about violent crime.

Hon Steve Chadwick: Oh, rubbish.

MELISSA LEE: Well, if Labour had done something about it, the statistics would show that. It did nothing, and we are now trying to fix that problem. I think this bill is wonderful.

Lots of people have spoken on this bill, and as I am the last speaker it does not give me a lot of things to talk about. But let me put a couple of points to the House. This New Zealand legislation is a vast improvement on the USA model, which people keep on saying they do not like. This bill confines itself to crimes against the person. In the USA, the legislation applies to all crimes, including shoplifting, but in New Zealand it is about crimes against the person. This bill will not capture low-level offending. It is about serious crimes and serious criminals. The Commissioner of Police, or the commissioner's delegate, will make the decision to implement or trigger the "three strikes". So the commissioner will act as a gatekeeper. This is high-level gatekeeping, unlike that in the USA version, where the gatekeeping was done at street level. In New Zealand, the judicial warning is fair and reasonable. This is not the case in the USA legislation. This legislation will have the effect of taking criminals off the streets without creating a huge increase in the prison population, as it did in the USA. We are talking about 50 or so extra beds in 5 years' time.

Everyone in the sector, including the most liberal person, accepts that there are some criminals who should never get out of prison, and this legislation will ensure that. To those people who speak in support of preventive detention, I can say this legislation complements, and does not replace, the sentence of preventive detention.

As I said earlier, 94 percent of the submitters supported this bill. Many of them wanted to redress the disparity between the rights of offenders and those of victims. Keeping the public safe is one of the most fundamental obligations of any Government. This Government is focused on, and committed to, taking the tough steps needed in order to tackle violent crime and make families safer in their homes and communities.

I also remind members that earlier an Opposition member, I think it was Lianne Dalziel, began her speech by calling a criminal a "gentleman". A criminal, regardless of his horrid background, does not deserve the honour of being called a gentleman, as criminals are far from gentle. To me, a gentleman is someone like you, Mr Deputy Speaker, not a criminal. Criminals do not deserve to be called gentlemen, but doing that shows how delusional Labour is about violent crime.

Personally I support any legislation that effects a change that means we are tougher on crime and tougher on criminals. Although we will probably never have a crime-free society, this bill reassures me that violent offenders will think twice before deciding to become recidivist offenders, and that when they do become recidivist offenders, they will be dealt with by a law that will not tolerate belligerent thugs who commit violent crimes over and over again. "Three strikes" and they are out.

A party vote was called for on the question, *That the amendments recommended by the Law and Order Committee by majority be agreed to.*

Ayes 63

New Zealand National 58; ACT New Zealand 5.

Noes 59

New Zealand Labour 43; Green Party 9; Māori Party 5; Progressive 1; United Future 1.

Question agreed to.

A party vote was called for on the question, *That the Sentencing and Parole Reform Bill be now read a second time.*

Ayes 63

New Zealand National 58; ACT New Zealand 5.

Noes 59

New Zealand Labour 43; Green Party 9; Māori Party 5; Progressive 1; United Future 1.

Bill read a second time.

LOCAL GOVERNMENT ACT 2002 AMENDMENT BILL

First Reading

Hon RODNEY HIDE (Minister of Local Government): I move, *That the Local Government Act 2002 Amendment Bill be now read a first time.* I intend to move at the appropriate time that this bill be referred to the Local Government and Environment Committee. Local government delivers services vital to the lives of all New Zealanders. For many years, ratepayers have expressed concern about rate increases that have well outstripped inflation. The previous Government responded to those concerns by setting up a ministerial inquiry, the Local Government Rates Inquiry, and then ignoring its recommendations. This Government will not be following up its recommendations, either. That is because the objective of the inquiry was to "provide recommendations to the Government for enhancing rating and other funding mechanisms for local authorities". The inquiry was not permitted to address the real problem, which is a failure by councils to control their spending.

Unlike in many countries, New Zealand local government enjoys a high degree of autonomy, and locally sourced funding from rates. The main restraint on local government activity in New Zealand is the exercise of local democracy: the control of council activity by ratepayers and electors. That control needs to be strengthened. When I was appointed the Minister of Local Government, I said that I considered myself the "Minister for Ratepayers". This bill is a major step forward in fulfilling the commitment I made to make councils more accountable to their ratepayers. It requires that each council, first, have particular regard to the contribution that the core services specified in the bill make to their communities; second, develop a financial strategy containing quantified limits on council rates and debt, and quantified targets for returns on council

investments; and, third, produce a pre-election report to encourage and inform debate at the time of local elections. The bill also removes unnecessary procedural requirements that delay local authority decisions and add to local government bureaucracy.

Many of those changes have been made specifically at the request of the local government sector. The question of what the core services are that councils should deliver has generated a lot of debate. The bill lists a number of local government core services. They are services that are widely acknowledged to be at the heart of local government's role in New Zealand. Services such as water supply, sewage disposal, and roading are essential to the quality of life in our communities, as are services like libraries, parks, and community halls. There is also a core local government responsibility to protect the community from natural hazards and disasters, such as flooding.

The Local Government Act 2002 already states that local government has a role to exercise the regulatory duties required by other statutes. That is why regulatory functions such as those contained in the Resource Management Act and the Building Act have not been listed as core services. It remains equally important that councils carry out those functions with proper consideration for the effect they have on their communities. The bill does not prevent councils from engaging in services outside those listed. However, it gives councils a clear indication, first, that they need to do core services well before they engage in other services, and, second, that they need to get a proper mandate from their community for these services, rather than giving away to the demands of small, but often vocal, pressure groups.

It may surprise members that we need to legislate to require councils to produce a financial strategy. Some councils have set themselves clear, long-term limits on rate increases and debt levels, but many—indeed, most—have not. The fact that councils set rates each year provides a looser budget constraint on councils than applies to central government, where increases in tax rates are rare and subject to intense public scrutiny. Requiring councils to consult on a financial strategy with quantified targets for rates and debt levels will encourage councils to debate with their ratepayers more carefully the trade-offs between additional expenditure and the effect on rates and debt. It is important that ratepayers can understand the financial information that is presented to them by councils and can easily compare the financial statements of their council with those of other councils. The bill, therefore, provides for greater standardisation in financial reporting by councils. For example, officials have identified three substantially different ways in which councils report their rates income in annual plans and reports. That means that ratepayers cannot even compare something as basic as rates income amongst councils. The bill provides for regulations to be made to ensure consistency in financial reporting amongst councils.

The bill also requires councils to report separately on the major infrastructure services they provide. They are the most expensive of the core services that councils provide, and concern the major part of councils' capital expenditure budgets. To allow ratepayers to compare fully councils' performance on these essential services, the bill also provides for a standard non-financial performance reporting system to be developed for those services. The bill provides for an additional funding statement to be included in council reports. That statement will be more meaningful to ratepayers than present financial reports. This package of measures, plus additional other minor enhancements to financial reporting, fulfil the commitment to implement plain-English financial reporting for ratepayers.

I will expand a little on the issue of council investment in companies. Many councils own companies of one sort or another. For example, much of New Zealand's port sector is council-owned. I am concerned that in some cases councils are not managing those

investments well, and they are not being transparent to their ratepayers about the returns they are getting from those investments. The House has recently had to deal with the governance of Environment Canterbury. Members may not be aware that that council owned a company called Target Pest Enterprises, which is reported to have made a profit only once in its 8 years of existence. The company went into receivership in May 2007, owing creditors—many of them just ordinary small businesses—millions of dollars. That is one example of a council making an unwise business investment, and there are many more. This bill requires councils to set clear targets for returns on investments. Councils will be required periodically to review the expected returns from those investments against the inherent risks of being involved in business ventures.

The third major initiative of this bill is the introduction of the pre-election report. There has been concern about the declining voter turn-out in local elections for some time. Simply exhorting people to vote seems unlikely to change that trend. The pre-election report is intended to draw together some key information about the past performance of the incumbent council and the future plans it has for its community. That will enable voters to scrutinise the performance of existing councillors more closely. It will also provide a factual basis against which candidates can state their position on future council plans, allowing electors to then vote for candidates whose preferences reflect their own. The pre-election report will be prepared by council officials; it will not be a ratepayer-funded platform for promoting incumbent councillors.

There is one area that has been of concern to some local authorities, and that is the cost of auditing long-term plans. I gave careful consideration to that, and the advice I received was that there was limited scope to address it, other than to remove the requirement altogether—and I was not prepared to do that. Ratepayers are entitled to the assurance that the plan put before them is soundly based. The bill does remove a significant amount of descriptive and operational material from long-term plans. That will greatly reduce the number of occasions on which local authorities have to pay audit fees for minor amendments to their previous plans. That will reduce audit costs. The bill also merges the present community outcomes planning process with the long-term planning process. I cannot see the sense of having councils run two planning processes.

Finally, the bill removes a number of impediments to the local government sector using the private sector to deliver local government services. As I said at the beginning of my speech, local government in New Zealand enjoys a high degree of autonomy from central government. That is a quality that I want to see maintained. To maintain that autonomy requires a high degree of transparency and accountability. That is achieved in this bill. I thank members for their time.

Hon GEORGE HAWKINS (Labour—Manurewa): I must say from the outset that I was a little disappointed that the Local Government Act 2002 Amendment Bill did not deal with some things. The Hon Rodney Hide promised people that they would have lower rates, but he has been a member of the House for quite a while and he has not delivered. I think that really disturbs people, because they were looking forward to change. Of course we have people like Owen Pringle and Peter Goldsmith from the Papakura District Council who are putting rates up by 11 percent or more this year, whereas someone in a nearby council, Daniel Newman of Manukau City Council, tells me that that council's rates are going up by around 3.8 percent. So people were looking for some consistency, but did not get it in this bill. I think that is really important.

It is very easy for members of an Opposition to go around the countryside and say their party would make rates cheaper, but perhaps this bill deals with one thing that worries very many people. They are worried that the bill provides that water-owned facilities could be leased out for up to 35 years. When I was a mayor I contracted out a

lot of things, and we kept the rates down, but I say that 35 years is too far into the future. All those people in Grey Power will be 100 before they get a vote again on water services, if a council adopts that provision in this bill. I say that 35 years is a long time, and young people who are now 30 will be pensioners before they get another say. So 11 or 12 elections could go by before people get another say on this legislation.

That is what is wrong with this bill, and it builds on what has been happening around the country. Environment Canterbury has been skittled. Perhaps it may have deserved to be skittled—but for 3½ years? It should be for the period up to the next election, if it is a problem that is so easy to sort out. Then we had the royal commission come up with its master plan for Auckland. Did that go to the public of Auckland for a referendum, like everyone thought it would? No, it did not. We see that happen again with this bill. People will find out that their water facilities could be set aside from public scrutiny for 35 years.

Some people say that that is privatisation; I say it is the closest thing one gets to privatisation without selling things. I thought Rodney Hide may have been better spending his time working out who owns water, rather than trying to flog off something. They have to make sure that in Auckland, as in the rest of New Zealand, they take the people with them; they do not get in the ACT-National bulldozer and trample over the rights of ordinary New Zealanders—and that is what has happened.

I am a reasonably fair person, and I can go on to say that some things in the bill are reasonably good. When we have a clause that calls for a pre-election report, prepared by the chief executive of a council, to say how the finances are, without lobbying for certain councillors, that is fair. It is well overdue, and it is good, but although we may find something good in a bill we must have a look at the overall picture. This bill cannot be seen in isolation. The House has dealt with three bills concerning Auckland governance—two of them have been passed. One of them was passed entirely under urgency. It did not have a select committee process, and of course lots and lots of amendments were put forward by the Opposition to highlight how democracy was being ridden roughshod over.

This bill has elements of that in it. It also builds on what is happening in Auckland, where 75 to 80 percent of the council business will be put in council-controlled organisations. The Minister, in his speech, talked about a company owned by Environment Canterbury that went bust. When we have council-controlled organisations that are not open to public scrutiny, as a council is, we have a very dangerous position. That is what worries many people in the Opposition. It worries many people in Grey Power. It worries people who are sole income earners on a fixed allowance. These people would like to know where their money goes. I agree that it is great to have this report done before an election. I imagine the report will be only as good as the chief executive. In most cases chief executives are extremely competent people who will do the job well, but one or two probably will not.

I have to say that when we look at the bill, we see that we will have all sorts of core business—that is what it will all be about. Last year Rodney Hide went around talking about core business. He talked about it so much that his mother had to remind him that libraries are a core business. He had not thought of that. This is one of the problems. I think there needs to be a balance between where Labour went, where councils were able to move into areas where they saw need, and what is happening here: core business. People see things such as having water supplied to their house, having their rubbish picked up at the gate, and having roads repaired, as core business.

I think this bill is a wee bit too narrow in that respect. I also think that it is very difficult to write these things into law. When things are written into law we have to take the public with us. I do not think that is happening here. You see, when we have

councils that are so different, from the top of the North Island down to Stewart Island and out in the Chathams, there are things that are very, very different. New section 11A states: "a local authority must have particular regard to … (a) network infrastructure: (b) public transport services: (c) solid waste collection and disposal: (d) avoidance or mitigation of natural hazards:"—we would not argue about any of these things—and "(e) libraries, museums, reserves, recreation facilities, and other community infrastructure." But is that the whole total? I suggest that it is not.

I imagine that many people will make submissions, because there is no real talk in here about the social needs of communities. There has to be far more awareness of the social needs of ordinary families living in ordinary communities. Although those communities may be vastly different in different parts of the country, they need the ability to move into those areas themselves, rather than being dictated to by the National-ACT coalition. I have to say that its record in local government is abysmal. I thought we were going to go somewhere, but we have not been taken to the promised land; we have been taken to the execution chamber. That is what has happened. This Government has forgotten that ordinary New Zealanders value their democracy, and democracy is slowly but surely being snuffed out by John Key and Rodney Hide.

Hon JOHN CARTER (Associate Minister of Local Government): I quite like George Hawkins, the member who has just resumed his seat—I think he is not a bad guy—but I say to him that that was a very sad, disappointing speech. I expected at least something positive out of it, but, unfortunately, it was not a great contribution. But, of course, we have come to expect that from this Opposition.

I start by saying that I am delighted to stand here to support the Local Government Act 2002 Amendment Bill. When I was appointed as the Associate Minister of Local Government, which I am very proud to be, I thought it would be an interesting experience to work with Rodney Hide as the Minister of Local Government, and I have to say that it has been.

Hone Harawira: That's not what you said to me last night, John.

Hon JOHN CARTER: I tell the member that I am going to say exactly the same words that I said last night, but, fortunately, I was not talking to him last night. It has been fantastic working with Rodney Hide as the Minister of Local Government. He is a guy who will listen, he is a guy who makes decisions, and he is a guy who is prepared to take things on board. I congratulate the Minister on bringing this bill to the House.

Hone Harawira: That's enough, John.

Hon JOHN CARTER: No, it needs to be said. It needs to be said, and I want to say it because I am the guy who worked with Rodney Hide. I want to say that I really respect Rodney, and I thank him for the work he has done on this bill. I thank him very much for making this contribution.

I turn to the bill. George Hawkins said that there was anticipation that Rodney Hide and the Government would actually reduce rates. Well, this bill is a start, and it is where we can expect to take cost out of local government. In that regard, it is exactly what local government and the ratepayers in this country have been asking about. I give members an example of one of the things the bill will do—the member who just resumed his seat actually spoke about this and was complimentary about it—and that is the pre-election report that is to be done by the chief executive for the council.

The local body elections are coming up in Northland, of course. A statement was made by one of the mayors that his rate increase would be less than the rate of inflation—about 3 percent.

Hon Rodney Hide: Which mayor?

Hon JOHN CARTER: That was the Mayor of the Far North District Council. It turned out that his statement was not the best of them. The Mayor of Whangarei District

Council announced that he would be able to do better, and that his ratepayers could expect an increase of about 2 percent. Not to be outdone, the Mayor of the Kaipara District Council said that he would have a 0 percent increase. This is all well and good, but the problem is, of course, that none of them have told their ratepayers about their infrastructure deficit. None of them have actually disclosed to their ratepayers what challenges are ahead. The likes of Whangarei, particularly, has some serious infrastructure issues to address.

It is not about just the economics of the council; it is about the infrastructure and about what people can expect ahead of them. The pre-election report will contain a declaration about, or an exposure of, the infrastructure, and will actually lay it on the table as to the status and the present position of the council, and then ask candidates, whether they be for mayors or councillors, what they will do to address these issues. I have to say that that will be an amazing step forward for local government and ratepayers in this country.

Hon Rodney Hide: And Labour opposed it.

Hon JOHN CARTER: Well, Labour actually complimented us on putting that in. It is the one thing that it actually got right. It is the only thing, of course.

The bill takes away a whole lot of the issues around consultation, and the Minister has already spoken about some of the areas where we are making some improvements. But I say to the Minister and to the Local Government and Environment Committee that, personally, I do not think the bill goes far enough in that regard. I think we can improve on other areas in regard to the demands that we make of local government, and what we ask them to go and consult their people on. I ask the select committee members that as they go through the submissions they pay particular attention to the issue of the cost of consultation, and whether we can improve the bill further. It already makes some improvements and reduces cost in that regard. I think there is a great opportunity for us to make even more savings, and to put fewer costs and difficulties on to ratepayers, as we move forward through the select committee process. There are some great opportunities in this bill for the select committee to report back to Parliament on ways in which we can make the bill even stronger.

I will finish by saying that the issue of core services was raised in regard to allowing private enterprise to be involved in supplying services to councils for a period of up to 35 years. I think that it was a bit rich of the previous speaker, George Hawkins, to criticise that, because he did that in the local authority in which he was involved. He made huge improvements, to his credit and to the credit of his council, in that regard by introducing the private sector into the delivery of local government. I think, nevertheless, that it is a bit rich for him now to stand up and criticise.

The second thing he complained about, or criticised, was the issue of core services. It seemed to me from the speech the member made that he had not actually read the bill. The bill states that local authorities and their residents are expected to decide what the core services are in their local authority. Those services may be different in the Far North from those in Invercargill, but the local authority has to deliver those services first on behalf of the people. The services may be libraries, they may be a whole host of things down in Invercargill, or they could be something quite different in some other area. But the point that is made—and this is what the bill says—is we expect the leaders of the local authorities to focus first on the core services within their districts, before they do things that may be demanded but that are not considered to be core. Again, that allows democracy to prevail. It allows the local flavour of the ratepayers to be reflected. It also allows people to understand what costs will be imposed on them when those decisions are made. They will have an understanding of what those costs will be. All that will improve local government in this country.

I support this bill entirely. As I say, I think there is still room for us to make further improvements. I hope that, as we go through the process, the select committee will come back and report to the Minister and me, and to Parliament, that there are further opportunities we can take to make local government better in this country. Let it be said that it is a great step forward for local government and for the ratepayers of this country today to have this bill before this House. It means that at last we have a Government that is serious about local government. We have a Minister who is prepared to listen and to represent the views of local government, which is to his credit and to the credit of this Government. Thank you very much.

BRENDON BURNS (Labour—Christchurch Central): I am very pleased to speak on the Local Government Act 2002 Amendment Bill, and to follow on from the Associate Minister of Local Government, John Carter, who, effectively, is the Minister of Local Government. He is the man who was brought in to rescue the Government from the mess that was created by the Minister in charge of this bill, in terms of the Auckland super-city amendments. I will comment in particular on the parts of this bill that relate to what, effectively, is the privatisation of water services. The provision in this bill is that schemes can be operated for 35 years under the Build, Own, Operate, and Transfer (BOOT) process. It is a Clayton's privatisation because if we calculate what 35 years is, we know that it is 11½ terms of Parliament. It means that people aged 30 now will be in retirement age before they once again get a say on who should be running their water schemes, or on who should be looking after their interests. What MP in this House has served 11½ terms? The amount of time is 35 years. It is an increase from 15 years, which is the current provision for those who wish to operate BOOT schemes. It is privatisation in drag.

I can recall in a past life in this House that Sir Roger Douglas, in his role in a Labour Government—and I acknowledge that it was a Labour Government—argued the case for State-owned enterprises. I for one supported the argument that we needed to see the efficiencies that State-owned enterprises would bring. But I did not appreciate—and I was not a member of this Parliament at that time—and I suspect that most of the Labour caucus did not appreciate, that there was an agenda behind the agenda, which was to take State-owned enterprises into privatisation. I believe that we are seeing exactly the same with this process. I think that some members of the National caucus will be supporting this bill on the basis that it will deliver some efficiencies in water delivery, but I tell them to look very closely at it. Behind it we are seeing a move towards the privatisation of water services. Three and a half decades is, in many people's terms, a lifetime. It is certainly a generation, and it is too long a period to entrust water services to private enterprise. I will come to some points about why we cannot trust it for that length of time shortly.

I acknowledge that there are good people in the water industry who are in support of the idea that 35 years under BOOT schemes is a good time frame to allow schemes to be built and operated, and to have returns made. The reason I am mostly suspicious about this provision is that a month ago in this House we saw the disembowelling of Environment Canterbury over issues of water. That was at the core of what happened in this Parliament, when, in 30 hours flat, we saw an elected body, a democratic body, put out of office. There was an agenda behind that in relation to water, because the Prime Minister's statement to Parliament in February this year said that he wanted to see new water schemes and new irrigation schemes in place in Canterbury next year. There is no way on God's earth that that can be accompanied by new and much-required environmental tools that will allow water to be delivered in a way that does not add further to the detriment of water quality in Canterbury. It is already in such a state that it is not safe to swim in our lowland streams, let alone to drink the water. That is why I

have this suspicion about this bill and the time frames of 35 years for BOOT schemes. Just a month ago in this House we saw what happened to Environment Canterbury and the very clear agenda behind that.

I was very pleased on Friday night to see and speak at a rally in Canterbury about those issues, when 400 people gathered to make their voices heard—

Hone Harawira: What was your rally's name?

BRENDON BURNS: Four hundred people gathered at very short notice to make their concerns known, but it was galling to see just around the corner the gloating going on at a National Party fundraiser as people celebrated the demolition of democracy in Canterbury. Since the "Environment Canterbury Disembowelling Act", we have heard the Minister of Agriculture issue a very clear warning to other regional councils to look after farmers with water or else. There was a very explicit warning to other regional councils that they are to deliver what this Government wants in respect of water to farmers. I want to make it very clear that I support irrigation in my province of Canterbury, and I want to see the greening of the plains, but it must be done in a way that does not add further to the—

Jo Goodhew: What's the evidence of that?

BRENDON BURNS: The member opposite is from an electorate that has no safe lowland streams to swim in. If she wants to take her kids down to a river, she will see the diseases that they are likely to risk getting. She cannot take her dog and let it drink from the rivers of Canterbury, because of the water quality. The member for Rangitata is doing nothing to improve river water quality—nothing. There is no way the Government can put this in place in the time frame it has allocated for new projects in Canterbury.

In the House today we heard the Minister for the Environment's announcements about water metering. I put this question to him: will it mean that those who have surplus water, once their water meter is calculating their flows, will be able to trade that for windfall profits? He would not answer that question because that is the trade-off for irrigators. They will have to pay $400 a year for the monitoring of the water metering, but the pay-off will be that they can trade the water. They will be able to sell it for an uncapped price, and that, I say, is reprehensible. Water is a common good; it belongs to all New Zealanders. It falls from the skies. It does not belong to any person simply because he or she has a deep pipe down into the earth or can suck it out of a river. Water is a common good that belongs to every New Zealander, and it is at the heart of this legislation that we are debating today. I acknowledge that there is a case for water metering for farmers who are using millions, sometimes billions, of litres of water, but there is no case, whatsoever, for farmers to gain windfall profits. I think that that was the softener for the water meter announcements of last weekend.

I will comment further on the 35-year term. There is no Government responsibility attached to the quality of water delivered, and some members last night might have heard comments on Television One from the Minister of Health and me about the issue of drinking water safety. Currently, one in six New Zealanders drink water that cannot be deemed safe according to World Health Organization minimum standards. Sometimes the water is measured but does not meet the standard. The Minister cannot give any assurance on that. In fact, he is sitting on $80 million of funding that was put aside by the Labour Government to help small communities to improve their water quality. In terms of those issues, the responsibilities still rest with the councils. They are not being transferred to those who operate the BOOT schemes; they are still being held by the councils. They will be responsible, not the operators of the BOOT system and not the Government, as I read the scheme, and that is a failure in terms of water quality. I

say that there must be some change, in terms of regulatory regime and of getting water quality right, if we are to have any improvement in water quality.

I note the article in today's *New Zealand Herald* from Margaret Devlin, a very distinguished woman. She is the former chair of Water UK and the managing director of South East Water in Britain. She comments that New Zealand lacks overall national water regulation rules. Regulation, as she acknowledges, can play an important and very positive role; it is not simply a negative. When we are dealing with something as important as water, this bill should be accompanied by some sense that water will be regulated, in terms of quality, and there is nothing in this bill that mentions what will happen in respect of pricing. In Britain there is Ofwat, the Office of Water Services, which sets clear performance parameters, there is an environment agency that works on environmental protection, and there are drinking-water inspectors who ensure that drinking water is up to standard. The Ministry of Health has virtually no staff in charge of drinking-water standards. A tender had to be advertised recently for contractors to come in and provide the services that the Ministry of Health once had so that we could see the drinking-water standards of the World Health Organization monitored and put into effect in this country. We had to go out for tender for that.

This bill proposes that there should be a move from 15 to 35 years—35 years—in which a BOOT scheme can be operated, without any reference to the quality of the water, without any requirement that they meet regulations, and without any responsibility, yet the councils and the ratepayers will have no say for 11½ terms of this Parliament, which is 35 years. This represents a generation of passing it across to somebody else who bears no responsibility for the quality of the water being delivered. There is no regulation to accompany this. It is simply a process of effective privatisation. New Zealanders will rue the day that this bill was introduced. It will do nothing to improve water quality, and there are huge question marks about what it will deliver.

SUE KEDGLEY (Green): This is a terrible bill, a dreadful bill, that the Green Party will not be supporting. I sincerely hope that people in New Zealand will not be fooled by the soothing words of Mr John Carter and Mr Hide that the bill is all about reducing rates, taking the cost out of local government, and focusing on core services. Actually, this bill is all about further implementation of ACT's agenda to reduce spending in local government by as much as possible, to corporatise and privatise as much of local government as possible, and to shrink democracy.

As Roger Kerr and others have revealed, and I think Mr Hide has also referred to it, the underlying premise of the bill is based on what happened in a grand experiment in Colorado. A tax and expenditure limit was set in Colorado, the aim of which was to reduce spending and of course make us all resent paying rates or taxes. It also has the effect of driving down the resources of local government, to the point where it becomes effectively bankrupt. What happened? This year, as a result of this grand experiment in Colorado, which this bill is trying to implement, the Colorado budget will have a shortfall of US$28 million, or 10 percent of its whole budget, brought about by the strangulating effects of these tax and expenditure limits. One-third of Colorado Springs' 24,000 street lights were turned off earlier this year, to save around US$1 million of expenditure. Residents can adopt a street light if they pay US$100 a year. The taxi drivers are trying to do the work of the police force, because it is so overstretched by cuts. Park budgets have been slashed by 25 percent. Grass is mown monthly, not weekly. Buses were sold, and services no longer operate on evenings and in the weekends, and the fire and police budgets lost US$5.5 million.

Is this what we want in New Zealand? Do we want millions of street lights around New Zealand turned off? Do we want there to be no buses at the weekends or in the

evenings? Do we want our taxi drivers acting as our police force? This, I tell members, is what will happen if we continue to be fooled by Rodney Hide and the ACT agenda. There is no question that local government is the new battleground for the agenda of the Government and Rodney Hide to corporatise and privatise as many assets as possible. There are many other concerns about this bill, such as its definition of core services. I notice that the environment is not considered a core service. So what about issues like using toxic substances, such as methyl bromide? I notice recreational facilities are a core service, but what about parks and reserves? What about the Waitakere Ranges, etc?

The other issue I would like to focus on, and there are many in this bill that I could focus on, is water privatisation. This bill transfers management and decision-making control over water to private corporations, and in so doing it transforms the provision of water services from a public good to a source of private profit. It promotes water as a commodity to be traded, rather than as something that is essential to human life, to health and well-being.

Once a council has entered into one of these public-private partnerships for 35 years, the bottom line, the driving influence, on all decisions will be the return to the shareholder, not the public's best interests. The water privatisation industry is a trillion-dollar industry, aided and abetted by the World Bank and the IMF. Basically, they are going around the world, seeking new markets for their water privatisation agenda, and of course they are turning their eyes to New Zealand and the Minister of Local Government, and to the National Government, which of course will come to the party. Water privatisation gives multinational corporations control over the necessities of life, and of course they are focused on returning money to their shareholders and running the assets into the ground. Why would they not? They are focused on profits. Many of them, of course, are run by private equity companies.

I will give an example from the United Kingdom, where Margaret Thatcher was one of the first to introduce widespread water privatisation and these kinds of long-term arrangements. The result was excessive pricing. There was a sharp increase in the cost of water, over 50 percent in the first 4 years; soaring profits for the shareholders, the water companies—142 percent in the first 8 years—while the customers were having continual price rises; and huge underinvestment. The companies cut their investment programmes, and used the savings to maintain and increase their dividends, just like what happened to our railways under Michael Fay and Mr Richwhite. Huge salaries, bonuses, and fees were paid to the directors of the water companies. People felt so resentful of the companies, which were perceived as greedy, and they were not prepared to make the sacrifices to conserve water.

Following privatisation, there was a sharp rise in the number of households having their water supply disconnected or cut off, which of course endangered their health. Continuous access to water is an absolute basis of health and well-being. In fact, one of the criticisms was that water companies were failing to notify all these cut-offs to local authorities. There were no incentives under the privatisation to improve efficiency or to reduce leakages. Far from conserving water, the people in England were so resentful of the companies they did not bother to conserve water, nor did the companies.

Sitting suspended from 6 p.m. to 7.30 p.m.

SUE KEDGLEY: I was explaining what an unmitigated disaster water privatisation had been in England, and I was describing the 35-year privatisation contracts, such as the one we will have here in New Zealand. The *Daily Mail*, a staunch supporter of the Conservative Party, had a commentary with the headline "The Great Water Robbery". It stated: "In recent weeks the penny has been dropping that something has gone horrendously wrong with the privatisation of Britain's water industry … the water

industry has become the biggest rip-off in Britain. Water bills, both to households and industry, have soared. And the directors and shareholders of Britain's top ten water companies have been able to use their position as monopoly suppliers to pull off the greatest act of licensed robbery in our history." That was from the *Daily Mail*, and that is what we are opening ourselves up to in New Zealand with this Local Government Act 2002 Amendment Bill.

Another point I make is that the 35-year contracts entered into are completely secret. The contracts are commercially sensitive and are in confidence, so people do not know what is in them. Some of the contracts have a guaranteed rate of return. In Latin America, one of the big companies said that it would withdraw from its investments unless the return on capital was 13 percent. It withdrew from most of Latin America because it could not get its guaranteed return. There have been huge revolts against the high prices charged by private operators right throughout Latin America. Domestic water prices went up by 150 percent in Bolivia following privatisation. That led to huge demonstrations, and so on and so forth. What happens when these companies go bankrupt in the course of their 35-year contract? Something that we should all be thinking about is the number of bankruptcies. Who takes over then? Is it the bank? I ask what happens.

In Wellington there is, I think, a 25-year contract with regard to the wastewater sewage. This contract has changed three times in the past decade. It has gone from one company, it has passed to another subsidiary, and then it has passed to another. What are the implications for all this? Over 35 years circumstances can change, but we are locked into these contracts. Everyone knows that water will be the oil of the 21st century. We will have water wars. That is why all these corporate water companies are scouring the world trying to get hold of publicly owned water companies such as those that we have built up over generations in New Zealand.

RAHUI KATENE (Māori Party—Te Tai Tonga): The Local Government Act 2002 Amendment Bill has only just been introduced, but we got a heads-up on it from Mr Hide. In his intemperate opposition to the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill last month, he condemned the notion that the Waikato River could be considered a tupuna with the mana, the spiritual authority and power, and the mauri, the life force, of the Waikato-Tainui. He stated: "I do not happen to believe it. I think it is hocus-pocus. But what we are doing is legislating this hocus-pocus,". Then he said: "I oppose it as the Minister of Local Government, I oppose it as the leader of the ACT Party, and I oppose it as a New Zealander." Well, I have to say to Mr Hide that as a member of Parliament for a Māori electorate, as a member of the Māori Party, and as a Māori New Zealander, I say that the statements that he is making have to jeopardise the credibility of a Government that is working with Waikato-Tainui to settle this matter. They suggest that either Mr Hide is skating on thin ice or the Government is being dragged around by the nose by a party that is struggling to achieve more than the margin of error in the polls.

The fact is that the relationship between iwi and the Crown requires decision makers to think about Māori values, practices, and interests in both the Local Government Act 2002 and the Resource Management Act, including the need to recognise and provide for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga, having particular regard to kaitiakitanga and taking into account the principles of the Treaty of Waitangi.

I want to establish the status of the Treaty relationship right up front, because the bill we are debating today will be of huge importance to Māori. Although the bill aims to amend the Local Government Act 2002 to improve transparency, accountability, and financial management, in reality it is about the control and provision of water services

and water infrastructure. That brings me back to the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. In that bill, we are told: "The Waikato River is a single indivisible living thing that flows from Te Taheke Hukahuka o Te Puuaha o Waikato … and includes its waters, banks and beds (and all minerals under them) and its streams, waterways, tributaries, lakes, aquatic fisheries, vegetation, flood plains, wetlands, islands, springs, water column, airspace, and substratum as well as its metaphysical being." That is specific, concrete terminology, spelling out in black and white the relationship that Waikato-Tainui have with their river; it is hardly hocus-pocus. So when the Minister of Local Government comes to the question of water services and water infrastructure in the Waikato rohe, he will find himself already offside with at least half of the authority charged with caring for the river, and for the water that flows its length and breadth.

This amendment bill aims to remove unnecessary barriers to water infrastructure development by reducing restrictions on private sector involvement in the delivery of water services. It is the first step towards privatising water in Aotearoa. This bill also aims to remove unnecessary consultation on matters of interest. The effect of this provision is that local bodies will no longer have to consider the views of affected people, Māori or otherwise. Consultation will go out of the window, even though the Local Government Act 2002 requires councils to ensure that Māori are involved in local body decision-making processes.

We know that there are some good councils out there that engage with Māori in positive ways, but we also know of councils that are deliberately lagging behind. Although the Act emphasises the participation and involvement of Māori, it does not direct councils to any particular groups representing Māori interests. We sometimes find that councils deal with their obligations to consult by talking to a Māori staff member rather than to tangata whenua, effectively sidestepping their commitment to mana whenua. This is in direct opposition to Māori Party policy, which states: "Issues around water must include mana whenua, including water rights and privatisation."

This bill also takes away the process of consultation between local bodies and the community on water issues, reducing those who pay for and use the water to having no say whatsoever over the way in which their most precious resource will be managed. In fact, this bill will put private contractors in charge of water services without any accountability for the supply of those services. It reminds me of a comment I saw in a recent article called "Waiting in the wings: Privatisation of your water", by Warwick Taylor of the Wellington Residents' Coalition. He stated: "Water is protected under law, but they are seeking to change that. Why not just do away with democracy altogether if it's cheaper." Given the thrust of this bill, I shudder to think what this Government's answer might be to that question.

This bill is another step down a slippery slope. The memory of democracy is being used as a waterslide to ease the way for the privatisation of critical resources. We oppose the loss of democracy by the Māori community and by the wider community that we saw in the Environment Canterbury legislation last month. We oppose the unaccountability of private contractors. We challenge the right of this Government or any Government to deny Māori their Treaty rights to water, and we will do whatever is necessary to establish a process that is truly Treaty-based, that recognises the value of local government input, and that restores the mana of water all around the country to the status expressed in the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. This bill threatens at a very fundamental level many of the principles that the Māori Party believes in, and we oppose it on those grounds.

CHRIS AUCHINVOLE (National—West Coast - Tasman): It is my pleasure to speak on the Local Government Act 2002 Amendment Bill. The Local Government Act

2002 is the cornerstone of local government and is fundamental to all decisions made by local authorities. As chair of the Local Government and Environment Committee I have regularly paid significant attention to this Act. [*Interruption*] Members opposite should listen. As such, it became clear to me that although the Local Government Act 2002, which is the previous Government's legislation, is good legislation, albeit a little bit untidy in areas, there are aspects that need improving and modernising. This bill does both of those things very well. It will meet the needs and requirements of not only the ratepayers but the general public and all those who interface with councils.

The significant purpose of this bill is to improve transparency, accountability, and financial management in local government. The explanatory note of the bill states: "The underlying policy for the Bill is informed by the following principles: that local authorities should operate within a defined fiscal envelope:". I am sure that all of us who represent our electorates are very aware of the concern amongst constituents that local authorities should operate within a defined fiscal envelope. The last thing constituents want is profligate local authorities. The public expectation is that local authorities must be rigorous with their finances. This is one of the reasons why we are introducing a financial strategy to the long-term plan, to help local authorities and their communities debate and resolve the key financial and service delivery trade-offs that local authorities are obliged to make in the transaction of their programmes. The second principle is "that local authorities should focus on core activities:", and the third principle is "that local authority decision-making should be clear, transparent, and accountable."

This bill will provide ratepayers and residents with better information about council costs, rates, and activities, and enable them to understand and influence planning and decision-making processes. The electorate of West Coast - Tasman has four councils, with relatively small ratepayer bases. This legislation will be particularly significant to those areas and those councils, to enable ratepayers and residents to understand and influence planning and decision-making processes. This will be achieved through introducing pre-election reports to stimulate debate during council elections, and through achieving plain English financial reporting, so that ratepayers can understand what they are paying for and how. I spoke this afternoon to the Buller District Council, one of the councils in the West Coast - Tasman electorate, and the councillors say that they are very conscious of the need for a plain English financial statement.

At an operational level, this bill will simplify decision-making processes. This will be achieved by removing unnecessary auditing, and that will go down very well. This legislation will remove unnecessary consultation. We have heard previous speakers talk about the complex situation that has resulted from the incredibly tough demands on consultation. Levelling the playing field will enable the private sector to better deliver local authority services. This will improve councils' flexibility to choose effective and efficient delivery methods for water and other services.

I have already heard the concerns about water expressed by a number of speakers in this first reading debate, but I am sure they will be reassured once they give the legislation full consideration. The horror stories that are already emerging will not be sustained. This bill will remove unnecessary barriers to water infrastructure development. I say to those who are not familiar with the area that water is something we are blessed with on the West Coast. The rainfall in the area where I live is 3 metres a year, and further down the valley it is 6 metres a year, but we still need potable water and a reticulated water supply. This bill will enable local authorities to enter into contracts for the supply of services for a period of up to 35 years, and to delegate aspects of water services management to contractors and lease water assets from the private sector. But it will not allow local authorities to walk away from the

responsibility associated with all those things. I have heard criticism already—I have taken note of it and I look forward to it being discussed further at the select committee—concerning the length of time for those contracts, but when we consider the amount of capital involved in providing water services, we need a fair amount of time to recoup the expenses of putting it all together.

Good local government is essential for our communities, our economy, and our environment. The National Government values having an honest and open working relationship with the local government sector, and recognises that there cannot be a one-size-fits-all approach to local government. This amendment bill represents significant progress towards better local government, and towards easier and more effective participation by ratepayers and residents in the activities and decisions of local councils. The bill strengthens ratepayers' control of council activity, making councils more accountable to their constituents, and gives ratepayers clearer and better quality information on the work of local councils. It provides them with the tools required to influence local government decisions. Ratepayers will be pleased that the bill contains measures such as a financial strategy, with limits on rates and debt, to ensure council costs, rates, and activities are better controlled. The changes are coherent and necessary, and are a great improvement to the Local Government Act 2002. They are welcome changes. I am very happy to speak in support of them. Thank you.

Debate interrupted.

BUSINESS OF THE HOUSE

Hon GERRY BROWNLEE (Leader of the House): Following discussions with the Business Committee, I seek leave for members' notice of motion No. 7, in the name of Phil Twyford, concerning nuclear disarmament to be set down as members' order of the day No. 4 on Wednesday, 5 May 2010, despite Standing Order 96, and for there to be a debate of seven speeches of up to 5 minutes each on the question that the motion be agreed to.

The ASSISTANT SPEAKER (Eric Roy): Leave is sought for that purpose. Is there anyone opposed to that course of action? It appears not. Leave is granted.

LOCAL GOVERNMENT ACT 2002 AMENDMENT BILL

First Reading

Debate resumed.

PHIL TWYFORD (Labour): In the lead-up to the Local Government Act 2002 Amendment Bill coming to the House tonight, New Zealand was treated to the Minister of Local Government, Rodney Hide, parading up and down the country all last year with his transparency, accountability, and financial management agenda. It was a cut-and-paste job from the Business Roundtable's policy on local government. We saw a number of proposals for the rates-capping of local government, for mandatory referenda—Sue Kedgley very well set out that mandatory referenda have brought Colorado's state Government to its knees—and for Rodney Hide's agenda for core services. I do not know whether this agenda provoked more horror or more mirth in local government. I am glad to say that not much of Rodney Hide's nutty agenda from last year has made it through into this bill.

But this bill does contain some substance: the provisions around encouraging and promoting public-private partnerships and Build, Own, Operate, and Transfer (BOOT) schemes in the municipal water sector. It is significant that Rodney Hide devoted only half a sentence in the final paragraph of his speech to the issue of water privatisation. If he thinks that New Zealanders are so thick that they will not even notice what the real

agenda is here, he has another think coming. The Government is playing silly semantic games. The explanatory note of the bill says this measure is not about privatisation. The Prime Minister got up in the House last week and said it was not privatisation. Well, this bill allows the private ownership of New Zealand's water infrastructure for periods of up to 35 years. That is privatisation. If it is not privatisation, I want to know how long these contracts would have to be before this Government considered them to be privatisation. Would 50 years be long enough? Would 100 years be long enough? It is privatisation, whichever way one slices it.

The argument seems to be that it is not privatisation because it is not the sale of a pre-existing public asset. Well, times have changed since Margaret Thatcher and Roger Douglas and Richard Prebble sold off all the assets in the UK and in New Zealand in the 1980s. The public-private partnership is now the dominant mode of privatisation all over the world. Throughout the world, public-private partnerships are the dominant mode. That is how it is done. It is widely referred to in all the international literature as privatisation; the World Bank refers to it as privatisation. Why do members on that side of the House not front up, have the courage of their convictions, and admit to the New Zealand public that this bill allows the privatisation—

Hon Gerry Brownlee: I raise a point of order, Mr Speaker. I think you would agree that the member made a very unparliamentary statement in the midst of his speech. It is a serious point, and I think he should withdraw it. There is no need to apologise, but he should withdraw the statement. It is not appropriate to accuse others of not having the courage of their convictions.

The ASSISTANT SPEAKER (Eric Roy): I think that is a fair point; I was just trying to identify the part that the member was referring to. All members are honourable members, and the member will withdraw that statement and desist from making further inferences.

PHIL TWYFORD: I withdraw. The point I was trying to make was that the members on that side of the House lack intestinal fortitude when it comes to being up front with the New Zealand public about their policies. They decided that the issue of privatisation was off limits for this term of Government, but they are not willing to be up front with New Zealanders and acknowledge that this bill kicks away the democratic safeguards against the privatisation of our water system. They are playing silly games.

I will talk about public-private partnerships specifically. Labour is not against the concept of public-private partnerships.

Hon Members: Oh really!

PHIL TWYFORD: No, we are not. We not against public-private partnerships per se. However, we believe that public-private partnerships should be carefully considered and subject to the most careful scrutiny in order to determine where the costs, benefits, and risks are distributed. There is a view on the Government side of the House that public-private partnerships are some kind of panacea, and that they deliver free money for public infrastructure. Nothing could be further from the truth. One way or another, either the State or user charges pay for the cost of public infrastructure. Public-private partnerships do not deliver free money; they are not a panacea. They can, however, distribute the cost of infrastructure to particular users, and they can postpone that capital expenditure and put the burden on future generations. So let us be honest and let us be clear about that with regard to public-private partnerships.

Labour is against public-private partnerships in relation to some particular sectors: prisons, schools, and water. Along with 80 percent of the New Zealand public, we believe that having free access to water is a human right. It is a public good, and it is the job of the State to hold that public good in trust, to ensure that all New Zealanders get equal access to it and it is managed in the public interest. Does the Minister of Local

Government think New Zealanders are so thick that they will not realise that this bill is designed to encourage and promote the privatisation of our water system? Thirty-five years of private ownership is privatisation.

There is a kind of mythology that public-private partnerships are some sort of golden egg that will deliver cheaper and better infrastructure. I look forward to this matter coming before the Local Government and Environment Committee, because there is a very high pile of case studies of failed public-private partnerships in the water sector from all over the world. One example is Paris, which is the home of water privatisation—public-private partnerships. Paris is the home of Veolia Water, which is the parent company of United Water, and last year Paris brought its entire municipal water system back into public ownership because of decades of failure and cost overruns.

I will read for the record a cautionary tale from the Tampa Bay area in Florida, which has a population of 2.4 million people. It is a similar size to Auckland, for example. In 1999 a 30-year contract for $129 million was let to a company to build, operate, and manage a water treatment plant. At the end of 2007 the project was 4 years behind schedule and nearly $80 million over the original budget. The local authority then sued the original engineering companies for faulty design. In 2004 it awarded a $29 million contract to another company to try to fix all the problems. The project was 5 years late, 16 percent under capacity, and 44 percent over budget when it was finally up and running. That is a cautionary tale, and there are plenty more where that came from.

When this sordid bill comes to the select committee, I hope that New Zealanders will have the chance to scrutinise it properly and make submissions. People will be very interested to measure up the provisions in this bill against the international experience of water privatisation.

The bill is obviously not all about water privatisation, and I make it very clear to this House that Labour is not against streamlining the Local Government Act. We are not against the transparency provisions, and we are not against achieving efficiencies. The provisions in this bill around core services, community consultation being cut back, integrating the community outcomes planning process, inserting financial strategies, and imposing a requirement on councils to issue a pre-election financial report are all worth considering, on the face of it. I am sure they will be subject to adequate scrutiny at the select committee. But all of those points will raise questions in the minds of people who are concerned about the state of our democracy. On the question of core services, for example, there is a blatant omission of social development or community well-being, and there is nothing about economic development. Rodney Hide was told time and time again last year that those matters are important to New Zealanders and important to our local government.

The question that I have, when looking at this bill, is whether the bill would pass the test of the cost-benefit analysis provided for in the Minister's own Regulatory Improvement Bill. We have had advice only in the last couple of days that this bill will result in a net increase in compliance costs for councils. I think it will be very interesting to see that issue teased out in the select committee. New Zealanders will be concerned about the proposals to cut back the requirement for community consultation. Perhaps there are too many requirements of that sort in the principal Act. But given the track record of this Government and this Minister in cutting back the democratic process and showing a disregard for people's democratic rights in local government, these proposals will ring alarm bells.

Labour will vote against this bill. It is repugnant; the water privatisation provisions are repugnant. They are unwelcome, and they are the latest piece in the jigsaw of this Government's gutting of the public domain in relation to local government. This is the

latest instalment. We have seen the corporatisation of Auckland local government, the shutting down of Environment Canterbury, and the scaling back of our democratic process.

LOUISE UPSTON (National—Taupō): I am delighted to rise to speak in support of the Local Government Act 2002 Amendment Bill. As my very able chair of the Local Government and Environment Committee, Mr Auchinvole, said: "Good local government is essential for our communities, our economy, and our environment." As Mr Auchinvole very ably led the Local Government and Environment Committee, I am very proud to follow him in supporting this local government amendment bill.

The bill, of course, amends the 2002 principal Act, and the three principles that members will hear again in this speech will be "improving transparency", "accountability", and "financial management". The previous Labour speaker, Phil Twyford, did say that Labour was supportive of those three principles, so I am very pleased about that.

The National Government values an honest and open working relationship with the local government sector. We recognise that there is not a one-size-fits-all approach to local government. We understand that communities up and down New Zealand are different; even within an electorate they are different. I will demonstrate this for a moment by talking about the Taupō electorate.

When we look at the case of the Waipa District Council, we see that this year it is hosting the World Rowing Championships at Lake Karapiro in November. This event will be the biggest sporting event in New Zealand since the 1990 Commonwealth Games. The council will be significantly involved. Last week the South Waikato District Council signed a $3.4 million contract for the New Zealand Cycle Trail project in respect of the Waikato River Trail. It will ensure that the last 41 kilometres of the cycleway is completed in time for the World Rowing Championships.

The Taupō District Council—a very different council again—has recently been awarded accreditation as an International Safe Community. The World Health Organisation has examined Taupō and its commitment to safer communities. Taupō is known as a wonderful tourist destination and the accreditation will boost our image. The Government, the Minister of Local Government, Rodney Hide, and the Associate Minister of Local Government, John Carter, understand that there cannot be a one-size-fits-all approach to local government. We keep the "local" in local government.

I remind members that this bill is about transparency, accountability, and financial management. The Local Government and Environment Committee worked incredibly well together last year on simplifying and streamlining legislation in the reform of the Resource Management Act. It is fair to say that we work well together at simplifying and streamlining things, and this bill is another example of that. I know that we will be working together to reduce costs and waste in local government.

This bill works on two different levels. First, on a strategic level, the bill aims to change the way that local authorities set their direction and the way this can be influenced and assessed by their communities. There are several provisions in the bill. I will not cover all of them, and I defiantly will not dedicate 90 percent of this speech to issues to do with water. Some members of the Opposition seem to have forgotten the main issue of strategic changes, which this bill will reform. One change that I think is really important is the introduction of a pre-election report, which will encourage and inform the debate during the elections. It means that voters will have better information on which they can base their decisions. It will introduce a financial strategy to the long-term council community plan, and it will help local communities and authorities debate and resolve the key financial and service delivery trade-offs that they have to make.

At the second level are the operational reforms. The bill aims to simplify decision-making processes. A couple of these changes include the removal of unnecessary auditing. If members talk to local councillors up and down the country, they will find that that is an area of financial waste that they would rather do without. The bill will remove unnecessary auditing by taking a number of operational policies out of the long-term council community plan. It will also level the playing field to better enable the private sector to deliver local authority services.

Local government is essential for our communities, our economy, and our environment. We on this side of the House recognise that there is not one size that will fit all. We recognise the differences in our councils up and down the country. I have given examples of three different councils in the Taupō electorate and things that are important to them. This bill is about improving transparency, accountability, and financial management. Ultimately, it will make councils nationwide far more accountable for their actions. That is what ratepayers want, what local politicians want, and what the National Government wants.

SU'A WILLIAM SIO (Labour—Māngere): I am grateful for the opportunity to speak on the Local Government Act 2002 Amendment Bill in its first reading. I want to reflect a little bit on where we have come from.

Members will recall that on 17 November 2008 Martin Johnston of the *New Zealand Herald* wrote an article—members may have read it, I do not know—that said: "ACT has a radical agenda for local government, but party leader Rodney Hide is keeping his lips sealed." The article went on to say: "ACT wants councils to privatise their commercial activities and to supply water on a 'fully commercial basis', but Mr Hide would not identify yesterday which activities should be prioritised or discuss these policies at all." Later in that same month Brian Rudman of the *New Zealand Herald* wrote another article, entitled: "Hide and local government a scary mix". I quote: "There are many in local government scratching their heads after the appointment of Act leader Rodney Hide as Minister of Local Government and wondering what on earth they did to upset Prime Minister John Key so much." The article continued: "Top of the scorched earth local government policy list Mr Hide was elected on was that 'local government will be required to shed its commercial activity, thereby eliminating the need to separate regulatory and commercial functions between local and regional councils'."

Members will also be aware that Mr Hide, as the Minister of Local Government, rammed through the implementation of the Auckland super-city. They will recall that the Government said that it would consult widely with the people of Auckland once the Royal Commission On Auckland Governance had released its report. That was never done. Members will also recall that earlier this year Mr Hide, with the support of this Government, removed the 14 elected councillors of Environment Canterbury. That regional council will not have the ability to replace those elected officials with new elected officials in this year's local body elections. They are being replaced by commissioners who have been politically appointed by the Minister of Local Government and the Government.

I thought it would be useful to give some background as to what is happening with regard to local government and what is yet to occur, with the final Auckland super-city bill going through the House, and, now, with this Local Government Act 2002 Amendment Bill. I support what my colleagues have said: we in Labour are opposing this bill. There are a variety of reasons why.

Let me begin by saying that in quickly going through the bill I saw a range of areas of concern that I wanted to bring to the attention of the House. I am hopeful that the people of Auckland, the people of the Canterbury area, and everyone who is passionate

about local government, will take the time to make submissions on this bill. New section 11A in clause 5 makes reference to "core services". The bill states: "a local authority must have particular regard to the contribution that the following core services make to its communities:", then lists "network infrastructure:", "public transport services:", "solid waste collection and disposal:", "the avoidance or mitigation of natural hazards:", and other community infrastructure.

People who are working in business improvement districts will be asking—I know that those in Manukau will be asking—whether economic development is a core service of councils. Is the business of business improvement associations a core service? Will this bill specifically put a circle round, or define the limitations of, what is regarded as a core service? I am saying this because, currently, all local government bodies and communities are able to participate in identifying what local core services are through the annual plan process; that is when communities come forward to their councils and identify what their needs are and what is important to them.

For example, only last month many people throughout New Zealand—all of us, I suspect—celebrated Anzac Day. The events on that day are generally organised by community boards, and are funded by councils. Our local event in Mangere Bridge is organised by the good Rev. Les Dixon of the Anglican Church there. He estimates that the council puts in about $10,000 to pay for that local event. People are now asking whether Anzac Day celebrations and other events that local government bodies currently support are core services.

From talking with members of the local government fraternity, I have a suspicion that we could see a situation where local government bodies use lawyers to try to define what a core service is. I do not believe that this bill will achieve what it is designed to do, which is to reduce compliance costs and to reduce the rates burden on ratepayers, if councillors need to consult and to seek the advice of legal advisers to identify what is a core service and what is not a core service, and to determine which current community activities will be part of local government services in the future.

I come to community consultation, and to clause 8. Several amendments in this Government bill seem to me to take away the opportunity currently available to members of the public to provide input into the long-term council community plan. If on the one hand the Government is saying that it wants transparency and wants accountability, why on earth is it removing the particular part providing for wider community participation and for communities to hold local government bodies to account? The removal of participation by communities is explicit in that particular part of the bill. I do not know why the Government is doing that. I hope people will be consulted and will be able to raise their concerns. The risk is that, under clause 8, community considerations will not be given a full and fair hearing at key stages of the process.

I come to the area that the Minister of Local Government did not spend a lot of time on. It must be considered the most significant part of the bill. It is about partnerships, the private sector, and making it easier for the private sector to take control of an asset and to take control of an income stream that comes from the water industry. The Minister spent little time on it, yet it is probably the most significant part of the bill.

My colleague George Hawkins said that if these contracts will last for 35 years, ratepayers who are now aged 65 will not get a say in what happens to those contracts until they are 100. Ratepayers now aged 35 or 40 will not have a say for the next 35 years. They could be dead at 70, if they are Pacific or Māori. They will not have a say in how the private sector will run the water industry, under that particular clause.

It is a weird situation to have a bill that aims to reduce compliance costs, but on the other hand adds other compliance costs. On the one hand the Government says it wants

more transparency, but on the other hand it tries to keep a lot of the decision making that will be made by the private sector away from the community, so that the community is not participating and the community is not involved. There are major concerns about this bill, and I hope the public of New Zealand listening to this debate will take the opportunity to make submissions on this bill. Thank you.

NIKKI KAYE (National—Auckland Central): I rise to speak on the Local Government Act 2002 Amendment Bill. This bill is about delivering to New Zealanders greater transparency and accountability in local government. As MPs we often have constituents coming to us when they have issues in getting basic information from councils and when they think issues are very complex, so I am very pleased to be able to speak on this bill, because I think we will be able to do something in this Parliament to help those constituents get greater access to information.

If I could sum up this bill, I would say that this is about greater freedom of information for residents and ratepayers. Recent analysis by the Department of Internal Affairs shows that the cumulative increase in rates per head in the next 10 years will be 49 percent. We know that many ratepayers are concerned about increasing rates, so more and more New Zealanders want to know how their hard-earned money is being spent. We on this side of the House stand up for the right of those New Zealanders to have access to that information.

That is why I find it so difficult to understand members opposite and their position on this bill. They are opposed not only to New Zealanders having greater access to information and accountability on how their rates are being spent, but also to giving communities more power over that information, which could see better use of that money. So when members come to this House and talk about helping disadvantaged people, and greater transparency, it is really hard to believe them. When it comes to the crunch with a bill about transparency and delivering greater use of people's rates, what do they do? They vote against it. It is really difficult to believe those members of the House.

As we sat through the select committee process on the legislation that changed Auckland governance, so many people came and said they could not get even basic access to information about how their rates were being spent. It is really difficult to understand the position of members opposite on this legislation.

The other point I will talk about is public debt. It is forecast to increase by 97 percent, and expenses are forecast to rise by 91 percent. We on this side of the House think it is unacceptable to have a situation where local government cannot produce transparent information about how people's rates are being spent. Let us talk about some of the mechanisms that are within this legislation to try to achieve this greater transparency and accountability for the New Zealand taxpayer.

The first step in this bill is about a principle that says local government should operate within a fiscal envelope. As I have said before, we all know of examples of local authorities that have racked up accumulated debt in a way that has not been transparent to the New Zealand taxpayer. The other key thing, which came out during the select committee hearing of submissions on the Auckland governance legislation, is that within long-term council community plans some of these documents are hundreds of pages long. Do we on this side of the House really expect people to wade through those documents to understand how their little local project is being dealt with? Actually, that is not possible for a lot of New Zealanders.

We on this side of the House support the fact that the Minister of Local Government, the Hon Rodney Hide, and this Government are interested in making these plans simpler and clearer for people to understand. What we are trying to do is give more individual power to New Zealanders through clear and simple information about how

their money is being spent. The bill also includes provisions on financial disclosures, which have to be in plain English. This ensures that simple information is available to members of our community, be they local board members within Auckland, or constituents who are able to decipher the gibberish that is being thrown up by some of these councils. I think it is important to acknowledge that this information could also be more available to some community newspapers. I have had some of them come to me and say they cannot get basic information about projects within their areas.

The other key aspect of the bill, which is very important, and I find it very interesting that members opposite do not support it, is the concept of pre-election reports. That is about saying to local body politicians that they must go into an election with greater transparent information about what the council's financial position and commitments are. How can members opposite not support that basic level of transparency? No longer will I accept those members going around public meetings in Auckland talking about transparency and accountability, when they are voting against this bill. Under this legislation the chief executive of a local authority will have to prepare a report before each triennial election, providing information to promote public discussion on the issues facing that local authority.

The next aspect of the bill that is very important is the concept of a financial strategy. The purpose of this document is to help facilitate local authorities' proposals for funding and expenditure by making transparent the overall effects of funding and expenditure proposals on local authority services, rates, debts, and investments. Again, this was a core principle that came through a number of submissions from people within the community who said "Look, we just want to know what our council is doing, what the debt is, and what the basic financial position is." I find it very difficult to understand how members opposite cannot support those provisions. I also believe that the council consultation processes are unnecessarily onerous and complex, so I am really pleased that the bill will help achieve less complex consultation processes.

In conclusion, I say that this National Government is delivering legislation that is about greater transparency and accountability for the New Zealand taxpayer. I am proud to support this bill.

GRANT ROBERTSON (Labour—Wellington Central): The speech made by Nikki Kaye, the member who has just resumed her seat, was a fascinating insight into the way she approaches issues. There are 53 clauses in this bill, and Nikki Kaye chose to focus her speech on the elements that everybody agrees on—but in a strident tone of anger at members on the other side of the House; how dare we agree with the Government about those clauses—whilst proceeding to completely ignore the clauses that have the greatest degree of controversy, which, obviously, are the clauses that deal with water privatisation. Nikki Kaye's approach was quite extraordinary.

I want to talk mainly about the water privatisation issue and to make absolutely clear that on this side of the House we, of course, support improved transparency and putting out good financial statements, but we cannot support a further erosion of democratic rights in the local government sector. Time and time again in the 18 months I have been in this House we have seen National bring forward measures that diminish our democracy at a local level.

Some of the first speeches I made in this House were about the early Auckland governance reforms, which took away some fundamental elements of democracy from the royal commission's recommendations. We have seen ongoing programmes in Auckland in relation to the council-controlled organisations where people's ability to have a say has been removed. The ability of people to have a say at the most basic level of democracy has been removed, and I think that is an appalling thing to do.

Then there was the situation with Environment Canterbury. That was a remarkable move. Not only did the process get rid of an elected council but also it cancelled an election that would have enabled over 350,000 Cantabrians to elect their regional council. Around the world there are names for countries that cancel elections. "Banana republic" is one of those names. Yet in this House the National Government blithely cancelled an election. It cancelled part of the democratic process in this country. Nick Smith actually told the *Timaru Herald* that one of the reasons the National Government did that was that he was worried about the outcome of the election. He was worried about the outcome of the election so he cancelled it! He got rid of it. That is the kind of approach to local democracy that we have seen consistently from this National Government.

Now, today, we have the Local Government Act 2002 Amendment Bill, which, despite Nikki Kaye's protestations, is not really about transparency. It is about freeing up the privatisation of water—the ability to let a 35-year contract for private water services. In 35 years Mr Hide will be 89. My good friend Phil Twyford, whose birthday is today, will be 82 in 35 years. It will be that long before they will be able to have a say, and we know that Mr Twyford will be a very grumpy 82-year-old if he has not been able to have a say in respect of the way water services are changed in Auckland. But that is what this bill will do. It will push out the ability of people to have a say about the way in which a core part of our infrastructure is delivered for 35 years, and that is privatisation no matter what language is put around it.

We know what the ACT Party's agenda is here. We know that Mr Hide would get rid of anything that would prevent the privatisation of water, and National is now complicit in the de facto privatisation of water services for 35 years. I want to refer to a particular part of this bill that I think shows how this anti-democratic agenda is taking place at a local level. This bill repeals section 88 of the Local Government Act 2002. Currently, when a local authority wants to change the delivery of a service it is required to use the special consultative provisions of the Act. That means that when a major change is in place the council is obliged to go out and talk to people, but that provision is now gone. The 2002 Act recognised that the way a core service like water is delivered is pretty important and needed a special consultative process. That is gone with this bill. That important check and balance in the democratic process is gone with this bill.

How much clearer can it be that the agenda of this bill is to reduce participation, reduce democratic rights, and put in place a process whereby privatisation can be bulldozed through for 35 years at a time? That is anti-democratic. It is against the core principles that New Zealanders hold dear. New Zealanders want to have a say in the way services are run, and they want to know that if they want to stand up for publicly run services, they can. That will go under this bill.

As Mr Twyford said earlier, Labour is not opposed to public-private partnerships in principle, but we need to take a careful approach. Public-private partnerships lock Governments into all kinds of things. They are the "Hotel California" of Government arrangements—"You can check out any time you like but you can never leave." If there is a debt, it will be with ratepayers forever. Ratepayers will not be able to get away from that debt; it will be with them forever. The experience internationally is that when things go wrong, ratepayers and taxpayers will have to pick up the debt.

Public-private partnerships should be approached with caution, but this bill goes in exactly the opposite direction. It opens the floodgates. It puts at risk assets that have been built up by ratepayers for years and years, and it puts them in a basket so that they are up for grabs by the private sector and taken away from the democratic process. I think that is completely wrong.

Some other aspects of this bill need to be analysed closely by the select committee. What are services, and why are economic and social development not mentioned within core services? Those are important questions that the select committee needs to give its attention to. The bill also reduces community consultation processes. There is a useful debate to be had about where and when consultation best takes place, but it should not be an exercise in simply throwing the baby out with the bathwater and saying that community consultation is not important.

Of course members on this side of the House support the things that will make processes more streamlined and give more transparency in financial statements, but we will not support the taking away of democratic rights and the further erosion of local government and keeping decisions close to local people. We oppose the privatisation of water, and that is what this bill is designed to do.

A party vote was called for on the question, *That the Local Government Act 2002 Amendment Bill be now read a first time.*

Ayes 64

New Zealand National 58; ACT New Zealand 5; United Future 1.

Noes 58

New Zealand Labour 43; Green Party 9; Māori Party 5; Progressive 1.

Bill read a first time.

Bill referred to the Local Government and Environment Committee.

ELECTORAL (FINANCE REFORM AND ADVANCE VOTING) AMENDMENT BILL

First Reading

Hon NATHAN GUY (Acting Minister of Justice): I move, *That the Electoral (Finance Reform and Advance Voting) Amendment Bill be now read a first time.* At the appropriate time I intend to move that the bill be referred to the Electoral Legislation Committee, which has been established to consider this bill and the Electoral Referendum Bill. Electoral finance law is fundamental to New Zealand's democratic system. The regime must be impartial, fair, and transparent so that the people of New Zealand have confidence in our elections. I also add that as far as possible, electoral law should also be the product of cross-party consensus as this is the path most likely to lead to enduring solutions.

As part of this Government's pre-election platform, the Electoral Finance Act 2007 was repealed within our first 100 days in office. An interim regime was put in place and we began a consultative process. It started with a scope paper published in April, and this was followed by an issues paper released in May and a proposal document released in September. We also held public forums in Auckland, Wellington, and Christchurch. This bill is a result of that consultative process and it is the fourth bill in the Government's electoral reform programme.

As the title suggests, the bill is divided into two primary areas: finance reform and advance voting. The primary purpose of this bill is to amend electoral finance law in areas where there is broad-based consensus for reform. This bill will provide certainty to electoral agencies, political parties, candidates, and the public.

It aims to improve the understanding and application of electoral law. To recognise the impact of new technology and media, the bill updates the definition of "election advertisement" to cover advertising by all forms of media.

The bill also sets up a regulatory regime for third-party promoters that emphasises transparency, rather than restrictions on the freedom of expression. It requires third-party promoters to register with the Electoral Commission if they spend, or intend to spend, over $12,000 on election advertising in the regulated campaign period. The bill does not include an expenditure limit for third-party promoters. The register of information on third-party promoters will ensure that the public know who is funding political campaigns. In addition to getting authorisation from candidates or political parties for positive advertising, all promoters will have to disclose their name and their residential or physical address on all types of election advertisements. Campaign spending limits for candidates and parties were last changed in 1995. Under this bill, they will be allowed to increase at the rate of inflation to ensure that they are not set at levels that have become unrealistic over time.

This bill clarifies how expenses can be apportioned where advertisements serve a dual purpose, such as advertisements for both a candidate and a political party. Although these expenses have historically been apportioned between the party and the candidate, the decision in the *Peters v Clarkson* case suggests that those expenses should count in whole against both the party and the candidate. This bill reinstates the historical position that advertising expenses are to be apportioned between candidates and parties based on each one's coverage in the particular ad.

Many aspects of the donations regime in the Electoral Finance Act have been retained. However, this bill improves the transparency of donations to political parties by adding two features. It introduces a new requirement for political parties and candidates to disclose in bands their total income from donations. It also includes an associated entity test to stop companies closely associated with each other from making separate donations to get around the disclosure requirements.

The bill also makes changes to the regulated campaign period. We propose that the regulated campaign period be no longer than 3 months, rather than up to 11 months as under the Electoral Finance Act. The Minister of Justice signalled this change to the Speaker to ensure that amendments to the Parliamentary Service Act with regard to election advertising would be consistent with the Electoral Act. Following the Speaker's consultation with parliamentary parties, it was agreed that the regulated period should no longer apply retrospectively and is possible under the current law. This means that there needs to be a trigger for the regulated period where an election is called less than 3 months from polling date. Therefore, this bill provides that the regulated campaign period will now start 3 months before the last possible date of an election where an election has not been announced before that date, or 3 months prior to polling day where an election is announced more than 3 months prior to polling day, or from the date that the election is announced where it is announced less than 3 months from polling date.

The Government is also using this bill as an opportunity to implement one of the Justice and Electoral Committee's recommendations from its inquiry into the 2008 general election with regard to advance voting. The committee asked the Government to consider removing the existing restrictions on advance voting and the requirement to complete a written declaration in advance. This bill amends the Electoral Act accordingly. I hope that this will remove a potential impediment to those who may consider casting their vote in advance.

I thank the electoral agencies for their valuable advice, parliamentary parties and the public for their input, and submissions that were made during the development of this bill. Given the importance the Government has placed on consultation and consensus in the development of this bill, it has proceeded with only those reforms that have broad-based support. However, the select committee process is an opportunity for the public to

persuade parties from across the House that there may be other areas where reform to our electoral finance laws is desirable, and I think we should approach those submissions with a very open mind. I commend this bill to the House.

Hon LIANNE DALZIEL (Labour—Christchurch East): Labour will support the Electoral (Finance Reform and Advance Voting) Amendment Bill going to the Electoral Legislation Committee. I begin by acknowledging the Government for following a comparatively good consultation process. First of all, we had an issues paper, which was open to public submissions. Then we had a proposal document, which was open to public submissions. Throughout the process, there was consultation with parliamentary parties. I have a slight problem with what happened after that, although I think it was not as deliberate as perhaps the Acting Minister of Justice, Nathan Guy, may have suggested in his contribution.

I might as well deal with this now, because I think it is an issue that we will have to address at the select committee. I refer to the definition of "regulated period", because certainly no agreement was reached on the nature of how that would best be provided for in our law. We accept on our side of the House that National, when it was in Opposition, never agreed with taking the regulated period back to the beginning of the year. We accept that there was going to be change in that regard. We have stuck to a single-minded position on this, in that we are willing to make changes in that regard. The alternative that we put to all the consultative processes that we were engaged in was 1 May. The usefulness of 1 May was that it was sufficiently far through the year to enable people to be undertaking activities as they would do in the normal course of events, not knowing exactly the date of the election, but it was a date that would by all means assure that any spending after that date would be caught within a regulated period, regardless of when the election was called.

I think that when we do not have a fixed date for a general election, it is better to have a set date at which the regulated period will begin if there has been no earlier calling of an election. That has been the position the Labour Opposition has taken all the way through. We have pulled back from our original position that it had to be for the entire year, and we put up 1 May as an alternative. That date sits very well with almost all of the elections that we have had, certainly in the time that I have been in Parliament. Almost all would have been picked up, apart from the one, I think, that was called in July 2002, which was called on a date that did not give a 3-month period of regulated activities.

I find regulatory impact statements very useful and interesting documents. I will read from the regulatory impact statement of the bill: "The regulated campaign period, during which political parties and constituency candidates are subject to campaign expenditure limits, currently runs from the date three months before the election date, until election day. The purpose of this period is to define the official campaign period, during which the expenditure controls imposed under the Electoral Act 1993 are imposed. Because New Zealand does not have a fixed election date,"—and I agree with this point—"the three month regulated campaign period can operate 'retrospectively'. That is, where the Prime Minister announces that an election will take place in less than three months time, the regulated period effectively starts before the announcement took place. This creates compliance problems for constituency candidates, political parties, and the general public—who effectively can be required to comply with rules that were not in force at the time their actions took place."

The problem with this definition of the problem is that it sets up a solution that was not resolved for consideration in this bill by the process that I described before. That is the single issue I have with how this has been handled. It was referred to the Parliamentary Service Commission as part of resolving the issues about the conflict that

can arise between an electoral expense and a legitimate parliamentary expense, as applied by a member of Parliament. It was right and proper that that issue was referred to the Parliamentary Service Commission, where the parties are fully engaged in the process; it really was a very good process. The trouble was that this issue got tied up with the broader issue, and I think the Parliamentary Service Commission ended up unwittingly being part of the contribution to this bill when it thought it was no longer part of it. This bill leads the commission to the position where it has unwittingly ignored the consultative process that was going on.

I thought it might be a good idea to explain exactly what has happened. I am being very sincere in the concern that I am raising here, because I think the select committee can address this problem and resolve it. The statement that the Minister put out last week describing the bill that we are addressing tonight talked about several developments having occurred since the February announcement. The first statement that he made in that regard said: "The proposal to clarify the relationship between the Electoral Act 1993 and Parliamentary Service legislation will now be addressed in a stand-alone bill to amend the Parliamentary Service Act 2000." I think everyone who was engaged in that process within the Parliamentary Service Commission thought that that is where things now lay. Little did they know that, in fact, their engagement in this process went on from there: "The proposal for a three-month regulated period for election advertising has also been amended. Following consultation by the Speaker with all parliamentary parties,"—and that is a reference to the Parliamentary Service Commission; I checked with the Minister's office today because I was not quite sure what it meant—"it was agreed that the regulated period could also be triggered where an election is called less than three months from polling day, to avoid retrospective application to prior spending." That may well be what people have taken from the discussion, but I can assure the House that that is not how people who participated in that decision understood it would be translated into the bill before us today.

I do not think there is any subterfuge or any attempt to pull the wool over anyone's eyes. I honestly think that it is a genuine misunderstanding, and certainly a misunderstanding of the policy position that our party has had throughout this process. I believe that during the select committee process we can resolve the problem. I want to work through the nature of the problem so that everyone fully understands it; I have no time to talk about parallel campaigners, but I am sure my colleagues will pick up that serious matter. It is worth having this on record, because it is something we will have to address. The bill talks about a default day, meaning "the day that is 3 months before the last possible polling day for the general election", and therefore we read those words for the words "default day". The bill states: "If before the close of the default day the Prime Minister gives public notice of the day that is to be polling day for the election, the regulated period—(a) commences on the later of the following days: (i) the day after the date on which the Prime Minister gives that public notice: (ii) the day that is 3 months before polling day; and (b) ends with the close of the day before polling day."

The later date will always be 3 months before polling day, unless 3 months' notice of the general election is not given. Given that the Government decides the date of the general election, it gives the Government an unfair advantage. It can spend for an entire month, if not longer—perhaps if it gave only 6 weeks' notice of the general election—in the knowledge that none of that spending will be counted as part of the regulated period. That is the Opposition's issue with that provision. I know that this issue will be drawn on in our party submissions to the select committee. We have made it absolutely clear that we should avoid retrospectivity, but we should also minimise the risk of unregulated election spending occurring less than 3 months before an election. That is the position we have always had, and that is the position we wish to retain.

AMY ADAMS (National—Selwyn): I am very pleased to have a chance to take a call in the first reading of this very important legislation, the Electoral (Finance Reform and Advance Voting) Amendment Bill. I pick up on some of what the Acting Minister of Justice, Nathan Guy, discussed in his first reading speech, specifically around the fact that this, as electoral legislation, is the sort of legislation that needs, in my view and in the Minister's view, to proceed on the basis of a broad consensus. I talked a little bit about this in the debate around the MMP referendum. When we as a Parliament look at matters to do with the way we elect this very House, we are dealing with matters that are of the most serious constitutional significance. Although these bills can be passed on the strength of numbers, I think it is incumbent on us to make sure we tread carefully down this road and try to build cross-party consensus, which is likely to make the laws we pass not only respected but also enduring.

If there is any lesson that we can all learn from the Electoral Finance Act that was passed before the previous election, it is that—that these are serious issues; they are not the sorts of issues on which we want to exploit a position of power, and we need to go back to some sort of broad consensus as far as we possibly can. Certainly, that has been the Government's approach to introducing this bill today. The point to remember here is that very soon after coming into Government following the 2008 election, National repealed the Electoral Finance Act. From memory, I think that that repeal was broadly supported in this House. I remember the Labour Opposition agreeing that we needed to re-look at that Act, and I think that it was wise of those members to concede their mistake on that point. Since that time, we have reverted to electoral law as this country had known it for the many, many years in building up to the passing of that Act. The discussion document and the issues paper that went out for public consultation, which this bill is the result of, started from electoral law before the Electoral Finance Act, and we said: "Let us look to make changes to that only where there is a broad consensus of support for it." When we are looking through the provisions of the bill in front of the House tonight, it is important to look at it in that context—that of starting from a stable position of electoral law that has served this country very well for a long period of time, and of saying that there are issues we need to look at but let us make changes only when we feel there is a broad consensus of support for them.

I will start off on the smallest of the issues dealt with by the bill, which is the one the Acting Minister finished on; that is, the advance voting provision. I was lucky enough to be involved in the Justice and Electoral Committee when it had its inquiry into the previous election and considered this issue. It is an interesting one, and perhaps one that the wider public has not taken on board as yet. The changes in this bill will enable a greater level of participation in our general elections, and I think that is something we all strive for. Our elections work best when there is a high level of engagement. If the matter is as simple as allowing voters to vote on a different day to election day, without having to go through a complex process of proving their entitlement and filling out declarations, then that is a simple enough thing that we in this House can and should do to encourage participation. That is a simple enough change to make and it is an important one to do, and I am certainly very pleased to support that.

The biggest part of the bill relates to the running of campaigns, campaign financing, the question of who can advertise, the matter of how much can be spent, the time we measure from, and those sorts of issues. Again, when we start the debate on these things, from my perspective the issues we have to look at are the sorts of issues that were brought sharply into focus during the 2008 election campaign. I think the biggest difficulty we all struggled with through that campaign was the lack of certainty and the lack of credibility of the very rules. There was a constant process of going to the Electoral Commission and to lawyers to try to find out what could be done, who could

do what, what counted, and what did not. It got to the point when even if the Electoral Commission would tell us: "Look, candidate X has breached the rules.", it would also say "We can't really do anything about it, because the rules are so unclear that no one really knows what's happening." We have to take from that the importance of being very, very clear, of having very certain rules, and of having a good workability between the rules we operate under as MPs—when we spend money in our capacity as members of Parliament—and the money we spend and the regulations we are under when we are campaigning. The waste of resources during that 2008 election campaign was a source of ongoing frustration to me, because the time and effort that should have been spent being out talking to the public was spent in trying to get our heads around exactly what those rules all meant.

The previous speaker, Lianne Dalziel, spoke at some length about the regulated period, and I agree with her that that is an important issue. I go back to the opening comment I made, which was that the 3-month regulated period is the period we had in this country for a long time leading up to the Electoral Finance Act. That is what we have gone back to as a starting point for these changes. On the issue of retrospectivity, which Ms Dalziel spoke about, I agree that that is a serious concern. By way of personal example, I mention to this House that I was selected as a candidate in May of 2008, yet all my expenditure from 1 January 2008—a full 5 months before I was even chosen to be a candidate—was regulated. That is a nonsense. How on earth can candidates be responsible for expenditure that they might have spent in that period that may have served to encourage the public to vote for them? That was the sort of crazy system we had. We have reverted back to a 3-month period, or to a period that is defined by the calling of the election, to ensure that everybody knows once we are into the regulated period. I think that that is really key.

Tied in with that—and it is important to tie it in—is looking at the campaign expenditure limits for candidates. Under new section 205B, substituted in clause 8, we see that those expenditure limits, which have been set at $20,000 inclusive of GST since God played fullback for the Apostles, as they say, have now been changed to reflect a CPI adjustment. It goes back only as far as 2008, and the adjustment in the legislation, as printed, is not a big one. The important aspect of that is in new section 266A, inserted by clause 26, which this bill seeks to impose. It is the provision for annual Orders in Council to update those CPI linkages. So that is a beginning. It does not mean a big step forward in the campaign expenditure limits initially, but it finally puts in place some sort of mechanism to make sure that those limits keep pace with inflation over time. I think that that is important.

In this bill we see addressed some important apportionment issues, as the Minister discussed, to make sure that there is clarity about how and where campaign expenditure is apportioned. We have kept from the current electoral finance regime the disclosure of donations and the regime around that. Added to it is the new requirement for political parties to disclose not only donations over a certain limit but also income they have received in bands below that limit. There will be a more complete picture of the funding of our political parties, and I think that that increase in transparency and the clearing up of that can be only a good thing. I am sure that as this bill goes through the select committee, we will see some interesting discussion on some of the issues within it.

I will end where I began, which is simply to say that I think it is dangerous to charge ahead unless we can find a broad consensus for some of these issues. That is why reverting back to the stable electoral law that we have worked under for so long is a good starting point. I look forward to a good, enlightened, and educated debate on these matters in the select committee, because they are important. I am looking forward to the process and I commend the bill to the House.

Hon DAVID PARKER (Labour): I endorse Amy Adams' comments about the desirability of forging a consensus on these issues in relation to the Electoral (Finance Reform and Advance Voting) Amendment Bill, but I add this note of caution: in order to reach a consensus, we have to have compromise on all sides. It is all very well for the Government to say that it wants to reach a consensus, but if it withholds its approval of reasonable suggestions on the part of other parties, including the Labour Party, then it will not reach a consensus. Consensus can only be reached if there is give and take by all parties in relation to these issues; otherwise, one party can withhold consensus. We all know that realistically the prior status quo under electoral law had some failings, but in some instances those failings could have been to the advantage of the National Party. If that party defines consensus as a requirement for its agreement on everything, then it can prefer the status quo, effectively, even if the status quo is inadequate. I just caution a little against the pretence that that sort of consensus is the ultimate answer. Actually, reasonable compromise leading to consensus is what this Parliament should be aiming for.

I mention what I think are the three most important principles in electoral law. They are the principle of equity, the principle of freedom of expression, and the principle of transparency. They are the three most important principles. There are other principles, like accountability, legitimacy, integrity, viability, clarity, and cost-effectiveness, which were referred to by the Royal Commission on the Electoral System in earlier years, but the three most crucial principles are equity, freedom of expression, and transparency. Equity, of course, is crucial, as the report of the royal commission said back then. It said that there was a particular importance in achieving fairness between political parties, because at elections voters were primarily choosing between alternative party Governments. There had to be fairness between parties, but that is not just fairness between sitting parties as represented in this Parliament. Election rules should not advantage one party over another; nor should they place inequitable barriers on the formation and entry of new parties into Parliament. That is one of the important principles.

The next principle is freedom of expression, and that principle requires that there should not be undue restrictions on the ability of citizens to freely express their views. Freedom of expression is very, very important. We made proposals around freedom of expression that left the media completely unconstrained—and the media should be completely unconstrained—but there have always been some constraints on political parties, and there should be. If we are to maintain a low-cost electoral system, such as we have in New Zealand, that implies there have to be some constraints on spending. Those constraints are a necessary restraint on freedom of expression. If we did not do that, we would have an electoral system like those in the United States, where people can essentially buy elections by outspending the other. We would get into a ratcheting-up of expenditure on both sides of the political debate. Increasingly, the only people who can meaningfully participate in election processes in countries with unconstrained expenditure are those with very deep pockets, and that is not democracy. A low-cost election system is appropriate and freedom of expression does not mean an unlimited right to spend in order to buy an election. That is why there are spending constraints on political parties. We have long had them in New Zealand and we should long continue to have them.

The third principle is that of transparency. Transparency only works if there is transparency around donations, and that is one of the areas where the Labour Party thought that we should go further than this bill does. We thought there should be even more transparency than is proposed in the bill. This is an area where we may be forced to compromise, but we think this bill should have gone further. We accept that we may

have to compromise on that, but we cannot see why there should not be further transparency in respect of donations. At the last election, from memory, the Labour Party disclosed the source of about 15 percent of our donations and the National Party disclosed the source of less than 10 percent of its donations. Both parties spent over $2 million, yet we disclosed only 10 percent of our donations. That is not good enough.

Amy Adams: You wrote the law.

Hon DAVID PARKER: This law does not improve it. The member says that Labour wrote the law. Well, that law did not go far enough in respect of transparency. There is nothing wrong with donating to political parties. It is a good thing to do. But public confidence in the democratic process requires that there be transparency as to donations, otherwise we can never escape the imputation that it is substantial donations that have caused the policy position, and that undermines public confidence in democracy. What we are trying to do here is to protect public confidence in democracy, because democracy is so important. The countries of the world that have the biggest problems do not have democracy, or they do not have transparent-enough democracy. Transparency is a really important principle. There ought to be more transparency in respect of donations.

This leads me to the issue of parallel campaigns. They are difficult. If we do not, in some way, have some regulation of parallel campaigns, we might as well have no regulation of political parties. We have theoretical limits of spending and some transparency of donations for political parties. If we did not have similar rules for people who are advocating for political causes outside of political parties, we might as well not have any rules for political parties, because it makes a nonsense of them. Through the process the Government ran, we proposed in our submission some transparency around third parties. We made it clear that the media should be absolutely unconstrained. Nothing in our submission affected the media. In respect of third parties, we said that they should not just have to register as being a third party, which is what this bill proposes, but also have transparency around their donations.

If people are out advocating for the Labour Party, the National Party, the Greens, or ACT—whoever they are advocating for—in effect, through their third-party campaign, it should be clear as to who their funders are so that we have transparency as to our election process. We did not have any limit on what third parties could spend. Again, that was a considerable compromise on the part of the Labour Party compared with our preferred position that there should be at least some limit.

Hon Lianne Dalziel: It wasn't a tiny limit.

Hon DAVID PARKER: It was not a tiny limit, but maybe it was too low. We moved away from any threshold, but there should be disclosure. There should be transparency as to the source of the funding of campaigns if more than $100,000 is spent. That is what we said. That is a perfectly reasonable proposition on the part of the Labour Party, and for the National Government to say that it is doing this by consensus illustrates the fact that it can withhold a consensus and stick with the status quo where it thinks that is in its best interests.

I hope that the National Government is willing to look at this issue at the select committee—I really hope so. I do not think we are doing a favour to New Zealand or a favour to democracy—[*Interruption*] no, they have not. We are not maintaining public confidence in our election process if we do not deal with this important issue, which is the transparency of the campaigns run by third parties. The Royal Commission on the Electoral System concluded that limited spending by political parties, but not by parallel campaigns, was illogical. The royal commission found that; it is not the Labour Party being selfish in saying that. Labour is taking a principled approach, which was found by the royal commission. We hope that this is properly addressed through the select

committee and that the Government is willing to compromise on it, as we have compromised and as we are compromising in so many other areas. If it does not, then the talk about consensual electoral law will be shown to be hollow words.

John Hayes: Nothing consensual at all about the way you did it.

Hon DAVID PARKER: There is some fairness in that criticism. Labour has accepted that, but the same accusation will be made against the National Government if it does not follow a consensual route in respect of some of the issues that we are fairly raising and that were raised by the royal commission. National cannot have it both ways. It cannot say, on the one hand, that we did not follow a consensual process.

METIRIA TUREI (Co-Leader—Green): Aotearoa New Zealand prides itself on being a fair and equitable country. It is a country that we love and work very hard to protect. Our community often fails to engage with that protection, for a myriad of reasons. None the less, we continue, as a country, to strive for a better, fairer, and more prosperous nation, where everybody gets a fair go. We continue to strive for honest and open politics, and for good government that respects all people. The year 2007 saw a highly contentious, and quite radical in some respects, reform of New Zealand's electoral finance laws, the Electoral Finance Act. It was not—and I have heard this being talked about tonight—a process that was particularly well handled politically or in the debate that surrounded the reform. The Green Party supported the legislation then because it made a significant step towards fixing some of the glaring holes that the 2005 election campaign showed up. Those glaring holes were extremely serious. In my view, they showed how easily the democratic process in Aotearoa could be manipulated and distorted. Those holes showed very clearly that politics in Aotearoa was, and to some extent still is, very vulnerable to the excessive influence of wealthy players in the political realm.

I do not need to tell the story. We have books, films, and a wide variety of writing that sets out that story. But I need to restate the problems, because the Electoral (Finance Reform and Advance Voting) Amendment Bill is designed to fix them, yet it fails. Amongst the problems was an initially secret $1 million intervention in the campaign by the Exclusive Brethren church. It campaigned for the National Party and against the Greens and Labour, without the spending falling within the National Party's election cap. Some argue that the electoral process worked fine then because the scam was eventually exposed, but it was not the electoral process that exposed the scam; it was the very hard work of Rod Donald and Jeanette Fitzsimons. It was only because of their skills and determination to get to the truth of the matter that the Exclusive Brethren's secret was exposed. Only Rod Donald's determination exposed the link between the Exclusive Brethren campaign and the National Party. The public have good cause to thank Jeanette Fitzsimons and Rod Donald for their efforts in shedding light on the ease with which our elections can be bought and sold.

Other issues arose that showed glaring holes in our electoral law. In 2005 alone, the National Party received over $1.7 million in unidentified donations from secret trusts and Labour received over $300,000 in anonymous donations. National's board was aware of the identities of the donors, even though their identities were hidden from the public by the use of secretive trusts. And, of course, we had the $120,000 illegal broadcasting overspend by the National Party. No prosecutions arose from any of those matters. Aotearoa does not have a sufficiently robust regime to protect the democratic process from the threat posed by secretive wealthy political players. The 1986 Royal Commission on the Electoral System stated that it is not fair if some in the community can use their relative wealth to exercise disproportionate influence in determining who is to govern and what policies are to be pursued.

The Green Party will be opposing this legislation for this very important reason: there is no cap on the election spending by third parties in this bill. Under National's legislation, the Exclusive Brethren, or anyone else for that matter, can run an election campaign opposing a political party and can use an unlimited amount of money. Let us look at the political environment here in election campaigns to understand why this is so important. Political parties have a spending cap of around $2 million in an election campaign. Political parties have a broadcasting allocation for use on TV and radio, and they cannot use any other money but that allocation for TV and radio advertising. These caps are designed to provide a kind of level playing field, so that wealthy political parties cannot completely swamp smaller or less wealthy political parties. To an extent, these rules even out access to airtime so that the public has more even access to the policies and programmes of the political parties campaigning in the election. That is a sound principle. Our elections should be a contest of ideas, not of wallets. The Green Party supports having a level playing field for political parties in an election campaign.

What happens if other non-political parties—third parties or parallel campaigners—can campaign without having an upper spending limit? First, it opens the door very widely to corruption in New Zealand politics. Political parties that have access to wealthy donors—corporate or individual—can funnel those donations to a third party, which can then spend as much money as it likes in negative campaigning. Thousands of dollars can be spent on pamphlets and letters delivered to every household in the country. Enormous commercial billboards can bought up in bulk to display adverts attacking a political party for months at a time. Whole armies of people can be employed to get out on to the street and campaign against a political party that happens to be out of favour with that wealthy group. Hundreds of thousands of dollars can be spent on a campaign to attack a party. That means that a political party can funnel its funds to a third party so that that political party can avoid its spending cap. If one has money, then one can corrupt the system.

What is the response of the political parties that are constrained? Well, it depends. If it is the case that the wealthy interests are campaigning against one's political opponents, then one might think that that is fine. If not, political parties, especially the smaller ones, struggle to contest misleading or false information and struggle to get their message out to the public. Whatever side one is on—whether one benefits from that corruption—one simply cannot argue that that is fair. Some would argue that people do not pay any attention to advertising. I have heard this argument before and it is clearly untrue. Otherwise, we would not have an advertising industry in Aotearoa with an annual turnover of $2 billion. Advertising works; that is why it is done. In this bill there are no limits on how much advertising a third party can buy in order to influence the outcome of an election.

There are some good things in this bill; it is not all bad. We are pleased that the parallel campaigners will have to register with the Electoral Commission if they expect to spend more than $12,000. No New Zealander should ever be in the position of having to hunt down a third party identity because it, like the Exclusive Brethren, has actively hidden its identity from the public. As I explained, transparency is necessary but is not sufficient to combat the opportunity for corruption that an unlimited spending cap provides.

We are pleased about the retention of the donations regime that we argued for in 2007. It does not go as far as we would like it to, but it is a step in the right direction. Political parties should be transparent about their donations. It is worth noting that in a donations disclosure to the Electoral Commission this week of donations over $10,000, we saw that ACT got one, the Progressive party got one, the Māori Party got one, Labour got one, the Greens got nine, and National got none. Is that not interesting? I am

not convinced about that somehow. We would like to see the threshold of donations lowered so that there is considerably more transparency about who has donated to a political party.

We are very pleased to see that the offence and penalty regime has not changed. It is critical that we have a strong offence and penalty regime in our electoral law, because if the fines are too low, that simply rewards the wealthy players who would rather pay the fine because a breach of the rules enables them to achieve their preferred electoral outcome, which, no doubt, would be of considerable value to them. I will say this again because I believe it: Aotearoa prides itself on being a fair and equitable country. It is a country that we love and work hard to protect. Despite the occasional tripping up, we continue to strive for a better, fairer, and more prosperous nation, where everyone gets a fair go. We continue to strive for honest and open politics, and for good government that hears all people and protects our environment. For decisions as critical as whom we elect as our most senior public decision makers, the utmost fairness, the most stringent rules, and the clearest, most transparent processes are necessary. I look forward to working for that in the select committee. Thank you.

RAHUI KATENE (Māori Party—Te Tai Tonga): In May 2009 the Institute of Policy Studies in Wellington held a half-day workshop on electoral finance reform. One of the participants at that forum put forward the interesting challenge that there was very little evidence to demonstrate that big money had any impact on the overall outcome of an election. That participant suggested that it might be more appropriate for the emphasis to shift to politicians, who should be bound by a code of conduct. However, other participants were equally adamant that although there may be a lack of evidence to prove that money wins elections, certainly a lack of money loses them.

The Māori Party has never entered the competition over whether the most expensive campaign is likely to be the most successful. Our wealth has always been in the power of the people. Nevertheless, we have been well aware of the strong views held about the impact of finances on an election campaign. A fundamental premise of our approach to electoral finance reform has been our commitment to transparency and accountability. We have supported the call of the public for greater transparency. We hope this will encourage political parties to desist from the practice of using trusts or lawyers' accounts to obscure the identity of donors. In a post-recession conversation, we believe that transparency is just as relevant to electoral finance as it is to any other aspect of our economy. At a time when banks have been able to accrue outrageous profits, when shady loan sharks and the debt police are holding families to ransom, and when the potential of far too many families is trapped in the stranglehold of poverty, it is only right that we have clear rules in place to determine whose interests are served by covering up the use of wealth in a political party context.

In this context, then, I have to say that the Māori Party has been impressed by the commitment of the Minister of Justice to encouraging wholesale support for the reforms to ensure greater certainty and transparency in the conduct of the electoral process. Anyone browsing the Ministry of Justice website can now come across all of the work that has occurred in developing options around electoral finance. They can come to the independent conclusion that a broad consensus has been achieved. The Minister has set a new benchmark in establishing transparency and accountability as hallmarks of the new electoral system—and it is a benchmark that we are pleased to support. We can now download within seconds the issues papers and proposals on electoral finance reform. We can browse the submissions. We can fast track to the slides of a presentation that Professor Andrew Geddis has delivered on the regulation of electoral finance.

Importantly, the reforms appear to be oriented in such a way as to actually encourage people to vote. One of the key turn-rounds in the policy has been with regard to advance

voting. We think advance voting should be supported as a means of supporting greater uptake of the democratic right of all New Zealanders to vote. In the past, anyone who elected to vote in advance was asked to make a written declaration explaining why such a step was necessary. Following the unanimous decision of the Justice and Electoral Committee in its inquiry into the 2008 general election, the Electoral (Finance Reform and Advance Voting) Amendment Bill removes the requirement for advance voters to make a written declaration before election day. From an administrative point of view, this is helpful in removing another layer of costs from the schedule. More important, it removes a barrier to participation.

We saw the appeal of advance voting really take hold of the American voting public during the 2008 campaign. Some experts predicted that one-third of the voting public had banked their vote early, up from 20 percent in 2004. Advance voting was, in fact, a popular strategy employed by Barack Obama, who held enormous "Early Vote for Change" rallies, flooded the networks with "Vote Early" email messages, and placed advance voting ads in more than a dozen popular video games. Whether the same phenomenon would occur here, of course, is anyone's guess. But we certainly support the right for a person who is qualified to vote in a particular electorate to be a special voter if he or she applies in person to vote within that electorate before polling day. Importantly, we endorse the right of such persons to not complete a written declaration establishing eligibility.

The other big wave of reforms introduced in this bill is around electoral finance. We are delighted that a party donation made by a body corporate must now be accompanied by a written statement that is signed and dated by an officer of the body corporate, setting out the names of all of the associated entities of the body corporate as at the date of the statement. If there is a failure to comply with this provision, the secretary of the political party must within 20 working days give back to the donor the entire amount of the donation or its entire value. In another new development, third-party promoters who spend or intend to spend more than $12,000 on election advertising during the regulated campaign period must register with the Electoral Commission. The register will be publicly available to ensure openness and transparency concerning the identities of third-party promoters.

We believe that both of those aspects—the signed statement of the body corporate and the public register of third-party promoters—are very useful means of ensuring everything spent on behalf of, or towards, political parties is above board and open. It is common knowledge that corporate donors expect a political return on their political investment, so we are pleased that any political negotiations that may result from corporate donations will be well and truly evident through the donations regime.

We support the proposed increase in the amount of money that parties and candidates can spend on election campaigning. We agree that it should be adjusted at the rate of inflation for each general election. However, in the interests of greater transparency for the general public, it would be useful to know why twice as much funding needs to be available for a by-election campaign as for a general election campaign. We also support the moves to introduce more certainty to what counts as electoral advertising by modernising the definition.

We would like to see the issue of unethical advertising addressed in further development of the bill. I do not need to remind everyone in this House of the appalling way in which some parties and advertisers have used Māori as negative fodder during election campaigning. We must never again return to the era where politicians gamble on national identity and threaten the unity that has been so desperately sought by pitching campaigns to create unnatural divisions between iwi and Kiwi.

We are disappointed that the bill does not provide for reform of the broadcasting regime that has existed since 1990. Although we can understand that there were widely held views on this issue, we cannot forget the issues that have arisen in the past over varying interpretation of rules over the broadcasting spend. We throw into that same thought the general concerns about illegal use of parliamentary funding. We understand that the relationship between the Electoral Act 1993 and Parliamentary Service legislation will now be addressed in separate legislation, and we support that. However, we hope to see some time frames around this issue, as we would not want to see this vital area of reform slip away under the radar.

All things considered, we support this bill at its first reading, and certainly look forward to the ongoing debate.

CHRIS TREMAIN (National—Napier): Elections are one of the most important—if not the most important—part of any democracy. They are supposed to be a testing of ideas and personalities, a debate about the future, and a testing of the mettle of our potential leaders, both locally and nationally. I hark back to my first election in 2005 for the seat of Napier.

Hon Darren Hughes: Hark back?

CHRIS TREMAIN: It is certainly going back a few years. It was a testing of personalities, if I recall the candidates I was up against.

John Hayes: Well, your opposition had no personality.

CHRIS TREMAIN: Ha, ha! I was up against Russell Fairbrother, a debater of some merit.

Hon Darren Hughes: Much like the member.

CHRIS TREMAIN: Oh, I could not put myself there. There were certainly different personalities in that test. Anyway, it was a testing of personalities; that is the point I want to make. It was a testing of ideals and, fortunately at that particular time, I was lucky enough to win the seat.

In any democracy an election needs to be a fair fight. The reality is somewhat different, as many new candidates entering a political race quickly find out. There is no doubt that sitting MPs have the competitive advantage: 3 years of incumbency, 3 years of school visits, 3 years of constituency clinics, 3 years of galas, school prize-givings, and assemblies, 3 years of being in the newspaper, and 3 years to build an awareness and a positive brand with their constituency. There is no doubt that the political tide comes and goes. However, good constituency MPs have the advantage of incumbency, which opposing candidates must battle against from day one. It is tough, but that is the reality.

No law will change that, and this particular bill will not change it, either. But the competitive advantage of incumbency has been somewhat reduced with MMP. In many instances, list MPs are able to establish a pseudo-constituency office, and make out that they are the local MP. That effectively means that the taxpayer is funding a 3-year campaign against the incumbent MP. I am not sure that the wider electorate is particularly happy about that, but, hey, that is the way it is. Once again, it will not change under this legislation. Those anomalies aside, elections need to be regulated to be as fair as possible. It will be the job of the Electoral Legislation Committee, of which I am a member, to ensure that the final legislation is an equitable playing field.

Throughout time immemorial human beings have sought ways to obtain competitive advantage within the rules that are in place. It is just part of the human spirit to try to push the boundaries—that Kiwi spirit. If we think about the America's Cup campaign and the rules that were in place there, we see that the amount of money that was spent—and the number of lawyers who were employed to bend the rules—was incredible. Many lawyers and accountants spend their entire professional lives trying to find ways

around existing laws in order to gain advantage for their clients. And election law, dare I say it, is no different.

I am sure that immediately this law is passed, political boffins will be looking for ways to improve their lot, to improve their competitive advantage, and to get around the rules. It is therefore very important that the members of the committee obligate themselves to challenge this legislation to ensure that it is as robust as possible. Most of us on the committee have served a couple of elections—and Mr Hughes is one of those people. I think that that experience will be important as we steer the bill through the Committee stage.

Let me give members an example of a situation that currently pushes the boundaries. I will be asking the committee to have a close look at the current position of MPs who own their own office through a trust. They are obliged to provide a market valuation for the rent—no problems there. All do that, and most pay the amount of that valuation. However, some do not charge the full cost of the rent to the Parliamentary Service. The MPs will say that they are saving the taxpayer money, but will then go on to spend their entire taxpayer budget; the taxpayer saves not one cent. Effectively, the MPs have gifted themselves a pecuniary interest from their trusts or companies, which allows them a much better office location, while they are still able to spend their full out-of-office budgets on advertising and other things to help lift their profiles. There is not much problem with this outside the election period, although I still believe that this gift should be declared in an MP's document of pecuniary interest.

The real issue that we need to turn our thoughts to, comes during the election period. Here is the question: if an MP has a high-profile corner office—effectively a billboard—for which the Parliamentary Service is not paying the full cost, should the benefit of that additional spend be included as part of an MP's electioneering cost for the regulated period? My argument would be that not to include that cost would create an unfair advantage. I refer members to the definition of "advertising expenses", which is amended in Part 1 of the bill, when section 3(1)(a)(ii) is substituted in clause 4: "the reasonable market value of any material used or applied towards the advertisement that is provided free of charge or below reasonable market value;". This definition brings the issue into question. It is something we will have to consider, and we will have to make sure that the cost is being declared either within the election expenditure or within the document of pecuniary interests.

In the extreme situation, MPs could provide their high-profile offices at no cost to the Parliamentary Service, then spend their entire parliamentary budget on self-promotion in the lead-up to the regulated period. If the office is not paid for by the Parliamentary Service, then what is that office? I suggest that it is a campaign office. I am sure that there are other examples of situations like this, and I am sure that committee members will be able to turn their minds to these examples and to provide what I believe should be a fair, transparent, and equitable playing field, going into the next election.

I look forward to sitting on the select committee and dealing with the issues that arise throughout the period of submissions. I encourage New Zealanders to submit to that committee to make their opinions heard, so that we can listen to them and make sure that we deliver the very best legislation possible. It must be legislation that is agreed to as much as possible across the House, so that we have a robust piece of legislation going forward. Thank you very much.

Hon DARREN HUGHES (Labour): I rise to speak to the Electoral (Finance Reform and Advance Voting) Amendment Bill. It is not often that a senior whip goes slightly off message, but I have to take up the opportunity of joining my opposite number, Chris Tremain, who may well have done the same thing. All I could think of, as he complained about a high-profile street-corner office, was that Stuart Nash must

really be getting under his skin in Napier if he wants to change the entire system of the way electoral offices are run from Parliament on the basis that his own individual candidate opponent has a high-profile office. We could almost hear Government members who have such high-profile corner offices—and who were listening to this debate from their offices—lunging at their radios and saying that someone should shut Mr Tremain up before he rewrites all the rules based on a constituency race in Napier.

Chester Borrows: Are you reading minds now?

Hon DARREN HUGHES: Well, no; that was the last legislation we debated, the Local Government Act 2002 Amendment Bill, I say to Mr Borrows. This particular bill does not. As that previous speaker freely admitted, this legislation does not affect any of those issues whatsoever, and the question of ownership of out-of-Parliament offices is best dealt with through other vehicles, and not through this bill.

Labour is supporting this bill's referral to the Electoral Legislation Committee, as the Hon Lianne Dalziel, our spokesperson for electoral law, made very clear when she spoke. The bill has a number of elements that we support, but there are certainly some aspects that we want to continue working with the Government on.

I pick up David Parker's point—I strongly agreed with him—that, where parties can come to a compromise position on these sorts of rules, we are better off for it. Labour has tried to signal, throughout this debate, areas where we have moved away from our prior position in terms of the legislation that came immediately before this bill—the Electoral Finance Act. We have moved from that position. We have even moved from some of the positions we held in our submissions in order to meet some of the proposals from the Government. But we really looked, throughout the whole process, for the Government to move from some of its positions as well. The pixie dust of MMP, where we all get up during debates on these kinds of legislation, and give compulsory praise to Simon Power—which I will do shortly because it is in my notes; I want to be back on message, as I mentioned before—cannot simply be because we all agree with National's position. That is not compromise. The look of shock and horror on National members' faces makes me realise that that is what they think it is. So I may have struck on a little point there. But I think the main point, of course, is that we want there to be a consensus.

Mr Tremain made a very good point. He talked about the winds of political fortune changing. Indeed, they have. In the period that we have had MMP, Labour has polled as high as 41 percent and been the major party in this Parliament, and we are now down at 34 percent and in the Opposition.

John Hayes: And still dropping.

Hon DARREN HUGHES: Well, Mr Hayes thinks that, with his prescient political predictions. I welcome them, because I know the predictions he made about himself, and what has happened, so I hope he keeps on making predictions about the Opposition. He and I have a little bet on some of those matters, and I look forward to collecting one Sunday in November 2011—or even August, as some people say. National, on the flip side of that, has been at a high of 45 percent at the last poll. It leads the Government now, but of course in 2002 it only got 20 percent of the vote. I know that was long before Mr Quinn was involved with the National Party.

Paul Quinn: I wasn't born!

Hon DARREN HUGHES: In 2002? The member most certainly looks as though he was born by 2002. He looks as though he had enjoyed a very good 50th birthday celebration by the time 2002 rolled around. Political parties on both sides have been up and down. They have enjoyed electoral success and electoral defeat over that period. In 2002, when Mr English was its leader, National relied very heavily on its Parliamentary Service funding for its campaign. That is a matter of public record. I am sure that

National now enjoys much greater financial donations as its political fortunes have improved.

Chester Borrows: We couldn't say.

Hon DARREN HUGHES: I say to Mr Borrows that it could not have got any worse. I think the National Party's largest corporate donation in 2002 came from the Clutha RSA. I am sure that things have improved slightly since then, and perhaps some of the city branches are now involved. The main point of this observation is simply that the laws have to work for parties, whatever political situation they find themselves in. I believe that that is where the compromise must be reached. One of the reasons the Electoral Finance Act was not successful is that it had strong, strong opposition from National. I think that National made a deliberate political decision to make that law unworkable by not cooperating with it, and through ensuring—

Hon Anne Tolley: So it's our fault?

Hon DARREN HUGHES: No, no, I am not ascribing blame; I am simply saying that any law can be picked apart. I am sure the Attorney-General would agree with that. Any law can be made as difficult as possible to implement. For a law to work effectively, we need to have people accepting it. That is the point I am making.

I recognise that National did not accept the previous legislation. Of course, that was because some events had happened before that legislation was passed that, I think, a lot of National members would privately say they were not comfortable with. In the House, they cannot say that. There were things that took place involving a third party. The activities of the Exclusive Brethren church have been mentioned before. They probably went beyond the pale of what most people who participate in politics would like to see. I think the fact that we do not know, and that we saw them—[*Interruption*] Mr Borrows interjects. Given how active the church was in the Whanganui electorate, I would not be interjecting on that particular point, if I was him. There are a lot of provincial and rural members who were great friends of that particular organisation, and who have been much quieter since it came into play. Certainly, we would not want to see a repeat of the 2005 events. The 2008 events, with the major Opposition party not wanting to go along with the law because they disagreed with it so vehemently—and that is no attack; I just refer to the way National felt about it—means that for 2011 we have to have a law that Labour, National, and all the parties feel is fair for them. I think we are getting there, but I want to emphasise Mr Parker's point that there must be some agreement.

I will touch on three other issues. I will finish talking about the third-party issue by saying that we agree with registration, because we think that it is logical. There is transparency in people having to put their hands up and say that they are not a political party, but they want to influence people and how they cast their party vote puts some sunlight on them. People will be mindful of the activities they are undertaking. That makes a lot of sense.

We do not have agreement on the fact that the amount they can spend is uncapped. I think that that creates a bit of an illogical difference, where, in a campaign, political parties' behaviour that clearly seeks party votes in a certain direction is regulated and capped, but behaviour by organisations that set themselves up to overtly influence people's party votes is uncapped. The Royal Commission on the Electoral System said in 1986 that there would be problems with a two-pronged system like that. I think there are, and I think that the committee should look at that. It should not be too hard to reach a compromise on, because under the old Electoral Finance Act the cap was $120,000, which is quite a lot of money. We have said that, as part of a compromise, we will look for a higher figure, if that is what will get consensus. When we think about it, that is a lot of money for an organisation that is not part of a political party to spend, in order to

get involved in an election campaign to support a particular party. When we think through the logistics of it, we will be able to come to some level of agreement.

Paul Quinn: It's less than your salary.

Hon DARREN HUGHES: Well, I am sure that Mr Quinn has not put his entire salary into his election campaign. That would be a particularly bad investment in his case. It is almost like the finance companies writ large. Even funding his own deposit seems to be a bit of a waste of time for Mr Quinn. However, this country is a democracy, and people are free to do what they want with their money. I am sure that Mr Quinn will once again subject himself to democracy.

The regulated period, which Lianne Dalziel spent a lot of time discussing, is something we have to get right. What we asked to discuss at the Parliamentary Service Commission was that, if an election was called within 3 months, members who had legitimately spent money from Vote Parliamentary Service on their parliamentary business work would not be caught in the defined period for the election and have that spending counted against their $20,000 cap. An example of that is if Mr Anderton had as his slogan for his parliamentary business work "Working for Wigram", and that was approved by the Parliamentary Service—as is allowed for his advertisements in the newspaper—and we go into an election period and he happens to use that same phrase on his election billboards, it would be possible to say that the Parliamentary Service - funded phrase was being used for an election purpose, and all that money would be counted. At the Parliamentary Service Commission, we wanted there to be a bright-line test, so if things were approved for parliamentary business, they would not be caught within a 3-month period. I think that we need to get that absolutely clear at the select committee, because in reading the Minister's release, it now looks as though the Parliamentary Service Commission determines what the regulated period should be. I do not think that is what the Parliamentary Service Commission thought they would do, at all. I look forward to participating in the select committee.

HEKIA PARATA (National): Tēnā koe e Te Mana Whakawā, huri noa i tō tātou Whare i tēnei pō, tēnā koutou katoa. I am very pleased to stand and take a short call in the first reading of the Electoral (Finance Reform and Advance Voting) Amendment Bill. As many speakers before me have said this evening, this bill is part of a process of ensuring integrity and durability in a very important part of our constitutional infrastructure in New Zealand. Together with the Electoral (Administration) Amendment Bill, which we are also in the process of debating, it establishes the credibility and certainty of the institutions and processes that together instil confidence in New Zealanders in the constitution of our country. The process that has been followed to get us to this point was led by our very able Minister of Justice, and it has been an inclusive one.

It is important that electoral law reform enjoys the support, confidence, and understanding of the many and different participants in the process. Up to this point we have ensured that parliamentary parties as well as the public have felt fully engaged, or that they have had the opportunity to engage, in this process, so that we have arrived at a bill that reflects a broad consensus. All of us in this House, no matter which part of the political spectrum we are from, are committed to ensuring that we have, and can secure, enduring law reform.

This bill has six main provisions, on which many speakers before me have commented. They are about identifying exactly who the players in this process are likely to be and the regulations that they need to abide by. Therefore the provisions cover the promoters of election advertisements, the electoral advertising itself, the regulation of the campaign period, the campaign expenditure limits, donations, and, of course, the opportunity to provide and amend regulations in respect of advance voting. I

am—and other members have indicated that they are, too—really pleased that we are getting clarity on a range of these issues. Having participated at the 2008 election, I found that much of my time was spent in trying to establish clarity and certainty about what I and my campaign team were allowed to do and not allowed to do. As my colleague Amy Adams has indicated, often the answers were not very clear at all, and we were left in a kind of limbo, which made us susceptible to doing the wrong thing even while trying very mightily to do the right thing. The provisions in this bill will give us all greater certainty, not only for those of us who will be very active participants in the process but also for the most important players in this process: the voters of New Zealand.

This bill marks an important step in New Zealand's constitutional evolution. The necessity for such an evolution to occur can be seen not only here in New Zealand but also in the United Kingdom, where elections are currently taking place. Those of us who have had the opportunity to look at the analysis of how the voting trends would go under the current first-past-the-post system that Britain continues to use can see that it is really important for voters to understand the system that they are engaged in, what their votes will mean, and whom they will get as MPs after election day. The evolution of our constitutional framework here in New Zealand is highlighted by comparing where we are in New Zealand with what is happening in the UK, from which we have inherited all of our Westminster system of parliamentary governance. New Zealand has adopted changes to that system as we have seen the necessity of becoming more attuned with what is required within the polity of New Zealand, and this bill will continue to contribute to that constitutional evolution.

I look forward to participating as a member in the Electoral Legislation Committee under the able chairpersonship of Amy Adams, and to hearing submissions on the bill from as wide a variety of people as possible. It is important that New Zealanders take the opportunity that the select committee process offers them to make submissions, because what we end up with will be a reflection of all their contributions and of our select committee's consideration of them. I very much look forward to hearing those submissions and debating the provisions of this bill in the select committee, and I thank the House for the opportunity to speak on this bill at this time. Kia ora.

CHARLES CHAUVEL (Labour): The Electoral (Finance Reform and Advance Voting) Amendment Bill will—

John Hayes: Are you some kind of horse?

Hon Member: It's his list ranking.

CHARLES CHAUVEL: —amend the Electoral Act 1993 to provide a package of reforms to ensure greater certainty and transparency in the conduct of elections, according to the explanatory note of the bill.

I can see that my tie is causing great amusement on the other side of the House. I will advise members opposite, because it is a good time to give this advice to them, that 350 is the name of a campaign by a group of young people who mobilised on the climate change issue last year. It is a bit of a shame that there is not instant familiarity with the issue among members opposite, as there is by members on this side of the House. Three hundred and fifty parts per million is the level at which carbon levels in the atmosphere have to be stabilised in order to keep global temperature increases below 2 degrees Celsius, which the Intergovernmental Panel on Climate Change says is the key goal for us. These young people—and I know this is a slight digression, Mr Deputy Speaker, but I hope you will indulge me—came to see our caucus this morning to talk to us about our policies in this area. They were incredibly engaging young people, and it was great to see them. I have worn this tie in their honour, and it is good to be able to explain that to members opposite. Hopefully that will end the levity on this serious issue.

Chris Tremain: I'm sure you just made that up.

CHARLES CHAUVEL: I can assure Mr Tremain that I never make things up. That is a monopoly that is enjoyed by members on the other side of the House.

As other speakers on this side of the House have said, Labour will support the referral of the new electoral legislation to the Electoral Legislation Committee, but there are some real concerns about this bill. The concerns that I want to speak about are very similar to those that I mentioned in respect of the electoral referendum legislation that parallels this bill and was dealt with in the House a week or two ago.

One major problem is the lack of any spending limit on parallel campaigners. No one in his or her right mind would want to see any election that is conducted at a local or national level in New Zealand be overrun by cash. On this side of the House we do not want to see that. We do not want to grant to parallel campaigners the ability to campaign on the two issues before voters without any financial limits, thereby overwhelming other voices in the election campaign.

It is clear from the debate around the Electoral Finance Act that there was widespread concern about limiting parallel campaigner spending to $120,000. Obviously, if there is to be a cap in the area of parallel campaigning—and Labour says there should be—we would consider a higher spending cap than that, but not unlimited third-party spending. Hopefully the Electoral Legislation Committee, under the chairpersonship of Amy Adams, will hear a lot of evidence on and address that matter. As I said in my speech on the earlier companion legislation, no one wants to see a rerun of what occurred at the 2005 election. The Government has not properly considered the effects of a lack of proper limits allowing wealthy individuals or groups to overwhelm other voices in the election campaign. If the Government has considered that and none the less has produced the bill in its current shape, then I say shame on it for actually allowing that to occur. That cannot be allowed to stand after the select committee process if we are to try, as a House, to produce decent electoral law.

It is a good thing that under the bill parallel campaigners will have to register with the Electoral Commission. Clearly that will increase the sort of transparency that anyone who thinks about this sort of law will want to see. It is an improvement on the current law, which requires parallel campaigners only to state their name and address on an advertisement and to get permission before advertising in support of a political party or candidate, so it should be supported. But clearly that greater transparency will have a beneficial effect only if forcing parallel campaigners to register reveals the person or entity responsible for the advertising. Under this bill's regime it would be possible to use a front organisation to register as a promoter. A lawyer or another professional person could simply be used as an agent, and that would prevent the public from knowing who really was behind the group's spending. There is no requirement to disclose where a promoter's money comes from. That is not a satisfactory element of the bill, and the select committee will have to address that matter.

The Royal Commission on the Electoral System concluded way back in 1986 that limiting the spending by political parties but not that by parallel campaigners lacked any sort of logic, because political parties can simply give money to a lobbyist to run a negative campaign for them. Nothing in this legislation will address that evil; in fact, it will be exacerbated.

This very problem is also faced in the US at the moment. In January the Supreme Court struck down the "soft" money prohibitions in the McCain-Feingold Act, the Bipartisan Campaign Reform Act of, I think, 2002. Eighty percent of Americans think that is a bad thing, notwithstanding that it was a restriction on absolute freedom of speech. There was a widespread acceptance, even in that bastion of freedom of expression, that in the area of electoral law we cannot allow money to buy votes. So

now in the US there is a vacuum as to what to do with "soft" money. Everybody knows that in the November mid-term elections, if that striking down of the law is not remedied, then there will simply be a deluge of "soft" money from corporates in favour of conservative candidates. The electorate will be awash with cash from the cash-rich part of the political spectrum. People who support democracy know that that is not a good thing. It is not good to see us replicating in our own legislation the vacuum that exists through the result of a court decision in the United States.

Because political parties do face strict spending limits—

John Hayes: I raise a point of order, Mr Speaker. I draw your attention to the *Standing Orders*, at page 17—

Shane Ardern: Speakers' rulings.

John Hayes: I am sorry; it is Speaker's ruling 17/1. Although the first sentence of that ruling refers to the wearing of a hat, the second sentence talks about the wearing of attire with advertising or a message written on it being unacceptable. I wonder whether you would like to rule on that.

Mr DEPUTY SPEAKER: I will rule. In my view the member is just interrupting the speaker who is on his feet. There is nothing untoward in what the member is wearing, and I ask the member to continue.

CHARLES CHAUVEL: Thank you, Mr Deputy Speaker. I know that the 350 group will appreciate my wearing its tie and will not mind the fact that the member who has resumed his seat, notwithstanding his credentials as a climate change denier, is present in the Chamber.

Political parties face strict spending limits, and, as I said, the fact that both National and Labour spent close to their statutory limit in 2008 is important here. There will be an incentive in this bill, if we do not address the parallel campaign issue and the campaign spending limits issue, for parties to work with parallel campaigners who are not subject to the limits, in an attempt to get round the rules.

I hope that the chair of the select committee is paying close attention to these issues. She is nodding. That is good to see, because if a credible result is to occur from this process—which will be to the benefit of her career—then it would be really good to see these loopholes being closed. [*Interruption*] It is good that she says she appreciates the advice. I am not always the best person to give career-enhancing advice, but if we care about the quality of the outcome, the matter ought to be addressed.

As initially proposed the new electoral finance provisions would have required parallel campaigners to register only when they were spending more than $20,000, but this bill contains a lower threshold of $12,000. It seems to us that it would be far better to go back to at least the original proposal. It is useful that the Minister has engaged in consultation prior to the introduction of the legislation, and I think it is appropriate to pay some tribute to him for that exercise, because the experience of the House has been that in producing sustainable and durable electoral law it is appropriate to have widespread consultation on its provisions, and, if possible, to achieve a consensus across the House on those provisions. I hope that will be the outcome of this process, but if it is to be the outcome, then the issues that I have sought to address in my speech do need to be sorted out in the select committee process.

CHESTER BORROWS (National—Whanganui): It is good to be able to take a very short call in respect of the Electoral (Finance Reform and Advance Voting) Amendment Bill. It is great to hear members from the Opposition side of the House talk about things like consensus and understanding, bearing in mind the atrocity we had regarding the legislation enacted when the previous Labour Government was in office. I commend this bill to the House.

Debate interrupted.

The House adjourned at 10 p.m.

WEDNESDAY, 5 MAY 2010

Mr Speaker took the Chair at 2 p.m.
Prayers.

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

Mining in Conservation Areas—Ministers' Recommendation in Cabinet Paper

1. Hon PHIL GOFF (Leader of the Opposition) to the **Minister of Energy and Resources**: Has Cabinet rejected indefinitely the recommendation he and the Minister of Conservation, Kate Wilkinson, made to consider mining 467,517 hectares of national park and protected conservation areas?

Hon GERRY BROWNLEE (Minister of Energy and Resources): Quite apart from the fact that there was no proposal to mine that land, I have to say—

Hon Members: Oh!

Hon GERRY BROWNLEE: I note the tricky wording of the question, so I reply that Cabinet has definitely rejected that early proposal.

Hon Phil Goff: Why did Cabinet decide not to follow his advice to remove protection from areas like Rakiura National Park, Kahurangi National Park, and Mount Aspiring National Park?

Hon GERRY BROWNLEE: In the case of Rakiura National Park, the discussion document asks New Zealanders to consider whether a further aerial magnetic survey is a good idea.

Hon Phil Goff: I raise a point of order, Mr Speaker. The question was quite specific: why did it decide not to remove protection from the three areas? That answer did not address that question at all.

Mr SPEAKER: I will let the honourable Leader of the Opposition repeat his question so that everyone can hear it clearly, and we will listen to the answer.

Hon Phil Goff: Why did Cabinet decide not to remove protection from Rakiura National Park, Kahurangi National Park, and Mount Aspiring National Park?

Hon GERRY BROWNLEE: I say again that Cabinet decided that some aerial magnetic survey of Rakiura might be a good idea. That is part of the discussion document, and that question is being asked of New Zealanders. In the case of other parts of the national park system, there was analysis—and it is also in the document, which the member will have read—that led Cabinet to believe that it was not appropriate to open them up for further prospecting.

Hon Phil Goff: Why was it not appropriate to mine those three national parks, but it was appropriate to look at the Coromandel and Great Barrier Island for mining?

Hon GERRY BROWNLEE: It is because in those cases, Cabinet felt that it was reasonable to ask New Zealanders whether we should make available those tracts of land for further exploration. Simple.

Chris Auchinvole: Can the Minister—

Mr SPEAKER: I apologise to the honourable member, but I say to the Labour front-benchers on this occasion that it is hardly fair on the member asking a supplementary question when there is so much noise.

Chris Auchinvole: Can the Minister give an example of a mine that strikes a good balance between economic benefit and environmental sensitivity?

Hon GERRY BROWNLEE: I hope that all of the 118 permits issued by the previous Labour Government comply in that regard. I can do no better than quote to the member the words of a former Minister of Conservation who said, when approving the

Pike River mine, that it was an area of high conservation value, that when Pike River reached full production it would employ 150 people directly and another 450 indirectly, that it would provide 1 million tonnes of coal a year to be added to the receipts for our current account, and that it would provide lots of jobs. I ask Phil Goff whether he will go back there next year—just as he did last year to try to reconnect with the Labour heartland—and take Trevor Mallard's advice and say: "You're finished. You're out. Sayonara." Of course he will not.

Hon Phil Goff: When he said to the House yesterday, wrongly, that Labour was prepared to, and did, mine in protected schedule 4 land, was he referring to—as the media has since analysed—a permit that was granted when National was in power, a permit that allowed gold and gem fossicking by an elderly man with a shovel, or a permit granted before the relevant park had been gazetted as an area protected from mining?

Hon GERRY BROWNLEE: I answered a question in the House from David Garrett by pointing out that there were two permits for mining on schedule 4 land issued by the previous Labour Government. That is absolutely correct.

Hon Phil Goff: How does he reconcile his statement that the Government's mining proposals are "quite modest" with his earlier claim that mining would be key to the step change in the New Zealand economy?

Hon GERRY BROWNLEE: Quite simply—[*Interruption*]

Mr SPEAKER: I apologise to the Minister. Members ask questions and either they want to hear the answers or they do not. Quite so much noise makes it very hard for anyone to hear the answers.

Hon GERRY BROWNLEE: My answer is quite simply that mining at the moment takes up 0.015 percent of New Zealand's land mass. If that were doubled, it would still be largely unnoticeable but it would provide some $4 billion to $5 billion in GDP. It could provide a similar amount in export receipts over a longer period of time. It is part of—and I have maintained this all the way—a number of things that will lead to a step change in the New Zealand economy. I note that through the 5 years that Phil Goff was the Minister of Trade for New Zealand, our export went backwards. I am not surprised that he is advocating retrograde policies now. He cannot work out what he is for or against. The good thing is that he will not be Leader of the Opposition for much longer.

Mr SPEAKER: Most of the last part of that answer was unnecessary.

Hon GERRY BROWNLEE: I raise a point of order, Mr Speaker. I withdraw and apologise.

Mr SPEAKER: This is getting altogether a bit messy. I acknowledged a point of order but I could not hear the point of order being made. I take it that it was not a genuine point of order, so we will not take further time on it.

Hon Darren Hughes: I raise a point of order, Mr Speaker. I understood that the Leader of the House stood to withdraw and apologise. I was not clear whether that was to the House or to his own colleagues over his handling of this matter.

Mr SPEAKER: The Hon Darren Hughes knows that that is not a point of order. That member is normally a model of discretion when it comes to the Standing Orders of the House.

Hon Phil Goff: What is the Minister's response to criticism from the New Zealand Tourism Industry Association that his proposals have already damaged New Zealand's "100% Pure New Zealand" image, and what is his response to *The Economist*, which says that his proposals make New Zealand's promotion in an area like the Shanghai Expo 2010 an exercise in hypocrisy.

Hon GERRY BROWNLEE: There are a couple of things that we should recognise. Firstly, Tourism New Zealand uses Blue Lake in Central Otago with the "100% Pure

New Zealand" logo over the top to promote tourism. That lake is only there because of previous mining activity on the side, which is quite interesting.

Hon Phil Goff: Oh, no!

Hon GERRY BROWNLEE: Oh, I see. So old-fashioned mining that does all the damage can now be used to promote New Zealand tourism; that is Phil's position. Secondly, I note that Australia, Canada, and other countries around the world do not have a problem in attracting tourists, even though they promote their mining sectors very vigorously.

Budget 2010—Main Focus

2. DAVID BENNETT (National—Hamilton East) to the **Minister of Finance**: What will be the main focus of the Budget on 20 May?

Hon BILL ENGLISH (Minister of Finance): The Budget will be about the many, not the few. [*Interruption*] But seriously, New Zealand has come through the recession in reasonable shape, and the Budget will focus squarely on building the recovery so New Zealanders can get ahead. It will set out a credible plan to achieve faster and more sustainable economic growth after 9 years of the economy underperforming under the previous Labour Government.

David Bennett: How will the Budget help hard-working New Zealand families get ahead?

Hon BILL ENGLISH: The Budget will focus on two things that will help hard-working New Zealand families get ahead. There will be a reform of the tax system, so that it will be fairer and will provide the right incentives for good choices for the economy. It will also focus on getting better value for the large amount of taxpayers' money spent on public services, and that will include getting rid of ineffective programmes left over from the last Government and redirecting that spending to high-priority programmes.

Hon David Cunliffe: When the Minister said that the Budget would be about the many, not the few, did he mean the many increases in costs New Zealanders can expect, in addition to increasing taxes on all the basics, increasing the costs of university and polytech, increasing the costs of childcare, and increasing the costs of home help; and when will we get a Budget focused on creating jobs?

Hon BILL ENGLISH: I meant the many people who are relieved that the dreadful economic management of Labour has come to an end at just the time when New Zealand needs competent economic management to get through this recession. [*Interruption*]

Mr SPEAKER: The member was obviously indicating to me that I should have objected to the Minister's answer, but when he asked the Minister what he meant, he inserted a whole lot of statements. The Minister answered with what he meant, and the member may not have liked it particularly.

David Bennett: How are early signs of economic recovery being reflected in the latest labour market trends?

Hon BILL ENGLISH: A couple of trends are evident. Firstly, it appears unemployment is approaching a peak. We are not quite sure whether it has reached it yet. Secondly, official statistics confirmed this week show that the number of hours worked by New Zealanders is picking up. Total hours worked increased by 1.1 percent in the latest March quarter. That is one of the reasons unemployment will fall only slowly. Many New Zealanders took a cut in hours in order to get through the recession, and, now the economy is picking up, they will increase their hours of work, rather than new jobs necessarily being created immediately.

David Bennett: What kinds of economic policies would threaten New Zealand's recovery and destroy jobs?

Hon BILL ENGLISH: The biggest threat to our recovery would be policies that featured a mix of soaring debt, higher taxes, and never-ending Budget deficits. That is precisely the scenario that the National Government inherited in late 2008 before the global financial crisis. It is unfortunate that those remain the policies of the Labour Party.

Employment Policies—Reports on Success

3. Hon ANNETTE KING (Deputy Leader—Labour) to the **Minister for Social Development and Employment**: What advice has she received on the success of the Government's employment policies?

Hon PAULA BENNETT (Minister for Social Development and Employment): I have received a lot of advice commending us for our commitment to addressing the recession's effect on employment, particularly the employment of young people.

Hon Annette King: Does she agree with the comment that young people are being impacted very seriously by the recession; if so, how many of the 72,000 unemployed young people have been assisted by her employment package, which the Government claimed would address the impact of the recession on young people?

Hon PAULA BENNETT: I will take just one part of the youth jobs package. Under Job Ops and under Community Max, more than 8,000 young people have come off the unemployment benefit—a very different number from the one the member bandies around. I think that is really positive.

Hon Annette King: Has she seen the latest figures on her employment initiatives, which show that in Auckland, where there are 26,000 unemployed young people, a mere 1,800 have been helped by the package she has just talked about; on the East Coast, where there are over 5,000 unemployed young people, a mere 629 got assistance; and in Canterbury, where there are almost 10,000 young people out of work, 760 kids got some help from her package—and the pattern is repeated all over New Zealand—and is her enthusiasm for the package an example of her statement at the weekend that she is "a girl prone to excesses"?

Hon PAULA BENNETT: When it comes to getting people into jobs, then, yes, I think we are prone to excesses. We are seeing more young people in employment who would have been on an unemployment benefit if not for this Government's Job Ops package. We have more people going through straight-to-work initiatives. We have more people in industry partnerships. We have put $69.2 million extra, through just Work and Income, into helping people into jobs. I think this package is responsive and responsible.

Hon Annette King: What explanation has she given to the Prime Minister as to why her employment initiatives have failed to stem the rise in youth unemployment, which is now at its highest level since June 1993, in light of his statement that he did not want to see a repeat of the impact of the recession of the early 1990s on young people?

Hon PAULA BENNETT: The Prime Minister particularly congratulates those who work at Work and Income. When we look at all the projections for what unemployment benefit levels would be, we see that we are well beneath all of them. When we look at the projections from Treasury, from all the economists, from the Half Year Economic and Fiscal Update, from everything else, we see that we are below those projections, and we are bringing down the number of unemployed.

Todd McClay: Is the Minister aware of any feedback on the success of the Youth Opportunities package?

Hon PAULA BENNETT: Yes. The Mayors Taskforce for Jobs wrote to the Prime Minister: "The Youth Opportunities package you announced in August 2009 has been invaluable in providing opportunities for our young people and mitigating the worst effects of the recession." I even have a quote that says: "I'm delighted that someone is getting our younger generation motivated to contribute to our district again." That quote was from Clayton Cosgrove. He was saying that he was delighted with Community Max.

Hon Annette King: Did she toss Treasury's advice on her employment package that it would "likely have limited impact" and would "represent poor value for money" into her "who-gives-a-damn bin", the place she said she puts advice she does not agree with; if so, will she take Treasury more seriously in future?

Hon PAULA BENNETT: The quotes the member keeps referring to are from a letter to the editor. I note that she has yet to have one published, so she is quoting mine now, which is kind of cute. I can table the letter, if the member wishes. She can frame it, given that she obviously likes it so much. When it comes to Treasury advice, I am not the first Minister to disagree with it and I am sure I will not be the last. If we had taken its advice, we would not have over 8,000 young people engaged in these programmes. We have had to keep extending these programmes, quite frankly, because they are going so well.

Catherine Delahunty: Tēnā koe, Mr Speaker. Which Peter Saunders did she intend to appoint to advise the Welfare Working Group on welfare and employment: the Peter Saunders whose book Welfare to Work she cited in the House last week, or the Peter Saunders she actually appointed, who thinks there is a link between low class and low intelligence? Is she aware that they are actually two different people?

Hon PAULA BENNETT: I do not see how that is relevant to the actual—[*Interruption*]

Mr SPEAKER: I apologise to the Minister. A question has been asked. If members want to hear the answer, they need to be a bit more reasonable with the noise level.

Hon PAULA BENNETT: I will say exactly what I said last week: some of the advice and comments from Treasury I agree with, and some I do not. I am not so narrow-minded that I will pick out only the bits I agree with; I will listen to all of them and make a decision from there.

Catherine Delahunty: I raise a point of order, Mr Speaker. Which one did she intend to appoint?

Mr SPEAKER: The member's question was so long and convoluted that the Minister picked up on one piece of it, and she is entitled to do that. If the member wants a question answered seriously, it has to be short and concise, or the member gives the Minister a chance to pick up any bit of it.

Hon Trevor Mallard: Mr Speaker, I do not like disagreeing with your ruling, but I think the question was a relatively simple question: was it the Peter Saunders who said this, or the Peter Saunders who said that? The member indicated that there were two different Peter Saunders, and the question was which one the Minister had intended to appoint. It was not complicated. Disagreeing with one of the statements, or agreeing with it, actually did not address the question, which was which of those two people she meant to appoint. It appears from what was said in the House last week that she has appointed someone she did not mean to.

Mr SPEAKER: The member is now—[*Interruption*] I do not need to have any further assistance on it. The member's kind clarification has shown that the question was barely in order because it was so far removed from advice on employment policies. Which person she might have appointed somewhere bears virtually no relationship to the primary question.

Hon Trevor Mallard: I raise a point of order, Mr Speaker.

Mr SPEAKER: I have dealt with the matter.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I think the point you may have missed, because it was about employment matters, was the purpose of Ms Bennett's appointment.

Mr SPEAKER: The primary question asked the Minister what advice she had received. The supplementary question from Catherine Delahunty asked her which person she had appointed to something; it was totally irrelevant to the primary question. I was being kind in not ruling it out, and to expect me then to insist on the Minister answering a particular aspect of it is not reasonable.

Hon Sir Roger Douglas: How can she justify telling a young person offered a job as a trainee landscaper with a productive value of $400 a week that the young person is not allowed by law to take that job, and must instead go on a benefit of just $160 a week?

Hon PAULA BENNETT: I am sure that I have never told a young person that he or she is not to take a job and, instead, is to go on the benefit. I am not sure what the member is referring to.

Hon Sir Roger Douglas: It is very clear that there is a minimum wage of $510—

Mr SPEAKER: I beg the member's pardon. Is this a point of order or is it a supplementary question? It has to be one or the other. He is an experienced member.

Hon Sir Roger Douglas: I raise a point of order, Mr Speaker. It is very clear what the question was about. Someone was offered a job at $400 a week. The Minister for Social Development and Employment would clearly know that the minimum wage is $510 a week, and that is why, by law, this young person could not take the job. I was asking the Minister how she could justify that.

Mr SPEAKER: I invite the member, because his party has a limited number of supplementary questions, to reword his question to make it consistent with the primary question. The primary question asked the Minister what advice she had received on the success of Government employment policies. I invite the member to rephrase his question to make it in order and consistent with the primary question.

Hon Sir Roger Douglas: Is it not obvious to the Minister that she would have more success in terms of unemployment numbers if she allowed a young person to take up the offer of a job paying $400, and did not insist that, instead of that person taking up that job paying $400, he or she had to go on the unemployment benefit because of the minimum wage rules that she operates under?

Hon PAULA BENNETT: No.

Catherine Delahunty: I seek leave to table two documents. The first relates to the biography of Professor Peter Saunders and it is from the University of New South Wales website.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is objection.

Catherine Delahunty: I seek leave to table another document. It relates to the biography of Professor Peter Saunders from the Centre for Independent Studies, and it is from the Welfare Working Group website.

Mr SPEAKER: Leave is sought to table the document. Is there any objection? There is objection.

Hon Sir Roger Douglas: What is more important to her: young people getting jobs, or pandering to the left? [*Interruption*]

Mr SPEAKER: I am on my feet. There were transgressions from all around the House, so I cannot do much about them. I say to the Hon Sir Roger Douglas, who has been in the House longer than I have, that the question must relate to the primary question. The primary question was very clear. It asked "What advice …". The member

managed in his previous supplementary question to focus on the success of the Government's employment policies. I invite him again—because his party has only a limited number of supplementary questions—to reword his question to make it in order and consistent with the primary question.

Hon Rodney Hide: I raise a point of order, Mr Speaker. I find your ruling a bit perplexing and I draw your attention to what the primary question exactly is. The question states: "What advice has she received on the success of the Government's employment policies?". The ACT Party was assuming that the success of the Government's employment policies was measured in people getting jobs, which is exactly what Sir Roger Douglas was talking about. It is the success of the employment policies that we are discussing.

Mr SPEAKER: It is not difficult to phrase a question that seeks the information the member wants but is more consistent with the primary question. I invite the Hon Sir Roger Douglas to do that, if he wishes. He does not wish to do so.

Genetic Engineering, AgResearch—Names of Members of Animal Ethics Committee

4. SUE KEDGLEY (Green) to the **Minister of Agriculture**: What are the names of the members of the animal ethics committee that approved the experiment at AgResearch's Ruakura facility in 2009, which resulted in genetically engineered calves carrying human genetic code whose ovaries grew so large that they ruptured and killed the animals?

Hon Dr WAYNE MAPP (Minister of Defence) on behalf of the **Minister of Agriculture**: The Minister will not name the individuals on any animal ethics committee, as to do so could potentially put the individuals and their families and property at risk. Members of animal ethics committees must include senior members of the organisation, in this case AgResearch; an independent veterinarian; an SPCA representative; and a person nominated by the local territorial authority. The Minister does not want to deter individuals with an interest in expertise and animal ethics from putting their names forward in this important role.

Sue Kedgley: Why should it be left to one committee, whose membership is secret and which meets in secret, to decide on the significant animal welfare and ethical issues involved in creating genetically engineered animals with human genetic material in them?

Hon Dr WAYNE MAPP: I just want to restate the actual membership of this committee, to indicate its balance. First, it has a member of the organisation itself, a senior member. Second, it has an independent veterinarian. Third, it has a member of the Society for the Prevention of Cruelty to Animals; and, fourth, a person nominated by the local territorial authority. It is worth noting that the question is about animal ethics, and I would have thought that the membership of the committee accurately reflects the member's concerns.

Sue Kedgley: Does he agree the public has a right to be consulted about the ethical and animal welfare implications of inserting human genetic material into animals and fundamentally altering their nature and properties?

Hon Dr WAYNE MAPP: In effect, this is all dealt with by the Environmental Risk Management Authority, which has a process involved in it, and it is very extensive, as the member knows. So it is not the ethics committee itself that deals with the original application; it is actually the Environmental Risk Management Authority that deals with the original application, which gets to the point that I think the member is raising.

Sue Kedgley: I raise a point of order, Mr Speaker. I asked a very carefully phrased and very specific question—whether he agrees the public has a right to be consulted about these issues, yes or no.

Mr SPEAKER: I invite the Minister to reply a little more. I am sure the Minister can answer that question; I invite him to do so.

Hon Dr WAYNE MAPP: The specific reason I mentioned that the Environmental Risk Management Authority processed it is that that is an extensive process. In respect of the precise methodology as to how the authority conducts its inquiries, I am not entirely clear whether it has a public component but my recollection is that it does. I would need to verify that.

Sue Kedgley: Given that the Environmental Risk Management Authority does not consider ethical and animal welfare issues, who is responsible for ensuring there is a public debate about the ethical and animal welfare implications of genetically engineered cross-species animals, now that the organisation previously responsible for this work—namely, the Bioethics Council—was axed by the Key Government, in March last year?

Hon Dr WAYNE MAPP: Can I note at this point that the Minister of Agriculture, when he became aware that the calves had died, immediately sought advice from the Minister of Agriculture and Fisheries on the animal welfare implications. He was satisfied that the advice from the ministry was that the National Animal Ethics Advisory Committee had acted properly and in accordance with the Animal Welfare Act 1999. So it was considered that the advisory committee did properly deal with the issues raised by the member.

Sue Kedgley: I raise a point of order, Mr Speaker. Again it was a very simple, straightforward question: who is responsible for ensuring there is a public debate, now that the Bioethics Council has been disbanded. The Minister was obviously reading some answer to a question but I think it was the wrong question that he was seeking to answer, and I respectfully ask whether he could answer my question.

Mr SPEAKER: I ask the Minister, having heard the member's question again, whether he could answer a little more precisely to what the member is asking him—I realise it is not easy for a member answering on behalf of a Minister—if he has the information. He may not have the information; one has to be reasonable on these matters.

Hon Dr WAYNE MAPP: I in my capacity as Minister of Research, Science and Technology will be seeking a report on the results of this particular programme—

Hon Darren Hughes: I raise a point of order, Mr Speaker. The Minister is answering on behalf of another Minister. He is not the Acting Minister; I do not believe that the Minister is out of the country. He is not answering in his own stead as the Acting Minister of Agriculture; he is answering on behalf, so he cannot start giving an answer about what he is doing in another portfolio. Interesting though that might be, it is not in order.

Mr SPEAKER: The member's point is perfectly sound. The Minister should be answering on behalf of the Minister of Agriculture. It may be that the Minister does not have the necessary information but he should try to answer the member's reasonable question.

Hon Dr WAYNE MAPP: The Minister of Agriculture has been advised by the Minister of Research, Science and Technology that a report will be sought from Sir Peter Gluckman, the Prime Minister's Chief Science Adviser, who is an acknowledged expert on growth and development and these issues. I believe that that report will deal with some of the concerns being raised by the member.

Sue Kedgley: I raise a point of order, Mr Speaker. Please, I seek your protection on this issue. I asked who—[*Interruption*]

Mr SPEAKER: Members know that points of order should be heard in silence, even if they do not like them. However, I say to the honourable member that, in fairness, as

Speaker I have asked the Minister on two occasions to give a more precise answer; I do not believe I can do more. I think the member needs to go on to her next supplementary question, because quite clearly the Minister does not have the information.

Sue Kedgley: I raise a point of order, Mr Speaker. I asked who is responsible for ensuring a public debate, now the Bioethics Council has been disbanded. That is an incredibly simple question. Is the answer "nobody"?

Mr SPEAKER: The member must not get into debating the issue. I have asked the Minister, on two occasions now, to give a more precise answer to the member's question; I do not believe we can take up more time of the House. Clearly the Minister does not have the information.

Hon Dr WAYNE MAPP: Mr Speaker—

Mr SPEAKER: Is this a point of order?

Hon Dr WAYNE MAPP: Adding to the answer.

Mr SPEAKER: I—[*Interruption*] I am on my feet. I ask the Hon Shane Jones for a little decorum, please. I am getting a little frustrated here. I have asked the Minister on two occasions, when the member has repeated what information she was seeking in a reasonable question, to provide the information. Is the Minister, after refusing on two occasions to do that, now telling us he has the information and wishes to answer the question? Is that what the Minister is trying to say? I invite him to do that if he has that information.

Hon Dr WAYNE MAPP: I was going to add to my answer in a way that I believe would assist the member's question. It is obviously possible for the member to make submissions to Sir Peter Gluckman. That is the way these kinds of issues can be debated.

Sandra Goudie: What action is the Government taking in respect of this research?

Hon Dr WAYNE MAPP: As I have indicated, the Minister of Agriculture has been informed by the Minister of Research, Science and Technology that Sir Peter Gluckman—the Prime Minister's Chief Science Adviser, who is an acknowledged expert on these issues—is to make a report. Indeed, I am sure the member will make submissions to Sir Peter on this issue.

Sue Kedgley: Does he agree that the experiment went horribly wrong, and can he guarantee that no further trials of this nature will be carried out in New Zealand?

Hon Dr WAYNE MAPP: The Minister certainly does understand that the experiment went wrong, which is precisely why he sought a report from the Ministry of Agriculture and Forestry when the issue came up, as did the Minister of Research, Science and Technology from the Prime Minister's Chief Science Adviser. On the second point the member raised, obviously the Minister of Research, Science and Technology will have raised those issues directly with the chair of AgResearch.

Sue Kedgley: Does he agree that the deformities in the calves were quite horrific, and that most New Zealanders would be shocked at what has been going on behind closed doors at the Ruakura Research Centre?

Hon Dr WAYNE MAPP: In relation to the second point, these activities do not go behind closed doors, as such; the fact that it was occurring was public. I agree that New Zealanders would have found this horrific and very perturbing.

Wage Growth—Reports

5. Hon DAVID CUNLIFFE (Labour—New Lynn) to the **Minister of Finance**: What reports, if any, has he received on recent wage growth?

Hon BILL ENGLISH (Minister of Finance): This week I have seen two reports. The quarterly employment survey showed that the total weekly paid hours worked increased by 1.1 percent in the March quarter. This follows the recession that started in

early 2008, which forced many businesses to reduce staff working hours. That trend is now starting to reverse. Secondly, the Labour Cost Index shows that public wage and salary rates increased by 2.3 percent in March quarter, which is nearly double the 1.3 percent increase in the private sector.

Hon David Cunliffe: When unemployment is at a 16-year high and wage growth is at its lowest in almost 9 years, why is Budget 2010 focused on increasing GST and pushing up the cost of living for hard-working Kiwi families?

Hon BILL ENGLISH: Budget 2010 is following on from Budget 2009 in dealing with two things: first, the recession that started in New Zealand in 2008, under the previous Labour Government, before the global crisis; and, second, the very poor performance of this economy from about 2004 onwards, when it grew at less than 1 percent per year through what were meant to be the best economic conditions in a generation. So we have to undo the damage of the squandered opportunities under that Government, and deal with the global recession.

Amy Adams: What was the impact on average household incomes of New Zealand's economic performance between 2005 and 2008?

Hon BILL ENGLISH: In the 3 years from September 2005 to September 2008 GDP grew on average by less than 1 percent per year. However, that figure was outstripped by annual population growth of 1.1 percent, meaning that the per capita growth in incomes during the last 3 years of the previous Government was actually negative when the rest of the world was booming.

Hon David Cunliffe: What other job opportunities are open to young, unemployed New Zealanders when the only job scheme the Government has announced—the cycleway—has failed to create any jobs, as predicted by Treasury; and is that what this Government means by back-pedalling?

Hon BILL ENGLISH: Well, the Labour finance spokesperson job might be available to them, as well—even for younger ones. The fact is that jobs are being created every week. Several thousand people a week are going off the unemployment benefit as the economy starts to recover. Budget 2010 will help to create the conditions where business has the confidence to invest and employ, because until or unless business makes that decision, there will not be a reduction in unemployment.

Amy Adams: How have incomes for New Zealanders on New Zealand superannuation, which are linked to average take-home wages, been affected by recent Government policy?

Hon BILL ENGLISH: Since 1 October 2008 a combination of tax cuts—initially, tax cuts put in place by the previous Labour Government, and then further tax cuts by this Government—has meant that New Zealand superannuation payments have increased significantly. For instance, the single rate for a person living alone has gone from $571 a fortnight to $636 a fortnight—an increase of nearly $65 in the hand per fortnight. For married couples, the increase per fortnight has been up to about $100 in the hand, or more than 11 percent, since 1 October 2008. We believe that policies that continue with adjustments in the tax system and promote economic growth will mean that New Zealand superannuation payments can continue to increase.

Hon David Cunliffe: How does the Minister reconcile his comment in the taxpayer-funded promo *Plain English* that "We can beat those Aussies!", when New Zealand's average wage has stalled at $959 and the Australian wage has raced ahead to $1,580?

Hon BILL ENGLISH: As I said, it will take us some time to undo the damage done by 9 years of misdirected economic policy.

Hon David Cunliffe: I raise a point of order, Mr Speaker. We traversed yesterday the boundary between a factual history of things that he is responsible for, actions under the previous Government, and his description of the policies of another party, which

you ruled to be out of order yesterday. You gave him, I guess, wiggle room in that a passing reference might be allowed, but he started his response by talking about the Labour Party, and it does not appear there is any way out on this occasion.

Hon Gerry Brownlee: I think that reflection on the question will give a perfectly good reason as to why Mr English was perfectly free to start his answer in the way in which he did. The member over there referred to a taxpayer-funded television programme, about which Mr English had made a particular promotional point. At that point the member asked him "How does he reconcile" and then compared wage rates in Australia with those in New Zealand. If we analyse it right down, there was no clear question whatsoever. If, in fact, "How does he analyse" or "How does he reconcile" was the question, then Mr English was quite free to reply in the way in which he did.

Mr SPEAKER: I have heard quite sufficient. I have to agree with the Hon Gerry Brownlee. If the member wants Ministers to not deviate from absolutely straight answers, the member has to discipline himself by not putting elaborate constructions into his questions.

Health Services—Minister's Statements

6. Dr PAUL HUTCHISON (National—Hunua) to the **Minister of Health**: Does he stand by all of his recent statements on health services?

Hon TONY RYALL (Minister of Health): Yes, including the statement that Waitemata District Health Board is improving front-line services for patients in its area. For example, last year an extra 1,045 patients received elective surgery compared with 2008, which is an increase of 8 percent, and almost 2,000 extra patients received an appointment to see a surgical specialist, which is an increase of 10 percent. We are certainly delivering more for people in that area.

Dr Paul Hutchison: What further reports has he received of improved front-line services being delivered at Waitemata District Health Board?

Hon TONY RYALL: I can advise the House that the $1.7 million refurbishment of Waitakere Hospital's emergency care centre is now under way, which will bring full 24/7 emergency care services a step closer for the 220,000 people of west Auckland. When Minister and local MP Paula Bennett and I visited the hospital recently, we saw the site of an expansion in the number of paediatric beds at that hospital, and I can advise that, this weekend, work will start on providing an additional seven short-stay paediatric beds at the hospital. By way of example, over the whole district health board, general surgery is up by 10 percent, and ear, nose, and throat surgery is up by 14 percent.

Hon Ruth Dyson: How will his statements help the people of Tararua, who are facing big health cuts, and where a cancer support worker is reported as saying: "This is just the start. Already we're facing more calls for our services as funding cuts hit our area.", and where health professionals say that the cuts to rehabilitation services and the axing of night coverage by the district nursing service will put even more strain on families, on carers, and on volunteers?

Hon TONY RYALL: With respect to the night services being discussed by the member, there will be alternative services available for the people there. The people of the MidCentral District Health Board have had additional funding—

Hon Ruth Dyson: Like what?

Hon TONY RYALL: Like what? Like the $300,000 extra given to the local hospice.

Dr Paul Hutchison: What other services are being improved at Waitemata District Health Board?

Hon TONY RYALL: I am advised that a new renal service is being put in place at Waitemata District Health Board. Presently, around 220 patients are on dialysis, and

they are treated in central Auckland, meaning that Waitemata District Health Board patients must travel long distances three or four times a week for 4 to 6-hour dialysis sessions. The new service, which is to start next year, will see existing patients transferred to Waitemata District Health Board and all new patients treated locally. At North Shore Hospital, a new medical ward will open next month, and a new chronic pain service will be starting very shortly.

Hon Ruth Dyson: Why does he continue his parallel reality in which there are no cuts, when, every day, I am alerted to new health cuts around New Zealand, which will get—

Mr SPEAKER: I apologise to the member. Forgive me, but I just cannot hear the member's question. The House has been particularly noisy today. I do not mind noise where opinions are very strongly held, but the member is just asking a question.

Hon Ruth Dyson: Why does he continue his parallel reality in which there are no cuts, when, every day, I am alerted to new health cuts from around New Zealand, which will get even worse when his much-lauded $536 million of new money will be dramatically reduced in the 2010 Budget?

Hon TONY RYALL: This Government can show that we are delivering more front-line services for New Zealand than the previous Government was ever able to do. We have certainly seen today that the Waitemata District Health Board is providing many more services for the people in that community.

Hon Ruth Dyson: I seek leave to table the Midlands region newsletter of the New Zealand Nurses Organisation from the last quarter of last year, which quotes David Bennett and Tim Macindoe stating that New Zealand is now a Second World country, and that, as such, we can expect only Second World care—

Mr SPEAKER: Leave is sought to table that document. Is there any objection? [*Interruption*] Members know that when a point of order is being considered, they must be silent. I ask how I am meant to hear whether there is any objection to the leave being sought when there is so much noise. If members make that kind of interjection, then I may draw the wrong conclusion.

Leave is sought for that document to be tabled. Is there any objection? There is objection.

Education, National Standards—Minister's Statement

7. Hon TREVOR MALLARD (Labour—Hutt South) to the **Minister of Education**: Does she stand by her statement in regard to national standards that "There will be no concessions, there will be no trial period."?

Hon ANNE TOLLEY (Minister of Education): Yes, and I also stand by the next part of that quote: "Parents want National Standards and they are going to get them from next year. There will be constant evaluation, the tenders are just being let, and if adjustments need to be made, then that will happen."

Hon Trevor Mallard: Does she agree with the statement that "the trials are an important step that allow standards and internal assessment resources to be road-tested with actual students before being implemented"?

Hon ANNE TOLLEY: From memory, that quote comes from the New Zealand Council for Educational Research's submission as part of the consultation on national standards last year. It made three main points. Two of them we totally agreed with. In fact, the council agreed totally with the national standards and the way in which they are being implemented, and it was very complimentary. The third point related to the timing of the implementation. Its recommendation was that we have a national road test for 12 months. As I say, that was one submission; 11,000 submissions were made during the consultation period. I think that our agreement on two areas out of three was not bad.

Hon Trevor Mallard: Was the Minister aware that the statement I just quoted came not from the New Zealand Council for Educational Research but from last week's edition of her *Education Gazette* on how to develop quality standards?

Hon ANNE TOLLEY: As I stated in my previous answer, from recollection that quote was indeed part of the New Zealand Council for Educational Research's submission during the consultation period last year. That was its recommendation. I am on record as saying that we are happy to have this year with the standards as a bedding-in year. I think that whether one describes it as a bedding-in year or a road test, they are pretty close. I think that it is very good to have a research organisation like the New Zealand Council for Educational Research onside with national standards.

Colin King: Why did the Government not have a trial period for national standards?

Hon ANNE TOLLEY: This Government was elected with a very clear mandate from parents to introduce national standards to ensure that their children were being assessed against nationally consistent benchmarks and to ensure that parents received reports in plain language about their child's progress. I have seen all sorts of suggestions for trials—for example, one suggestion would involve a 5-year trial of the standards. I can put it no better than one parent, who attended one of the national standards meetings around the country, who said: "Why should my children have to wait any longer?".

Hon Trevor Mallard: Why does her Ministry of Education, under her direction, consider it vital to trial minor changes to the National Certificate of Education Achievement (NCEA) but not vital to trial national standards?

Hon ANNE TOLLEY: There is such a difference between NCEA and national standards. NCEA has been in schools since early in the 2000s, and there are very high stakes for students because it represents national qualifications. In NCEA we have a consistent process of improvement. That is exactly what I have said will be in place for national standards. We will constantly improve them, because they are not about systems; they are about kids and their educational success.

Hon Trevor Mallard: Why is it vital to trial minor changes to NCEA but not vital to trial her new national standards?

Hon ANNE TOLLEY: I have just answered that.

Mr SPEAKER: If the member feels that his question was not answered to his satisfaction, he is entitled to use a further supplementary question to ask the same question again. I guess that if the Minister says that she has answered the question, then that is a reasonable answer. Members can make their judgments about the adequacy of the previous answer.

Student Loans—Changes to Administration Fees

8. ALLAN PEACHEY (National—Tāmaki) to the **Minister for Tertiary Education**: What changes is the Government considering to make administration of the student loan scheme more cost effective?

Hon STEVEN JOYCE (Minister for Tertiary Education): The Government is looking to recover more of the $40 million per year it costs to administer the student loan scheme. Currently, only $10 million is recovered from students through the $50 charge per year, which takes place while a loan is being drawn down. That charge has not been changed since 1992. Once borrowers leave tertiary education, they do not pay any of the administration costs of the scheme, at all. It is only fair that borrowers who receive the benefit of interest-free loans cover more of the actual costs of loan administration, so more people have the opportunity to participate in tertiary education.

Allan Peachey: What would this extra money be used for?

Hon STEVEN JOYCE: Money currently spent on subsidising student loan administration costs could be freed up to invest back into more places at tertiary institutions. This year we are funding a record number of student places in New Zealand tertiary institutions, but this is currently projected to decline next year, partly as a result of the previous Government's projection for student numbers to fall as a result of the global economic recession. Final decisions will be detailed in the Budget later this month.

Hon Maryan Street: How does he reconcile the addition of a $50 fee on any person with a student loan with last year's Government legislation offering a 10 percent bonus on any additional loan repayment of $500 or more—which is about $50 in my maths—or is the Government seeking to recover the cost of its own legislation by giving with one hand and taking away with the other?

Hon STEVEN JOYCE: I think that 10 percent of a student loan repayment could be any amount of money; it depends on who pays it back. I think it is entirely fair, though, that the administration—

Hon Maryan Street: No—the bonus legislation.

Hon STEVEN JOYCE: Yes, the bonus is 10 percent of the overpayment—that is what it is. I think it is quite fair for administration costs of the scheme to be met by those who participate in it. I think it is entirely fair. There will still be the bonus for early repayment, which they will receive on top of that.

Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill—Government Support

9. DARIEN FENTON (Labour) to the **Minister of Labour**: Will the Government support the Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill to select committee so that New Zealand workers and business can have their say on the adequacy of current redundancy laws?

Hon KATE WILKINSON (Minister of Labour): No.

Darien Fenton: What then does she have to say to warehouse supervisor Rod Highsted, who is one of about a dozen workers at TA Macalister laid off this week without any redundancy payment after 20 years' service?

Hon KATE WILKINSON: For anybody who loses his or her job, it can be a very upsetting experience. I certainly sympathise with them. That is why our Government has made sure we are taking every step we can to get the economy growing again and help laid-off workers into new jobs.

Darien Fenton: What does she have to say to Annie, an information technology worker who emailed me this week, who was made redundant just before Christmas without redundancy pay and who has lost her house, all of her savings, and practically all of her furniture because she had nothing to tide her over while she looked for another job?

Hon KATE WILKINSON: I repeat what I said in my previous answer, but redundancies are never nice. People are losing jobs, small-business owners are losing their livelihood and often their homes, and adding more rules and regulations to this does not make it any fairer.

Darien Fenton: What does she have to say to Telecom engineers such as Jonathan Smith who were made redundant through no fault of their own in the middle of one of New Zealand's highest periods of unemployment, with no redundancy pay to help them get through the hard times until they found more work?

Hon KATE WILKINSON: I reiterate what I said in the previous two responses.

School Trustee Elections 2010—Closing Date for Voting

10. JO GOODHEW (National—Rangitata) to the **Minister of Education**: When is the last day for parents to vote in the 2010 school trustee elections?

Hon ANNE TOLLEY (Minister of Education): For the vast majority of schools, voting in the 2010 school trustee elections closes at noon this Friday, 7 May. Parents at schools with more nominations than positions should have their voting forms and I encourage them to vote in these elections for the parent representatives who will govern their children's school for the next 3 years.

Jo Goodhew: What reports has she received on the number of schools with too few nominations in the 2010 school trustee elections?

Hon ANNE TOLLEY: I am delighted to say that reports I have received state that across the country only three schools have had insufficient parent representative nominations. That compares very favourably with the 2007 elections, which saw five schools with insufficient nominations. Commissioners will be put in place on a temporary basis for those schools until a new election process can take place. This strong nomination turnout shows that parents are interested in taking part in the governance of their local schools, and I am particularly pleased that parents have ignored the calls of Mr Mallard to think twice before they consider standing for boards of trustees. It shows that parents are paying as much attention to the Labour Party on this one—

Hon Darren Hughes: I raise a point of order, Mr Speaker. Ordinarily we would appreciate full and long answers from the Minister, but for this question, which is an informational one, the answer is now turning into a speech.

Mr SPEAKER: I think that was a fair point. Indeed, I think we have had enough of it—[*Interruption*] Could members make sure they rise and call? Today the noise level in the House means either I need to get my ears tested or the noise level is too high. It is very difficult to hear. Members need to get to their feet reasonably promptly or I cannot pick them up. I apologise to Rahui Katene, who has a supplementary question.

Hon Gerry Brownlee: I raise a point of order, Mr Speaker. I apologise to the member. The comment you just made about the noise levels in the House is pretty relevant. Sometimes members miss an opportunity to take a call. We have had a little bit of that lately; indeed, I think it is largely due to the sound system, which is still not working well in this House. It is unfortunate that we keep getting reports to us stating that it is the best thing since sliced bread and that there has been a significant amount of money spent on it, but it continues to be something that is very, very difficult for members to work with. I have been approached by members of our own backbench who even on a quiet day find it difficult to hear members at the front of the Chamber speaking.

Mr SPEAKER: It is an important issue. I will hear the Hon Peter Dunne, but I do not want to spend too much time on it. I am acutely aware of what the Leader of the House has just said.

Hon Peter Dunne: I endorse Mr Brownlee's comments. I think that although today there has been a higher level of noise than usual—in this corner of the House, anyway—the problem is that the noise comes through at a constant level. When we get someone with a louder voice than usual—for instance, when Mr Brownlee was answering questions previously—we might expect it to carry. What is often carried down to this end of the Chamber is the constant hubbub, and we cannot hear the individual speaker over that hubbub. I have had difficulty hearing you and members on that side of the House at times today. When we had the system that was individualised to the seats, the individual sound of a voice came through. When we went for these

stalactites, or whatever they are called upstairs, we lost that. I think the consequence has been that it is harder for people to hear and this has contributed to a general level of disorder.

Mr SPEAKER: I think that both members make very good points. I am acutely aware that members in the back rows of the House cannot hear even in good times. I assure members that I will pursue this matter again. Members will recollect that I sought approval at one stage to enable technicians to come into the House during question time so they could hear what was going on. Again, I will seek the indulgence of the House for that because we must solve this problem. I am struggling to hear and members at the back of the House cannot hear. This is a very serious problem. The point the Hon Peter Dunne just made is true; it leads to disorder. When members cannot hear what is going on, there tends to be more noise and difficulty all around. I promise members I will pursue it again, because it is not good enough.

Rahui Katene: What strategies are being employed to ensure that boards of trustees are representative of their communities, including the representation of mana whenua?

Hon ANNE TOLLEY: Boards of trustees are self-governing entities, and there are no specific initiatives to encourage the representation of mana whenua. When voting, school communities will no doubt look to put in place governance that is in the best interests of the school. That may very well include people with links to local iwi. The Education Act 1989 allows boards of trustees to co-opt members. The Act requires that in doing so, they take into account the ethnic diversity of the school population and the character of their community.

Research and Development—Tax Credits or Equivalent Incentive

11. DAVID SHEARER (Labour—Mt Albert) to the **Minister of Research, Science and Technology**: Is the Government reconsidering the question of tax credits or an equivalent incentive for research and development?

Hon Dr WAYNE MAPP (Minister of Research, Science and Technology): The Prime Minister said in his statement to Parliament on 9 February that science and innovation and how they underpin business opportunities are so important for this Government that "we have made science and innovation a priority for new spending in this year's Budget, and we are focused on boosting business research and science capability." The member will have to wait for Budget announcements for the actual decisions.

David Shearer: Does he agree with the Prime Minister's Chief Science Advisor, Professor Gluckman, who said at a select committee today that we need a significant shift in private-sector research and development spending; if so, what actions has he taken to achieve that?

Hon Dr WAYNE MAPP: I think it is widely agreed that business does need to invest more in business innovation. As I said, there are Budget announcements ahead that will deal with some of these issues.

Louise Upston: What initiatives has the Government undertaken to support science and innovation since the 2009 Budget?

Hon Dr WAYNE MAPP: The Government has done a number of things. Firstly, the Government appointed Professor Sir Peter Gluckman as the Prime Minister's Chief Science Advisor. Secondly, it realigned the funding system with its economic growth priorities. Thirdly, it has implemented the recommendations of the Crown Research Institute Taskforce, which was very well received. Fourthly, it is merging the Ministry of Research, Science and Technology and the foundation into a new agency to administer science policy and funding. Fifthly, it has established the Prime Minister's Science Prizes. And there is more to come.

David Shearer: Does he share the concerns of Dr Andrew West, the chief executive officer of AgResearch, who said: "There's been a lot of talk about extra money in last few years but there's been no serious allocation from the Primary Growth Partnership.", and said, following the recent loss of 36 AgResearch jobs, that "Jobs will also go in dairy foods, food safety, parasitology, reproductive biology ", and I could go on; and how does he justify these delays in the Primary Growth Partnership?

Hon Dr WAYNE MAPP: Decisions will be made in relation to the Primary Growth Partnership. Of course, it is the responsibility of the Minister of Agriculture. In relation to the Ministry of Research, Science and Technology, the recommendations of the Crown Research Institute Taskforce deal with quite a number of the issues that the member has raised.

David Shearer: How much money have the various Crown research institutes received so far from the Primary Growth Partnership?

Hon Dr WAYNE MAPP: I will have to provide a precise answer to that. But the application process is really only just in train at the moment, because the applications have to be considered.

Toi Moko / Tattooed and Mummified Māori Heads—Repatriation from Museums

12. PAUL QUINN (National) to the **Minister for Arts, Culture and Heritage**: What recent progress has been made in efforts to secure the repatriation of toi moko from museums around the world?

Hon CHRISTOPHER FINLAYSON (Minister for Arts, Culture and Heritage): Earlier this morning, the Upper House of the French Parliament passed legislation enabling toi moko held in French institutions to be returned to New Zealand. That opens the door for Te Papa to approach museums in France and negotiate repatriation with them, with the ultimate objective of returning the toi moko to their communities. I express the Government's gratitude to the French Government and to Minister Frédéric Mitterand, to whom the Hon Dr Sharples and I wrote last year on this issue, and to the French Parliament for passing this legislation.

Paul Quinn: How many toi moko are estimated to be held in French museums?

Hon CHRISTOPHER FINLAYSON: Estimates range from between 12 and 20. There are a number of museums, as well as the Université Montpellier, that have been identified as being likely to have toi moko in their collections.

Rahui Katene: How will iwi be actively involved in the negotiations and return of moko mōkai to their tribal rohe?

Hon CHRISTOPHER FINLAYSON: Te Papa will be holding them only on an interim basis. They are not accessioned as part of Te Papa's collections. The museum has a policy prohibiting their exhibition. The goal of repatriation is to return the kōiwi to their communities of origin. Where it is possible to establish this, they remain in Te Papa's custody pending return to their attributed place of origin. Discussions with iwi to this effect are ongoing as the repatriation of remains occurs.

GENERAL DEBATE

Hon PHIL GOFF (Leader of the Opposition): I move, *That the House take note of miscellaneous business*. Kiwis do not ask for a lot, but they expect two things from a Government. They expect the opportunity to find employment and they expect to have a living wage so that at the end of the week their bills do not exceed the income that they earn. I have to say that on both of those fundamentals, Kiwi workers have gone backwards, not forwards, over the last year under this Government.

I went back and checked what our Prime Minister and our Minister of Finance said about employment this time last year. They boasted about the track record of New

Zealand and about the low unemployment, which was inherited from a Labour Government, in comparison to what was happening in Australia. I ask members to listen to this from John Key: "I do know that New Zealand's unemployment rate is 5 percent, and we can contrast that with the rate in Australia, which is 5.7 percent,". He said that showed that National was doing a good job of holding down the unemployment rate in New Zealand. Then Bill English went a step further than that. He said that New Zealand was doing much better because the Government had the fiscal stimulus right. He said: "our fiscal stimulus has kept our unemployment rate down to 5 percent. So which one is it: copy Australia's plan and force up the unemployment rate up, or stick to our plan and keep the unemployment rate lower?"

The problem was that there was no plan in New Zealand. However, there was clearly an effective plan in Australia. Kevin Rudd had a good stimulus package going to the whole of Australia. Research and development there is up 25 percent, and money is being invested in skills and training. What are the figures today after those boastful claims from John Key and Bill English? Australian unemployment is down to 5.3 percent; New Zealand unemployment is up to 7.3 percent. For the first time in a decade, New Zealand unemployment is running higher than Australia's. It is one-third higher than Australia's. What did we do in New Zealand? We had a Job Summit. Do members remember the three big ideas? One was the cycleway. I ask Mr Brownlee how many jobs have been created in the last 14 months in the building of that cycleway since that Job Summit. Does Mr Brownlee know the answer? It is zero; no jobs have been created, despite the fact that our unemployment has risen to 168,000.

Then there was the big employment package in August, which was rushed through so that John Key could announce it to the National Party conference. We wanted to find out what the thinking was behind that employment package. Radio New Zealand put in an Official Information Act request, and for 9 months National refused to respond to it. Today the information was released and New Zealand can see why National tried to cover up the information. Treasury said that the scheme represented poor value for money. Treasury regarded the $120 million scheme as poor value and was unlikely to increase long-term jobs. The jobs that were created by the 6-month short-term subsidies to employers disappeared when the subsidies went. The big package in August was an absolute failure.

There are 72,000 young New Zealanders out of work. The Government spends more money, but what about the fact that 37 percent of our teenage Māori and Pasifika kids are out of work, not in training, and not in education? That figure of 37 percent is a disaster waiting to happen. We had the mega-mining plan that was going to create jobs, but suddenly the plan has become modest.

Hon JUDITH COLLINS (Minister of Police): Phil Goff says that Kiwis do not ask for a lot or expect a lot. He would know that, because under 9 years of Labour Government they did not get a lot.

That is one of the things that have been turned around by this Government. In a couple of weeks' time we will see Budget 2010, which will build on the marvellous results from 2009. When we came into Government we inherited an economy that was on the skids and a country that was already in recession. We took over from a Government that had been in office for 9 years, had built up debt, had built up expectations, but had left the kitty absolutely empty. That is what it did, and it did that at a time when it should have known that the country would be going through tough times because of a world recession. But instead of doom and gloom in the country, what actually happened last year was that a very straight course was run—something that Labour could never do. We went on a very straight course to make sure that as many Kiwis as possible stayed in jobs, and that as many people as possible stayed in work, so

that they could in fact contribute to the economy and look after themselves. But what we had had under Labour was more borrowing—

Hon David Cunliffe: Tell us about Savoy? She doesn't like that. She doesn't want to talk about Savoy.

Hon JUDITH COLLINS: Mr Cunliffe, who is very noisy today, has an answer for everything. His answer is to borrow, borrow, and borrow, and when that is finished to borrow a bit more. It used to be "tax and spend" under Labour; now it would be "borrow and spend". That is what Mr Cunliffe says. He says that New Zealand does not have a debt problem. Unfortunately, we have a debt problem caused by Labour when it was in Government, because it never saved so that it could spend wisely and invest to help people get into their own businesses and keep their heads above water. Instead, all that the previous Labour Government ever did was spend, spend, and spend, then borrow—

Hon David Cunliffe: It's unravelling.

Hon JUDITH COLLINS: —I say to Mr Cunliffe—and borrow some more. Mr Cunliffe would like to see us like Japan. He would like to see us far into debt; that is what he wants. He is telling Bill English to borrow more and just put it on the card. Well, we all know about that, and we are looking forward to the payments on Mr Cunliffe's cards becoming public in another month's time. I say to Mr Cunliffe that I am really looking forward to that. I am looking forward to seeing what he was spending taxpayer dollars on; I have a lot to say about that. Mr Cunliffe does not like it when we talk about borrowing, does he? Not a lot! No, he does not like it.

Why is that? Mr Cunliffe is Phil Goff's biggest enemy, and that is not just because he wants to be the leader of the party. It is because any thought of Mr Cunliffe being anywhere near Treasury would be enough to send Labour down to 18 percent in the polls, which is where it should be. Unfortunately, Mr Cunliffe is the Labour finance spokesperson, so about now Mr Goff must be wondering what he is doing.

In contrast to that, in Budget 2010 we will see some policies to lift New Zealand's long-term economic performance—a performance that will continue to get better, time and time again. But it will not be an easy job. One of the things we are doing is bringing in more money from the back office into the front line, and we will see a readjustment in spending to make sure that that happens. That is something the Labour Government could never do. Labour's idea of helping people was to build up the bureaucracy in Wellington and to forget about the people who paid the bills, but under National we will not see that.

Hon David Cunliffe: But what are you doing?

Hon JUDITH COLLINS: Mr Cunliffe asks what we are doing. Well, in the corrections area, which was left in the most appalling mess by Phil Goff, we are doing a public-private partnership. We are leading the way and doing something that Labour never had the backbone to do, which was to invest in our own people to help them get ahead and bring the economy forward. Labour could not do that because its whole answer was "borrow and spend". All Mr Cunliffe has to say is "borrow and spend". We will be undertaking that partnership while maintaining firm control over the Government's finances, and it is extremely important that we do so. It would be very, very difficult just to continue on as we are. We will make sure that we get better productivity. Under 9 years of Labour, during the best economic times the world has seen, we had 1.1 percent growth in productivity. That is what the Labour Government had, but unfortunately the legacy it left us was debt.

Dr CAM CALDER (National): I raise a point of order, Mr Speaker. I just point out that I could barely hear the Minister in her speech. It was as if she were not even miked.

Mr SPEAKER: Before I call the next honourable member—

Hon David Cunliffe: Go and fill up!

Mr SPEAKER: I say to the Hon David Cunliffe that the Speaker is not going to go and fill up. What is more, the member will not interject like that when I am on my feet. Interjections give this House some life, and it is important that this place is not boring, but I think the point that Dr Cam Calder has made is a fair one. The level of interjection that the Hon Judith Collins was having to try to speak through was pretty unreasonable. I ask members to be a little more reasonable.

Hon ANNETTE KING (Deputy Leader—Labour): We have just heard from Judith Collins—a Minister who has had a lot from taxpayers. She has had gallons and gallons of free petrol. She is now known as the biggest gas guzzler in the whole Parliament. I have to say that the gloss is going off this superficial Government very fast, indeed. I was very interested to read Colin Espiner's column yesterday when he said: "In the life cycle of every administration, there's a stage when it 'tips' …" and he asks about that because he thinks that perhaps things are about to change for the worse for this Government. I have to say to Colin, if he is listening, that he is dead right. People in New Zealand and serious commentators are waking up to the fact that they have a Government of spin, spin, spin. They have a Government of bluster and blatherskite. It is a Government of photo opportunities, whether its members are posing with babies or posing in a flak jacket in Bamian. Policies are pulled out of the hat to meet a media and photo opportunity.

Where have the enduring principles of the proud old National Party gone? They have been replaced by opportunism and poll-driven slogans. That is what we get from the Government of today: "ambitious for New Zealand" has become "ambiguous for New Zealand". We were going to have a step change with a cycleway that has not produced a single job. We were going to catch up with Australia, but Australia's unemployment is going down and our unemployment going up. And, guess what is happening: the New Zealanders who were all going to come home under John Key's Government are all heading back across the Tasman. What we get from National members are big bang policy announcements so that they can keep up the old poll ratings, which they take every week. I believe that National members are the original poll-driven fruitcakes. Everything they do is based on a poll. Serious commentators are now asking: what does National stand for; where is the Government's moral compass; what drives the Prime Minister; what is the plan; what is the step change; and where is the leadership?

Let us take just unemployment as an issue. Unemployment, when people's jobs are taken from them and they are thrown on the scrap heap, is one of the most pernicious things we can have in society. Any serious Government would see what it could do to help those who are unemployed, particularly young people who are just starting out in life and want a job. All they have from this Government are publicity shots; unemployment has been nothing more than a plaything for this Government. It has not taken unemployment seriously. As Phil Goff said, it held a media-managed Job Summit. Everyone was to come to the summit and have a look at Mr Key as he announced major policies that would bring about a step change for New Zealand and jobs for everybody. I have to admit that it got him on television, but what have we ended up with? We had an unemployment rate that was the lowest in the OECD, below Australia's, but it is now one of the highest at 7.3 percent—30 percent higher than Australia's. Australia has created 215,000 jobs in 6 months.

What have we done? Sixty thousand Kiwis have lost their jobs. Of our young people, 72,000 of them are now unemployed. For 6 months Mr Key and his Cabinet did nothing, but on 1 August last year along came the National Party conference. A late Cabinet paper, of 29 July, was rushed through so John Key could make an announcement at the National Party conference. No wonder Treasury said the policy

was poorly thought out, it was not going to achieve the goals, and, basically, it was a waste of money. Treasury has been proved correct. I ask National members opposite to have a look at the results of their policies, because they have not produced them for young New Zealanders. It is a crying shame to see what that Government is doing to so many young people in this country.

Hon STEVEN JOYCE (Minister of Transport): The effects of the global economic recession have been felt around the world but not so much in this end of the world. In fact, this end of the world has actually been pretty lucky in the overall context of the world economic recession. It will come as a surprise to the members opposite to know that, in fact, New Zealand grew at a faster rate than Australia in the second half of 2009 on a per capita basis. That will come as a surprise to the Opposition, but it just goes to show that New Zealand is not doing too bad, but there is heaps more to do.

Here is another piece of news for the Opposition: Governments do not hold up the sky on their own; they can do things in the short-term—and this Government is—but, ultimately, it takes businesses in viable industries where New Zealand has a competitive advantage to create ongoing jobs. We do not magic them out of thin air, I say to Mr Cunliffe. That means having a tax system that, firstly, encourages people to work hard and get ahead. Budget 2010 will deliver that tax system for New Zealand.

It also means a regulatory environment that encourages industries to grow and add jobs, and to do that we have to have changes and we have to look at things that we can do to encourage industries. I talk of things like unlocking responsible mining opportunities for jobs, things like unlocking irrigation opportunities for jobs, things like unlocking opportunities for more aquaculture space, and things like allowing more productive heavy vehicles to transport our goods to market; all of which this Government is doing and most of which the Opposition opposes. Labour members say we do not do enough about jobs but they have no solutions, and all the time they hate the things that we are doing. They bleat on and on about job creation and growth but what did the previous Labour Government do to tackle any of these challenging things when it had the chance? It did nothing, and members opposite offer nothing now. They offer nothing to encourage industries to create growth.

In fact, their only solution is to saddle a struggling Crown company with a political decision to try to start a new industry when that company knows that commercially it does not make sense and has no comparative advantage. In fact, members opposite know that as well, because the previous Government had the opportunity to build trains in New Zealand but did not go ahead with it. But that is their only token suggestion.

This Government does assist; it is working hard and helps job creation by investing in infrastructure. We are doing that like nobody else.

Hon David Cunliffe: Where is the broadband?

Hon STEVEN JOYCE: We are making massive investments. For example, we have invested massively in Transpower for electricity transmission, in roading with $11 billion for new State highway infrastructure in the next 10 years, and, yes, I say to Mr Cunliffe, in ultra-fast broadband. If Mr Cunliffe had left the sector in better shape, then we would not have to take the reasonable period of time we are to achieve that. Also we are making massive investment in education and skills. Labour members do not talk about this, but we have the largest number of places ever in New Zealand tertiary institutions this year.

But the biggest impact the Government can have on real growth is to control its own expenditure. Controlling Government expenditure keeps debt down, it keeps interest rates lower than they otherwise would be, and it keeps exchange rates under control. Labour members do not understand that; they actually want something done about exchange rates—they have been talking about it for a year now but they have no ideas.

One of the most important things that a Government can do to influence these things is through its Budgets and showing control of expenditure. That is what Budget 2010 will do. It will control expenditure, and it will give the opportunity for the private sector to grow because it will lower interest rates. The Opposition needs to learn to understand that, because frankly Mr Cunliffe does not. He claims there is no debt problem in New Zealand. He says that somehow we could just magic our way to success by borrowing more money. Well, that is a recipe for disaster, as the Minister of Finance pointed out yesterday. We already have large private sector debt. If we add large public sector debt on top of that, we will create a debt problem for New Zealand. Frankly, the Opposition does not understand that, and until it learns about that then the public of New Zealand will not trust Labour with the Treasury accounts again, because its only solution is to spend more money.

Labour members criticise every expenditure change made by this Government and have said they would keep all the expenditure. They would keep spending away and growing the Government's side of the economy and shrinking the real side of the economy. We know what the outcome of that is; we know it is low growth rates, and we saw it between 2006 and 2008. Before the economic recession even began in the rest of the world, we saw low per capita growth—in fact, negative per capita growth in this country. So Budget 2010 will create many more jobs in New Zealand by controlling expenditure and investing in infrastructure.

Hon DAVID CUNLIFFE (Labour—New Lynn): We have heard from the "Minister for Faster Cheaper Broadband", but not one inch has been laid on his watch. What is happening? Ordinary Kiwis are watching "Cruiser Collins" sucking off the teat of the taxpayer—100 bucks a week in petrol—at the same time that she gets a chauffeur-driven limousine. Bill English was double-dipping on the taxpayer, and is still pretending he lives in Dipton while drawing an accommodation supplement in Wellington. John Key stands up a trade mission in the Middle East, whose members paid $20,000 each to go with him, while he does flak-jacket photo opportunities in Afghanistan. Gerry Brownlee is the only one to get a run on the board this week for that Government. He managed to draw the biggest crowd in Auckland history and unite them against the Government. It was the biggest crowd in Auckland history for Gerry Brownlee.

While all of that is happening, what are ordinary Kiwis saying? I will read out a heartfelt plea from an ordinary Kiwi that I saw on a website: "Every time National gets in it costs me directly in the pocket, being an average Kiwi. Last time they were in there were calls 'We need to tighten our belts'. Then things did get better under Labour, but again National are cutting things and costing me and mine in the pocket, using the same catchcry 'Tighten the belts for the betterment of the country'. I suppose they mean things will get better for middle and lower Kiwis when Labour are back again."

Things just go from bad to worse for Bill English. Two weeks out from the Budget, the Government should be rolling in a string of positive press from its own pre-Budget announcements, but instead it is rolling in the muck of its own making. Things go from bad to worse. "Families paying more for their groceries", "Wages stall", "A third of young New Zealanders out of work", and today we hear that the cycleway, which was the No. 1 job scheme, has created not one single job—zero, nada, zip, nothing. There was not one job from the No. 1 initiative of the Job Summit.

Hon Ruth Dyson: That was the big deal.

Hon DAVID CUNLIFFE: That was the big deal.

What about the 9-day fortnight, the great job scheme? It was so bad that only 30 companies used it and the Government cancelled it in the middle of the recession. What about ordinary Kiwis who are worrying about paying the bills? They received about 1

percent in wage growth in the last year—1 percent—and that was before inflation. They are going backwards and they know it. They are worrying about paying the mortgage, worrying about putting food on the table, and worrying about their power prices going up. Meanwhile "Cruiser Collins" is looking for a gas station. It just is not right.

The tipping point has come, because New Zealanders now believe that this Government is more worried about its own popularity than about doing what is right for New Zealand and about having New Zealanders' interests at heart, putting food on their table, and protecting their jobs. Here is the truth, here is the bottom line: this Government does not have a plan for the job of "Joe Average".

The Government does not have a plan to grow this economy. It says that four things will do it—the four solutions. More jobs, it says, but that does not work because the gap with Australia is widening and our unemployment is now at a record high for the past 10 years. It would reform the tax system, but that means the "Joe Averages" will pay more for GST on everything they buy and the rich few will get a whopping big tax cut. That does not work.

The Government says there will be better delivery of public services. Well, we have not talked too much about that, so let us just go through a few broken promises. National promised that it would not cut services. What part of that promise has it broken so far? It has taken $49 million from road policing, there has been a 25 percent cut in teachers' professional development, and it has taken $130 million over 4 years from adult education.

There are 250,000 Kiwis who have lost their night classes to save about $13 million a year, which is about one-third of the extra subsidy that those Tories gave to private schools. Quarter of a million ordinary Kiwis are missing out so that the Government can give a bonus to private schools, and that is wrong. Ordinary Kiwis know it is wrong. They think it stinks, and that is why the tipping point has come. The Government has taken $25 million over 4 years from curriculum development and school programmes in State schools, and $28 million from the training incentive allowance.

PESETA SAM LOTU-IIGA (National—Maungakiekie): The upcoming Budget is what National will put forward for this country. We have a plan, despite what the previous speaker, David Cunliffe, alluded to. The plan will underline this Government's credentials as a safe economic manager of this country. The plan will look to a tax system that is fairer across all sectors of the economy, and it will also produce a set of accounts that will read much better than those under the last Government, which were bleeding red before the economic recession hit this country. Unlike our counterparts across the Chamber, we will not have a borrowing programme that will lead us to the type of situation occurring in Greece and other countries across the world, which are experiencing severe financial distress.

The legacy the last Labour Government left us was one of stagnant growth, and one of economic growth that, year on year, was approximately 1 percent. One percent growth per year, year on year, during its administration is unacceptable. But growing at a rate of knots under the last Government was core Government bureaucracy. That was the biggest game in town under the last Government, and it is the game that this Government is committed to reining in. The other big legacy the last Labour Government left for us was a tradable sector that had been declining for 5 consecutive years. For 5 consecutive years the New Zealand export sector declined. We will not get out of this economic recession unless we expand the export sector, expand job opportunities within that sector, and expand the economy in terms of our external debt. Things will be grave economically if we are not prudent. Our external net debt is 90 percent of GDP. I repeat that: our external debt is 90 percent of GDP—one of the

highest ratios in the Western hemisphere, one of the highest ratios among developed countries—and we have to stop it.

The last speaker asked about creating jobs. I heard from my friend Mr Quinn recently that a job is available: the job of Leader of the Opposition. Apparently a barbecue is going on this Friday night, but we do not know the location. We do not know whether it will be in Wainuiōmata, St Marys Bay, or up in Northland. [*Interruption*] Well, that riled them. Where is it? I hear it is in St Marys Bay. Members should bring their own lattes—BYO lattes. They do not eat sausages any more; they eat quiche at the barbecues. Labour members eat quiche at their barbecues.

Hon Member: A new leader on Saturday morning.

PESETA SAM LOTU-IIGA: We have heard right here in the Chamber that there will be a new leader on Saturday morning. As much as I admire my friend and colleague Mr Goff, who is MP of a neighbouring electorate and is a good electorate MP, I do not believe that the people of New Zealand look at Mr Goff and see the next leader of this country. Members on that side of the House have to think about where leadership comes from.

Carol Beaumont: Why don't you talk about jobs for New Zealanders?

PESETA SAM LOTU-IIGA: They want to talk about the economy. It is about productive investment and savings. Only through investment, savings, and changing the structure of our economy will we get out of this recession.

Stuart Nash: Where's the plan?

PESETA SAM LOTU-IIGA: I say to Mr Nash that the plan is quite clear, as he knows. The plan is quite clear: a fairer tax system, investment in innovation, and investment in jobs that matter to this country. We are also about saving.

Hon DAVID PARKER (Labour): In the next session of this Parliament Mr English will present his second Budget of this term of office—the second of three Budgets, 1 short year away from the likely election. It is time to reflect on whether National is performing and keeping its promises. We have heard today Steven Joyce and, during question time, Bill English ranting unwisely that the prior Labour Government mismanaged the economy. I have *The Economist* magazine from this week in front of me—the world's pre-eminent financial magazine. What is the front-page story? "Acropolis now: Europe's debt crisis spins out of control". It is not just Greece, not just Portugal, and not just Italy; it is all of those countries plus Great Britain and others, albeit to a lesser extent. All of those countries went and did what National members, when they were Opposition spokespeople, said New Zealand should do. At that time, John Key said that Labour should not be running those Budget surpluses and reducing Government debt; he wanted tax cuts for New Zealanders. After Bill English took over his position, he said exactly the same.

If we had made those decisions it would have left New Zealand in the same position as the countries that are highlighted in this week's issue of *The Economist* magazine. New Zealand's Government debt would be out of control. Instead, the Labour Government, against the strident opposition of the National Party, ran Budget surpluses until we had countercyclical tax cuts as we left office. Those Budget surpluses meant that we left Government debt low: gross Government debt at 17 percent of GDP, and net Government debt at close to 0 percent of GDP.

Instead, if we look at Italy, we see that Government debt is 116 percent of GDP—these are last year's figures—and if we look at Great Britain, we see it is 68 percent of GDP but heading very fast towards 100 percent of GDP. We in this country experienced the mismanagement of the economy under the Rt Hon Sir Robert Muldoon, who left New Zealand's debt at about 80 percent of GDP, so we know that it takes a whole generation to get it back under control. I am sick to death of National members crowing

about economic mismanagement by the Labour Party when they know we did it right, and as a consequence we are not one of the countries that *The Economist* is listing under the headline "Acropolis now: Europe's debt crisis spins out of control". We left the books in good order.

I turn to the comparison with Australia. The National Government was elected on the promise that it was going to lift New Zealand's fortunes and get back to the position of Australia. What is happening? The opposite: we are getting further apart. Unemployment is getting worse. You know, people always ask what the big difference is between New Zealand and Australia, and those members say it is mining. At one stage they were going to open up 467,000 hectares of national parks, which was going to get us to close to Australia. Well, they have whipped that plan back to 7,000 hectares, which is obviously not going to get us to catch up with Australia, and where is their plan?

National's Minister for Economic Development, Gerry Brownlee, has no other plan. The big difference between New Zealand and Australia is Australia's savings record, its access to capital, which gives it the money to invest in productive enterprise, to pay higher wages, to sell smarter products, and to have more manufacturing in its home country. But what does the National Government do? Well, it does what National Governments have always done. In 1975 a National Government cut the savings scheme that would have had New Zealand in the same position as that of Australia. That was a Labour Government scheme, designed by Roger Douglas and implemented by Norman Kirk. Since then, this National Government has done the same thing again with KiwiSaver. The difference is savings; National does not have a plan. The gaps between us and Australia are growing ever larger.

CHRIS AUCHINVOLE (National—West Coast - Tasman): As a well-known political catchphrase goes, "It's the economy, stupid.", and I say that it is. Indeed, no amount of emotion, such as we have just heard expressed on the other side of the House, will make a difference to the hard facts. I am delighted to speak in today's general debate, on the economy. The economy is the most fundamental part of Government, and the economy influences the standard of living of our population. The economy determines what we can afford to spend in the crucial areas of health, welfare, and education, and the economy is crucial for creating jobs and realising higher incomes.

Let us reflect for a moment and go back over some of our economic history, through the Holyoake years, the Kirk years, the Rowling years, the Muldoon years, the Lange, Palmer, and Moore years, the Bolger years, the Clark years, and now, at a time of economic renaissance, the Key years. I know, from my own experience in business and from listening to others, which of those periods was best for hard-working New Zealanders and their families, and it was not, is not, and never will be, the years during Labour's tenure; Labour likes a welfare-dependent constituency.

Today I will talk about the progress we have made in resurrecting the economy after 9 years—9 long years—of economic mismanagement. I will talk about the steps we have undertaken to ensure that the edge has been taken off the recession—because it has been. I will talk about the policy direction in which we are moving forward in order to maximise our economic growth and productivity. We in National look to reward resourcefulness, to encourage enterprise, and to salute and celebrate success, and that is reflected in the economic decision-making of our team. First of all, I ask what kind of economy we inherited from the previous Labour Government. When we, the National-led Government came into office, New Zealand had already been in recession for most of the year. By the December 2008 fiscal update, net debt was soaring to be about 50 percent of GDP by 2023, and there were permanent deficits. It was obvious that this

country needed some serious economic salvaging from the mess that Labour policies were largely responsible for.

We have acted quickly to cap the numbers in our core bureaucracy, with $2 billion being moved to front-line services. Another $1.8 billion will be redirected to Budget 2010. We have invested billions of dollars in critical infrastructure such as high-speed broadband, and we have implemented a $500 million relief package to make life simpler for small businesses. We have also simplified and streamlined the Resource Management Act.

Hon Trevor Mallard: Who wrote this rubbish?

CHRIS AUCHINVOLE: That Act is perhaps the most important legislation to date—and Mr Mallard knows that. The Local Government and Environment Committee, of which I am the chair, worked diligently and hard to ensure that the amendments would achieve the intentions of making it easier for businesses to grow, and of investing in and creating jobs, while protecting our environment. This, and the other changes we are embarking on, will be a great boon for our economy.

Let us think for a moment of the rural areas that we so much depend on for the revenue-earning capacity of our country. Let us look at West Coast-Tasman, an electorate of resilient, resourceful, and hard-working people, and an electorate that I am very, very proud to represent. The recession has been cushioned by the increase of jobs in mining, the very industry that Labour—mining is its own origins—now wishes to dismantle and to suffocate. The tourism industry, under the guidance of the Minister of Tourism, Prime Minister John Key, in the West Coast has actually increased during the recession, and it has increased substantially.

We have seen a stabilisation of agriculture and horticulture within the electorate. We are starting to see interesting changes. For example, I was doing a shop-by-shop visit the other day in Motueka, where the majority of retail businesses are doing very nicely, and where they are reporting that people are now coming over from Nelson to Motueka to shop for a greater range of goods and for price competitiveness.

HONE HARAWIRA (Māori Party—Te Tai Tokerau): Kia ora, Mr Speaker. Kia ora tātou katoa. On Saturday a friend of mine turned 50; Tau Henare wanted to say "Skunk, Happy Birthday!". I thought I would dedicate this slot to recognising a son of Ngāti Āmaru, a committed supporter of the Kīngitanga, and a longstanding member of Black Power.

Martin Cooper was just a kid when Black Power was born here in Aotearoa. It was the voice of alienated and freshly urbanised Māori youth revelling in being outsiders and rejecting a mainstream society that was determined to crush the hopes of marginalised Māori youth. Like many other young Māori coping with adolescence, he was a handful. He was whāngaied out when he was young, eventually finding unconditional acceptance only with the Black Power whānau, during tough and dangerous times when he often ran foul of the law.

As he matured, his leadership qualities became increasingly apparent, and he soon began to respond to the inner voice that told him that he was Māori, and that the Black Power in Aotearoa was something that had to draw its values and beliefs from the teachings of his ancestors. Influenced by leaders like him, the often aimless and destructive gang runs were replaced by marae-based alcohol-free and drug-free wānanga, which led to Black Power taking a firm line against the then all-too-common practice of gang rape. That took courageous leadership from people like Martin. He has also been a driving force in the movement to stop the manufacture, distribution, and use of methamphetamine, which was the fulfilment of a promise made at the graveside of a much loved lost brother Hone Day.

His growth saw him move to Hamilton in pursuit of his reo, and he talks fondly of the whānau that took him in to teach him his mother tongue under the kaupapa of Te Ataarangi. The commitment and the dedication that had marked his time with the brotherhood showed results as he grew into his role as the speaker for his whānau. Martin's involvement with waka huia is also one of long standing, enabling him to bring the discipline and power of kapahaka to the Black Power brotherhood. Again, he worked at it with the dedication and the passion that he gave to everything he did, promoting wānanga all around the motu, and dedicating his efforts to Ngāpō and Pīmia Wehi, whom today he proudly calls his mentors.

He has worked hard, demonstrating the value of hard slog and of earning a legitimate income, eventually taking up a job with the Group Employment Liaison Scheme and the Community Employment Group scheme, where he mentored me into my one and only Government job, and where he gave his all because the kaupapa of his work was giving back to the communities from which he came. This employment within the belly of the beast raised his consciousness about where the real decisions were being made, and about how, if he really wanted to influence the health and wealth of his people, he needed to be a policy maker and not just a policy statistic. That knowledge led to his undertaking, and being successful at, tertiary study, which reminds us all that the pursuit of knowledge is a lifelong obligation, and puts out the challenge again to the brotherhood that to learn is to grow.

In recent years Martin's new-found knowledge, his growth, and his commitment to Māori development led to his getting involved with the Māori Party, where he quickly became a critical leader of Pita Sharples' A-team, helping Pete to win in 2005, and taking up a formal role after the 2005 election—a position he still holds today. Again, he has demonstrated another route for young Māori warriors and another set of possibilities, created by his work ethic and his commitment to a kaupapa. His loyalty to his Kīngitanga is something he carries without much fuss. It is a role he accepts as part of his leadership within his whānau and his hapū, a commitment that is lifelong, and a belief that he carries in his heart wherever he goes. A proud son of Tainui, Martin is a fine ambassador for his people.

Today I acknowledge a brother of the Māori nation who has shown by his efforts that commitment, dedication, loyalty, and passion are talents that can take anyone to where they want to be. Martin Cooper is a leader in all that he has done and a role model for others to follow. Kia ora tātou katoa.

Dr PAUL HUTCHISON (National—Hunua): It is highly relevant that the Leader of the Opposition and the deputy leader of the Labour Party have presided over two of New Zealand's worst economic disasters. Those leaders have been around for many decades. I can think of the years between 1984 and 1989 when their Government left New Zealand technically bankrupt. But the other highly relevant point is that when Labour's new blood, its new finance spokesperson, the Hon David Cunliffe—man of the people; member for New Lynn but resident of St Marys Bay—went on study leave in Tokyo the other day, Labour's polling suddenly went up. When he came back, 2 to 3 weeks later, Labour's polling went down again, and did so from a very low base, I must say. This just absolutely points out what a bad situation Labour is in—what a shocking situation it is in. First, Labour has a leader and deputy leader who have presided over New Zealand's worst economic disasters. Secondly, when the brand new blood went out of the country, Labour made a bit of a recovery in the polls. But that has not lasted. No, Labour has gone straight back down, into the depths of despair, which is its true place.

However, it is important to remember back to those absolutely disastrous years of 1984 to 1989, when Phil Goff and the Hon Annette King were there. New Zealand was

technically bankrupt at the end of that time. Interest rates were up to a massive, whopping 22 percent. Farmers had to leave their farms, at the end of Labour's legacy. Inflation was up to 6 or 7 percent, and unemployment was generally at 11 percent, but for Māori it was 22 percent and for Pacific Islanders it was 33 percent.

Stuart Nash: You've got it wrong.

Dr PAUL HUTCHISON: I can hear Mr Nash saying that that is wrong. He has forgotten just how bad Labour's legacy was back then, in the 1980s.

But let us have a look at what happened between 2008 and 2009, because in many respects that time was just about as bad. That was a possible golden era for New Zealand, but the Labour Government blew it—it absolutely blew it. In fact, Labour had the gall, in its very last Budget, to spend up $10 billion in the hope that it could win back a few votes. Labour left the cupboard bare. Labour had the gall, in the knowledge that an economic recession was on its way, to leave New Zealand's cupboard absolutely bare.

Let us have a look at some of the figures. There was falling economic growth: minus 0.2 percent annual GDP growth in the December quarter of 2008-09, down from 3.2 percent. But it is worse than that. When Labour came into power in 1999, economic growth in the last quarter of the National Government was 4.6 percent. But growth rocketed the wrong way, down to minus 2 percent, at the end of 9 long years of Labour. There was rising unemployment, at 4.6 percent in the December quarter of 2008-09, which was up from 3.4 percent in 2007-08. It was reminiscent of that decade before, when Labour let New Zealand down so badly. There was high inflation, 3.4 percent annual CPI growth, a $16.1 billion current account deficit, and annual productivity growth that was only 1.1 percent, between 2000 and 2008.

I can think of just how bad it was in the health field. A Treasury report pointed out that there was no productivity growth in the health sector over those years when Labour invested or spent—misspent—an extra $6 billion a year. Labour invested $6 billion a year, but for no extra elective surgery. Yet in the last year National has been proud to announce that 11,800 new elective procedures are being done per year. It has been a magnificent time for this National Government.

STUART NASH (Labour): What a rewrite of history that was. I think the previous speaker, Paul Hutchison, is mixed up with Muldoon. At the end of the Muldoon era we were in such trouble that public servants had to go out and put stuff on their credit cards, we were so hard up. As for Ruth Richardson—goodness me! It took until New Zealand had a Labour Government to get unemployment down to the level it was at previously. What a rewrite of history.

I would like to start with a very short quiz. Who said: "National is not going to raise GST."?

Hon Trevor Mallard: John Key.

STUART NASH: Right; it was John Key. The people of New Zealand voted for no increase in GST, because this is what John Key explicitly told them: "National is not going to raise GST." Mr Key and Mr English are National members, and they are going to raise GST. It annoys the hell out of New Zealanders that these senior politicians could be so disingenuous as to promise one thing and deliver another. The Prime Minister promised no GST increases, yet New Zealanders will get them. That is simply not fair. That is called a broken promise. My question is: why would we raise GST? That is a rhetorical question, because there is no right answer.

Let me give members the facts. Mr Key and Mr English have said that New Zealand taxes consumption at a relatively low rate. The coverage of our GST system is comprehensive, from avocados to zinc and everything in between. As a result, New Zealand has the sixth-highest level of general consumption taxation as a proportion of

GST out of the 30 OECD countries. The OECD stated in its 2000 edition of revenue statistics: "There has not been any general trend in OECD countries from direct to indirect taxation. Over the past forty years, the general trend away from indirect taxes has been so strong that only six countries—Luxembourg, Mexico, the Netherlands, New Zealand, Poland and the Slovak Republic—escaped it." In fact, only Iceland, Ireland, Portugal, and the Slovak Republic had a higher percentage of the total tax take from consumption taxes. We have a comprehensive GST system. I ask the Māori Party members whether they will support a Budget and a Government that increases the rate of GST, when they have a member's bill proposing to cut GST on food. Where does the Māori Party stand on the issue of a general increase in GST? I say to Rahui Katene to stand by her principles and to not support this Budget of broken promises.

I would like to ask Mr Key and Mr English whether they have read the research from a conservative UK thinktank that found that increases in consumption tax, like GST, would be more damaging to economic growth than increases in base income tax. I would also like to ask the Minister of Finance what he will say to the 19 percent of small to medium sized enterprises surveyed by the *New Zealand Herald* who believe that any increase in GST will seriously reduce sales, while another 41 percent think it will have a minor impact; that is, 60 percent of businesses polled by the *New Zealand Herald* believe that an increase in GST will hurt their business. Of those companies, just over 56 percent of them were opposed to any increase in GST, and, of those, 32 percent were strongly opposed to an increase in GST. Not only are the people of this country opposed to an increase in GST but also over half the businesses are, too.

In another scary piece of information for Kiwis, the polling went on to state: "While all firms plan to review their prices, 34.9 per cent envisage an increase of more than the GST increase of 2.5 per cent and 10.8 percent plan an increase of more than 5 per cent." Mark my words: if the Government thought that this would be a nice and simple transition, it is being naive. What will the Government do to ensure New Zealanders are not ripped off? I will tell members what—nothing. Do members know why? It is because unless someone earns above the top marginal tax rate, the Government does not care. We have seen that proven in the House today when the Government said that it would not back Darien Fenton's redundancy bill. That is the law in Australia. We keep comparing ourselves with Australia. Well, if we want to compare ourselves with Australia, then the Government should back Ms Fenton's bill.

HEKIA PARATA (National): Tēnā koe, Mr Assistant Speaker. I will start my contribution this afternoon by inviting the Opposition members to join us on this planet. So far this afternoon we have heard a reinvention of the his-and-her-story of the time when members on that side of the House were in Government. The previous Labour Government left a legacy of red ink to us—red ink. We had falling economic growth, with a 0.2 percent increase in annual GDP in the 2008-09 December year, which was down from 3.2 percent. We found that members opposite specialised in plummeting figures rather than in rising ones. The exception to that was the unemployment rate, which was 4.6 percent in the 2008-09 December quarter. It had gone up from 3.4 percent. Under Labour we had high inflation, a 3.4 percent annual consumer price index—

Hon Darren Hughes: What is it now?

HEKIA PARATA: I will get to that. If that member would just still his impatient heart, I will get to where we are on that. We had a rising current account deficit under Labour. It was around 9 percent of GDP or $16.1 billion for the year ended December 2008, having gone up from $14.4 billion. Annual productivity growth was only 1.1 percent. What a significant achievement that was by the previous Labour Government between 2000 and 2008!

But members can rest assured that this Government has a plan. The National members have a plan. This plan brought us into Government in 2008 and saw us delivering a Budget in 2009 that redirected $2 billion worth of low-value expenditure, all of which had been brought in by Labour. Now we have a plan for 2010. New Zealanders are asking whether they should have Labour, which is a spend, spend, spend type of administration—

Peseta Sam Lotu-Iiga: Borrow, borrow.

HEKIA PARATA: —I have not even got to the borrowing and taxing side of it yet—or whether they should have the preparation for future growth that this Government is interested in, where numbers in the core bureaucracy are capped, $2 billion is to be moved to front-line public services over the next 4 years, and another $1.8 billion will be found in Budget 2010.

New Zealanders can ask whether they should have the Labour approach to life, which is to borrow, borrow, borrow, when on the other hand they could have the National approach to life, where billions of extra dollars are invested in critical infrastructure—

Hon Trevor Mallard: This is a disgrace. This member shouldn't talk on that topic.

HEKIA PARATA: —that member might care to listen, instead of shouting his frenetic statements, which nobody is interested in—including the national grid and broadband. That infrastructure investment directly supports thousands of jobs in our communities and contributes to a stronger economy. They might ask whether they want the Labour approach, which is to tax, tax, tax, or on the other hand whether they prefer the National approach, which is to invest in a $500 million relief package to help simplify things for small businesses, which members on this side of the House understand are what will help to grow the economy in order for us to have a sustainable tax base.

Do we want the Labour approach to life, which is to spend, borrow, spend, tax, spend, and borrow—and so the refrain goes on—or do we want an approach that sees the Resource Management Act simplified so that more people can get into business, more development can occur, and more jobs can be made available? Do we want an approach where we undertake major reviews and action follows them, unlike the approach of the Labour members, which was to have reviews and consult people to death when they were in Government, so that people suffered from consultation fatigue? That is the opposite of what members of the National Government do, because we take action on the things that we undertake to do. That is the kind of plan that members on this side of the House have.

Budget 2010 will see us lift New Zealand's long-term economic performance, because we are interested not in the short-term frippery that characterised members opposite when they were previously in Government, but in long-term, sustainable economic performance. Budget 2010 will outline broad-based reform of the taxation system, so that it becomes fairer, leaves the vast majority of households better off, and supports faster growth. Budget 2010 will move taxpayers' money to high-priority public services, spending significantly more on health and education. As we speak, the Minister of Health has just announced a new bowel cancer-screening test. That is yet another contribution to sustainable, long-term health in our community.

We have a plan. We have a Budget that is good for the economy and for New Zealand families. We invite members on that side of the House to join us on this planet, where we are ambitious for New Zealand and have a plan to support those ambitions. Kia ora.

The debate having concluded, the motion lapsed.

EMPLOYMENT RELATIONS (STATUTORY MINIMUM REDUNDANCY ENTITLEMENTS) AMENDMENT BILL

First Reading

DARIEN FENTON (Labour): Kia ora, Mr Assistant Speaker. Kia ora e te whānau o ngā ringa tōtā. I move, *That the Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill be now read a first time.* It is a privilege to introduce the first reading of this bill, and at the appropriate time I intend to move that the bill be considered by the Transport and Industrial Relations Committee.

In the last year 60,000 workers have lost their jobs. For each of those workers, that is a personal tragedy. Every one of them has faced the awful impact and humiliation that redundancy has had on them and their families. How they have coped will have differed. Those who are union members, by and large, will be better off, because most of them are likely to have had some kind of redundancy protection in their agreements. But thousands of others—like the warehouse supervisor Rob Highsted, who had worked for his company for 20 years until he was made redundant this week—will have gone out of their jobs with absolutely nothing.

An estimated 80 percent of working New Zealanders have no redundancy protections written into their employment agreements. For these New Zealanders, losing their jobs can mean that they have no way to pay their mortgages, or support themselves and their families, while they search for other jobs. That is because there are no requirements in New Zealand law for minimum redundancy notice and compensation. The need for a fair system for redundancy protection has become more urgent over the past 18 months, as more people have lost their jobs and replacement jobs have been harder to find. I have been hearing from laid-off workers who have had no redundancy notice and pay. That has left them struggling to pay their mortgages and support their families. I have no doubt that other members in this House have heard the same stories.

This bill would provide all working New Zealanders with basic redundancy protection to help tide them over between jobs. It is based on recommendations from the 2008 report of the Public Advisory Group to the Minister of Labour on Restructuring and Redundancy, which advised the then Government to consider introducing minimum redundancy protections for all workers. That group was established by Labour in 2007 to examine the adequacy of redundancy laws and provisions in New Zealand workplaces. The group was an independent body established to provide advice to the Government, and it included representatives from the New Zealand Council of Trade Unions and Business New Zealand.

The advisory group recommended options for addressing the gaps in, and issues with, the existing law and policy provisions. The first recommendation of the advisory group was that the Government should consider the introduction of a statutory requirement for redundancy compensation, and other entitlements that incorporated the following features: notice of redundancy termination for the affected worker, compensation based on length of service, a maximum level of statutory compensation and provision of redundancy support, and active labour market mechanisms for affected workers and organisations. Unfortunately, the National Government's Minister of Labour allowed this very extensive and well-researched report to languish on her desk for 12 months, and then she threw it in the rubbish bin.

This bill amends the Employment Relations Act by inserting a new Part 6E, "Statutory minimum redundancy entitlements", under clause 4. The minimum entitlements for employees in this new part would apply to an employee who had been in a continuous employment relationship with an employer for more than one calendar year. Within 12 months, the Minister of Labour would be required to conduct a public

education campaign to inform employers and employees of the minimum entitlements conferred by this legislation, and to report to the House of Representatives within 6 months of the conclusion of the campaign as to its details, including an independent evaluation of its effectiveness. The minimum entitlements under the bill that employers would receive as a result of new section 69ZL(1), inserted under clause 4, would be: "(a) notice of dismissal"—due to redundancy—"of no less than 4 weeks; and (b) compensation for redundancy … of 4 weeks' remuneration for the first full year of the employee's continuous employment with the employer; and (c) further compensation for redundancy in the amount of 2 weeks' remuneration for each subsequent full or partial year of the employee's continuous employment with the employer, up to a maximum entitlement of 26 weeks' remuneration."

New Zealand workers are among the cheapest and easiest in the world to sack. We are nearly alone in the developed world—apart from the USA—in having no redundancy notice in compensation. Last year, the Australian Federal Government introduced generous redundancy entitlements, because it is serious about protecting working families through the recession. We keep talking about wanting to catch up with Australia, but the Government seems unwilling to take notice of any of its good ideas—and have we not heard some of them today! We can take the example of the hundreds of skilled New Zealand engineers who were dumped from their jobs with Australasian company Transfield Services, with no redundancy pay. Transfield said that it did not have to give them any redundancy pay, because there was nothing in law and nothing in the agreement for it to do so. Funnily enough, if those workers had been in Australia, Transfield would have been required by law to pay at least the compensation proposed in my bill. It just does not make sense to me that a company can treat its workers one way in its home country and differently in another country. But, unfortunately, they do.

Hon Lianne Dalziel: Because they can.

DARIEN FENTON: That is right. This issue is not just some abstract notion that I have dreamt up. I know that you yourself, Mr Assistant Speaker, have been involved in this issue in the past, as a member of Parliament. I have advocated for workers who have had redundancy compensation, and for those who have not had it. I have seen first-hand how devastating redundancy is, and how devastating it can be, for those workers who get laid off with nothing. I have been made redundant. My husband has been made redundant twice. I also had to make some of my own staff redundant when I was an employer, so I have a good idea about what it feels like from all sides. Redundancy pay does not make up for the loss of a job, but the important thing is not just the process but being left with a feeling of dignity and respect. That is very, very important. Being laid off without notice and redundancy compensation is shocking. Not only does an employee's job disappear, leaving him or her without any feelings of self-worth, but there are still bills to pay, kids to feed, and the huge uncertainty of whether that employee can find another job, particularly in the current market. This bill is about giving families some breathing space, some time to pay the bills while they have that breathing space, and some time to find other work.

Redundancy can happen to anyone. It is not an issue for low-paid workers or higher-paid workers; it can happen across the board. We are talking about workers in all categories of occupations, from the low-paid and vulnerable, as I said, to the highly skilled. Just this week, I had an email from a worker who said to me: "I work in IT, and I was made redundant due to the economic downturn. The employment contract I had did not have any redundancy clause in it. I was told this news 2 weeks before the Christmas break. Looking for work over that time was next to impossible." Now, after 4 months that worker does have a new job, but she is earning less than one-third of what she used to earn; she has lost her house and all her savings. We know that lay-offs

happen to well-paid workers, too, but normally they get suitcases of money—we can just look at former Telecom chief executive, Theresa Gattung. She got $1.8 million in a golden handshake. When Evan Davies left Skycity, he got $1.77 million. David Holdsworth from Hellaby Holdings got half a million dollars. Craig Norgate left Fonterra with about $1.5 million. So if it is good enough for them, I do not think that the very modest provisions in this bill are too much to ask for other workers, after years of service.

Hon Lianne Dalziel: What do MPs get?

DARIEN FENTON: Well, that is right. MPs, of course, get 3 months' salary, and other things.

This bill should go to the select committee for a proper discussion and consideration. We need to front up to the question of whether it is fair that Kiwi workers are being laid off through no fault of their own, and with no basic financial protection to tide them over in the hard times between jobs. This afternoon the Minister of Labour, the Hon Kate Wilkinson, shed crocodile tears when I asked her some questions and gave her some examples of the terrible circumstances of real New Zealand workers. She said that redundancy is never easy. That is true, but so far she and her Government have done nothing about it. Well, today they have a chance to ensure that there is a fair deal in hard times for Kiwi workers. I urge the Government to do the right thing today for Kiwi workers by supporting my bill to go to the select committee.

Waiata

DAVID BENNETT (National—Hamilton East): The Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill goes to the heart of what Labour stands for and what it tries to do to New Zealanders when it has any ability to set direction over somebody's life, or even a country, and the way it dictates employment relations. In the previous speech made by Darien Fenton, we heard the classic Labour mentality: the fear tactics, the inability of workers to determine their own future, and how workers need Labour to give them direction. That is the Labour mentality. Labour does not trust its own people. It cannot bet on people making their own decisions and setting their own directions in life. That is the heart of Labour. It wants to keep everybody down. It wants to be in control and keep the same rules so it can dictate what those people can achieve and their direction.

I think it is sad that Labour still does that in this House to New Zealanders. Labour does it to the people from whom it has tried to get support in past years. Labour uses the jealousy technique when talking about Telecom chief executive officers. It uses the fear tactics on ordinary Kiwis out there who want to get jobs and want to work hard. It is about time that Labour woke up and backed New Zealanders. The heart of that mentality was mentioned by the previous speaker, because she wants to make everybody a union member. That is Labour's purpose for this bill. Labour says that people in a union will get a redundancy payment. This is the heart of what Labour is doing in this legislation. It is not about workers' rights, it is not about helping workers, and it is not about providing for them in their time of need; it is about providing more union members. This is what it is about: Labour wants to make everybody a union member. Labour needs to look at its heart and soul and at the reality of what it is saying, instead of the rhetoric it brings to the House.

I would like to see Labour stand up and deliver. It had 9 years in Government, but did it bring this legislation forward? No. Where was it? I ask where it came from, because Labour did not bring this legislation forward when it had the chance. Now that Labour is in Opposition, it says this bill is the best thing since sliced bread. Why is that? Labour knows the reality of this legislation. It is not good for New Zealanders and it is

not good for Kiwis. That is why Labour did not bring this legislation to the House when it had the chance. Now Labour puts the blame on us. That is Labour's fear tactics. It says that National is the big, bad wolf that will not pass this bill. Labour had the chance, but it never passed the bill and it will never get that chance again because the public does not trust it. Labour—

Hon Trevor Mallard: Sorry, I thought you'd finished.

DAVID BENNETT: The only person finished is Trevor Mallard.

The Labour Party does not want to give people choice. At the moment we can give workers choice, and we do that because it is to the benefit of workers. If we look at this bill, we see that it sets minimum requirements. If there are minimum requirements, employers will stick to them. They will not give people more than the minimum, and this will hurt some employees who could have negotiated for more than that but who will be held to minimum requirements. Some of Labour's own people whom it believes it represents will be hurt by this legislation. They will be held to the minimum requirements, when they could have negotiated for something better. What is the matter with negotiating for something better? What is Labour's problem with that?

This will have a huge cost on businesses. This will hurt workers because businesses will be reluctant to take people on, reluctant to promote people, and reluctant to give them any opportunity because employers fear the cost that this legislation would impose on them. This legislation will hurt the workers. Why would we want to pass a bill in the House that hurts workers in a time of a recession? Why would we want to do that when we have unemployment rates at the current rate? Why would we want to make it harder for people to get a job? There is no commercial reality in what the Labour Party is looking at here. If anything, it is taking a total disregard to the practicalities of the economic environment we are in. The Labour Party is ignoring how hard it is to get a job. It wants to make it harder for New Zealanders to get a job. Labour wants to make it harder for Kiwis to stay in work and to get promotions. That does not make any sense. It is not in the best interests of the people of our country or the future economic growth of this country.

When we look at redundancy provisions, we see that they are already in place. There are personal grievance provisions under the Employment Relations Act. There are plenty of opportunities for people who feel they have difficulty in taking advantage of those kinds of legislative regimes. The Labour Party passed the Employment Relations Act when it was in Government, and said that it was a universal panacea for deciding employment relations. It is available now and it deals with those issues when required.

Let us look at the Public Advisory Group to the Minister of Labour on Restructuring and Redundancy, which the Labour Party said was the great source of directive for this bill. There are some downsides that the public advisory group noted, and I will read these out for members so that they are aware of them. The public advisory group felt that there would be disincentives to hire more staff, there would be reduced wages, there would be more temporary and contract workers, and there would be additional stress on businesses that are already struggling, which would result in further job losses. It felt that the bill would put business viability at risk and would reduce international competitiveness. Not one of those things, whether one is in National or Labour, would anyone want to see happen at the moment. Who wants to have disincentives to hiring more staff? Who wants reduced wages? Who wants more temporary workers? Who wants additional stress on businesses? Nobody does, but the Labour Party is willing to put legislation before the House that would achieve those things. That is not in the interest of New Zealanders or of our working people.

I think it is sad that the Labour Party has to put this legislation up, come to this House, and take the emotions of New Zealanders and portray them as defenceless and

unable to negotiate for themselves, so that the big red bus can come along and deliver to those people the safety and direction that they want. It is really sad. It demeans New Zealanders who are working hard and negotiating their future. It shows the mentality of the Labour Party. It does not trust our people, it does not trust individuals to negotiate, and it does not trust the unions because now it wants mandatory requirements. That is very sad in this time and this day. Labour does not take into account the economic reality that we now face.

The Transport and Industrial Relations Committee would hear this legislation if it passed its first reading, but I doubt it will. I am sure that most parties in this House will be of the opinion that this legislation is not in the best interests of workers or our country. It will go down in the history of a Labour Party that tried to control and hijack personal ambition, and that tried to direct people because it thought it knew best at a time when people needed to be given the strength and ability to take advantage of their opportunities. That is the difference between National and Labour. We bet on our people and we want them to succeed. We will not tell them how to live their lives through an institution that sets mandatory rules. We will provide the instruments for people to achieve their full purpose. With that, National will not support this bill. Thank you.

Hon TREVOR MALLARD (Labour—Hutt South): If the speech from the member who has just resumed his seat, David Bennett, were made outside the House, I think it could be described fairly as hypocritical. I know we cannot say that in here, but if it were, it would be. That member, after being here for 18 months, has an entitlement to a redundancy worth over $32,000. That member, after a very short period of time in this House, has a personal entitlement to well over $32,000 worth of redundancy, whether or not he runs at the next election. He could even retire at the next election, which would be a logical thing to do, and he would still get his redundancy money. He said that the most vulnerable people in New Zealand should not be allowed a pittance.

I think, frankly, if there can be criticism of Darien Fenton's Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill, it is that it does not go far enough. The Public Advisory Group to the Minister of Labour on Restructuring and Redundancy came out with a unanimous recommendation supported by Business New Zealand. Business New Zealand consulted widely with its members and decided that the Government should consider the introduction of a statutory requirement for redundancy compensation and other entitlements incorporating the following features.

Those features are notice, compensation based on length of service, and a maximum level of statutory compensation—this is what this does. It is doing what the employers asked for 2 years ago. Why did they ask for it? They know that having stability and loyalty from their workers is an important part of the employment arrangement. They know that having some stickiness in the labour market, having people wanting to stay with an employer, and having some sort of security if they stay there, with the likelihood of a job going forward and being less likely to be fired if there is a redundancy arrangement, are things that are good. It means that the incentives are on the employers to train people properly, to provide them with decent equipment, and to make them productive, rather than making them redundant as is far too often the case.

Hon Tau Henare: Now who's the hypocrite?

Hon TREVOR MALLARD: We will not talk to Mr Henare about how he left the trade union movement. That was a bit of a bottler on that occasion, a bit of a bottler, I say to Mr Henare. I do not know whether he got redundancy when he got the sack. [*Interruption*] Well, when he left Parliament he got $30,000 redundancy money and he came back. Did he pay it back? No, he did not. The Prime Minister said he would take the rough edges off the recession. He has; he has for his mates. He gave Bill English a

free house when he was not entitled to one. He let Phil Heatley off when he cooked the books. But does he say to individual workers who are made redundant that they can have a minor redundancy payment? He says no. I think it is an outrage that this Government hates low-income workers.

Michael Woodhouse: I raise a point of order, Mr Speaker. The member made reference to a member "cooking the books". I think that that is well out of order. I ask that he withdraw it.

Hon TREVOR MALLARD: The member who cooked the books is in the House. He did not take offence. He is the one who pleaded guilty to putting in false claims.

Michael Woodhouse: I am not asking for a withdrawal because I am offended, I am asking for a withdrawal because it was way out of line with Standing Order 116.

The ASSISTANT SPEAKER (Hon Rick Barker): There are two points. Firstly, a point of order has to be taken at the time that the offence was given. The comments were made quite some time back. It was not immediate. That is the first point that I make to you. I accept that the member was looking for the Standing Order, but the point of order should taken at the time. It is very hard to rewind the tape and remember the exact words that were said. That is why the Standing Orders say to do it immediately so that people can have very fresh in the mind the exact words that were said. The second point is that it is against the Standing Orders to accuse someone of breaking the law. But cooking the books is a step short of that—it is. A lot of other words we come to are offensive, but others are not. This is a House of robust debate.

Hon TREVOR MALLARD: Working families are facing hard times. This Government has a choice now to send a bill to a select committee to hear what people think. It does not have to guarantee now that it will support the bill at its later stages. All we want to know is that the Government is prepared to listen to a wide view from people. That is not a big thing. We are not asking for a definite support for the later stages. But we are asking for a relatively lazy Government to sit in a select committee and to listen—to sit in a select committee and to listen to the cases, to listen the way that the employers did at the public advisory committee.

Dr JACKIE BLUE (National): I am very pleased to speak to the Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill. I will make some initial comments about the Government's priorities for creating jobs. Creating jobs is a top priority for this Government. We are committed to a sustainable economic recovery and to creating more jobs for New Zealanders. The Government's economic policy during the global recession has been focused on this commitment.

The Government has taken steps to keep people in employment and to assist them when they lose their jobs. We have put in place policies that encourage economic growth, and those policies are built on exports and investment rather than on Government spending or consumer spending. Last year the Government's small-business relief package was designed to help lighten the load of small and medium sized business, which employ many New Zealanders. That plan was about improving the environment for business, and, therefore, jobs and growth.

A number of members' bills on employment law have been brought to the House. Some have passed into law, others have not. Suffice it to say that National believes employment law must expand job opportunities and treat all parties fairly, protecting both employees and employers. The purpose of this bill is to insert a new part into the Employment Relations Act, providing for minimum statutory redundancy entitlements.

Currently, if an employee is made redundant, the employee's entitlements are governed by his or her employment agreement. If there is nothing about redundancy in a person's employment agreement, the default position is that there is no requirement to pay redundancy compensation. Employers and employees are free to agree to

redundancy provisions in their employment agreements. As well, the law also provides that redundancy occurs only when a position has become genuinely redundant. Employers are not able to make a worker redundant on a whim.

Specifically, this bill outlines that all employees who have worked for more than 12 months are entitled to redundancy compensation, and the bill outlines some requirements around that particular point. National will be opposing this bill. We are concerned that statutory redundancy provisions act as a barrier to employers taking on new staff. That would work against the Government's commitment to creating jobs and fostering economic growth.

The Government acknowledges that during the recession, redundancies have been of real concern. In late 2008 the Government launched its ReStart package, which provided for workers made redundant, helping them back into work. This was set up quickly to help provide breathing space for those hardest hit by redundancy.

The issue of statutory redundancy was assessed in the last term of Parliament, in great detail, in the report of the Public Advisory Group to the Minister of Labour on Restructuring and Redundancy. Interestingly, 14 of the 22 submitters supported the status quo. There are negatives, which were noted by the report, and they are concerning and numerous. Members of the group were concerned that there would be disincentives to hire more staff and that wages could be reduced. They envisaged that there would be more temporary and contract workers. Importantly, they were concerned that by putting greater pressure on businesses, jobs would be lost and business viability could be jeopardised.

Clearly, the previous Government was concerned by these findings, because it did not go ahead and implement a statutory requirement for redundancy. The previous Government had 9 years to do so, and it did not. That is very, very revealing. It had its opportunity when it introduced the Employment Relations Act 2000. It failed to do so, and that speaks volumes.

The Government, like the public advisory group, is concerned that mandatory redundancy provisions will destroy jobs and stop employers from hiring new staff. That would be totally counter to its commitment to create jobs. The Government is also concerned about the significant cost to business, which is not insignificant. We consider that this proposal would make redundancy unaffordable for most businesses, and there would be a real risk of businesses closing as a result. We will be opposing this bill.

KEITH LOCKE (Green): The Green Party will be strongly supporting the Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill. If it is passed—and I hope it is—it will correct a major injustice for workers in this country: being laid off without any redundancy. I think that David Bennett conceded there was a problem, but he said that under this legislation employers would stick to the minimum rather than giving more than that to workers in redundancy. However, the current problem is not that employers may stick to a legislative minimum, which does not exist; the problem is that they do not give any redundancy at all in many cases.

We have a recent statement from the National Distribution Union, referring to a dozen workers who were laid off by T A Macalister Ltd without any redundancy at all, because of a downturn in business. Warehouse supervisor Rob Highsted who was laid off said: "I feel bitter,". "The warehouse in this company has been my baby - I was proud at how well I made it work, then they just say 'piss off.' Its 20 years of my life down the toilet." Mr Highsted said another couple with 40 years' service between them had also been shown the door, without so much as a thankyou from the company.

That is the problem that we face, and that is why it is important to have a minimum of 4 weeks' notice, 4 weeks' remuneration after 1 year, and 2 weeks' additional remuneration for each subsequent year of continuous employment, up to a maximum

entitlement of 26 weeks' remuneration. That is consistent both with longstanding Green Party policy and, as has been pointed out, with the report of the Public Advisory Group to the Minister of Labour on Restructuring and Redundancy.

I will tell members why we have redundancy. One point is that it is a recognition by the employer, who has benefited from the labour of workers—often over many years, as in the case I mentioned—of the value of that work. It says "Here, have something, because, unfortunately, we have to make you redundant." Secondly, it is to reduce the suffering that workers face when they are laid off. The unemployment benefit is not in itself sufficient, and there is a qualifying period for it, as well. That is particularly important now, when couples who work are mortgaged up to the hilt. If one person in the relationship loses his or her job, they cannot afford to pay the mortgage, the house goes down the tube—all kinds of things happen. There is huge suffering if people do not have any continuity of income while they look for another job. The third point is that it gives a breathing space to find another job—not just another job, but a job in one's specialist area, if at all possible. It gives someone the time to look around to find an appropriate job. Often the problem is that workers are very highly specialised. They are geared to one job, and it takes a while either to train for something else or to look around for something that is the equivalent of what they were doing.

I myself was made redundant when I was working at the Gear meatworks in 1981 and it closed down. We got some redundancy pay, but I know that it was very difficult for many of the workers there who were highly specialised knife hands, and who had spent decades working as knife hands. Many of them became very depressed, and their families became depressed, because they did not have other work in their specialist area.

That relates to another issue raised in the public advisory group's report: the need to give plenty of notice of the termination of employment. In this bill 4 weeks' notice of redundancy is required, but there is also the need to look a bit further out. If something is happening to an industry, if a change is going on and there might be redundancies, there is a need to have a whole transition to new employment. That is why it is important to have adult education and not to cut night classes, which are often a way for people to make the transition to a new job. Unfortunately, this Government has cut night classes.

We want to be able to ratify ILO Convention 158, and it is important that we pass measures like this so that we can do that. We do not want to be in breach of international conventions.

The question is not that somehow workers will suffer through redundancy payments undermining full-time employment, as David Bennett claims. In fact, I think redundancy provisions are a deterrent against employers laying people off; it adds a bit of restraint, which is good. The idea that redundancy provisions somehow stop employers from employing people is a bit silly, too. How many employers think that in 3 years they might have to lay off employees and pay them 8 weeks' redundancy, so therefore they will not employ them? That is not the way things would play out.

HONE HARAWIRA (Māori Party—Te Tai Tokerau): Kia ora tātou katoa e te Whare. I was checking out the website hardtimes.org.nz the other day. This website is pushing for a fair deal in hard times. It calls for people to sign a petition, hold a workplace meeting, or just to read the real-life stories of people who have copped a bad deal in redundancy. It sets out pretty much all the reasons why any decent citizen should support a minimum level of redundancy protection for all workers. What is being proposed here ain't nothing flash: 4 weeks' notice; and 4 weeks' redundancy for the first year, and 2 weeks after that, up to 26 weeks. But the key focus of the bill is that a redundancy agreement should be part of every employment contract; that if we are

really committed to a fair deal in hard times, then everyone should be entitled to basic redundancy protection to help them get by between jobs.

I do not know whether I buy into the exact details of the bill. I can recall a couple of years ago, when we were pushing for a minimum wage, being rudely reminded by my wife that if I was going to talk about a minimum wage, then I had to make sure that my kura, Te Rangiāniwaniwa, and the local iwi radio stations operating under Te Hiku Media, were actually paying according to the standards that I was preaching. So I had to have a sit-down with the bosses and go through the numbers. I found out that, in both cases, we were paying better than most other local businesses, but that we were not actually paying the minimum wage in certain cases. However, after a review of finances, some careful consideration, and some creative thinking, both Te Rangiāniwaniwa and Te Hiku Media were able to make some readjustments to ensure that everyone was being paid at least the minimum wage. I can tell members that that is no mean feat in a town that lies in the heart of the country's highest Māori unemployment zone.

That is the challenge I have with this bill; I have not yet had a chance to get the folks at Te Rangiāniwaniwa or Te Hiku Media to run the numbers on this redundancy proposal, to see whether we can actually operate on the basis found in this bill. But certainly the principle of workers having redundancy protection to tide them over between jobs is a sound one, and one that both I and the Māori Party are more than happy to support. We support the Employment Relations Act 2000, we support amendments to make it more worker-friendly, and we support pay and employment equity legislation. So we certainly support the intention of this bill to provide all workers with the redundancy support to tide them over the tough times. Kia ora tātou.

The ASSISTANT SPEAKER (Hon Rick Barker): I call Hone Harawira. [*Interruption*] Oh, sorry.

Hon TAU HENARE (National): I know that we all seem to look alike.

The ASSISTANT SPEAKER (Hon Rick Barker): I call the Hon Tau Henare.

Hon TAU HENARE: That is something that we have been fighting against for a long, long time—but we will get there.

Chris Hipkins: Who's the biggest loser?

Hon TAU HENARE: Well, if we want to go down that track.

I want to start my kōrero tonight with this quote from March 2000: "This bill marks a new era in industrial relations in New Zealand; an era that will be distinguished by a commitment to the fundamental principle that underlines all parts of this legislation—namely, that it is better to work together cooperatively for the common good in the workplace, than to work in opposition to each other." That quote is from the then Minister of Labour, the Hon Margaret Wilson, in the Employment Relation Bill's first reading on 16 March 2000.

Nowhere in that bill was there any mention at all of a redundancy clause—and that was in 2000. In 2009 there was an anniversary: the ninth anniversary of Labour taking office. Between 2000 and 2009 not one of the Labour members, including the former Ministers and including the backbenchers, ever raised the issue. Outside of this House, that would have been called hypocrisy, to coin a phrase of Trevor Mallard. Those listening outside would have called it hypocrisy.

The funny thing about the Fabians—there is always a funny thing about the Fabians and the Fabian Society—is that they never do anything when they are in power. But when they are in Opposition, they love to tell the Government what it should do. The Public Advisory Group to the Minister of Labour on Restructuring and Redundancy was established back then, but when I was a union member we used to fight for this sort of thing. We did not go cap in hand to ask the Government to do it. We did not even go

cap in hand to the Labour Party and ask its members do it. We used to go and fight for it, unlike the pussies that the Labour Party has today. They think that the easiest way is to just front up to the Government and say: "Please sir, no sir, can I have three bags full, sir?". That is their modus operandi; it is not about going to workers and saying: "Listen, what we need to do is organise. We need to talk, if we may, to the employer. Let us fight for something that we really believe in."

What we see in the House tonight is nothing more than Darien Fenton and her mates in the Service and Foodworkers Union grandstanding, because they know full well that they cannot deliver on this bill, the Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill. Although they cannot deliver on it, somehow it makes them feel good. Like the do-gooders in the Fabian Society, they are a pack of pussy do-gooders. Quite frankly, I am over the moon. I am ecstatic that this Government is not going to buy into any of that Fabian rubbish.

JOHN BOSCAWEN (ACT): This is an impassioned debate. We have just heard an impassioned speech from the Hon Tau Henare, and earlier this afternoon we heard from David Bennett. This is an economic debate. It is a debate about employment. It is a debate about redundancy and redundancy provisions, and those things are very, very important. I think Mr Bennett impressed us all this afternoon with his knowledge of economic theory—who could not be impressed. I was very impressed.

Mr Bennett said to us that this measure would be a huge cost on business and that businesses would be reluctant to take on workers. Mr Bennett asked why we would want to make it harder for people to get a job, which is a very good question to ask. Mr Bennett said that this bill imposes costs on employers and that it would make them reluctant to take on new employees. Mr Bennett asked a very reasonable question: why would Labour members want to make it hard for Kiwis to get a job? It was a very reasonable question.

Why would National want to make it hard for Kiwis to get a job? If National members believe that imposing a compulsory redundancy provision on workers would have a negative impact on employment, why do they believe that imposing the costs of an emissions trading scheme and artificially increasing the price of electricity will not have the same impact on jobs? Mr Bennett asked who would want to place additional stress on business. Clearly, it is the National Government, because it is prepared to impose extra costs on businesses and exporters, and it wants to do that at a time when all our major trading partners are backing away from an emissions trading scheme.

Just last Tuesday the Prime Minister of Australia, Kevin Rudd, announced that Australia would be delaying the introduction of an emissions trading scheme until 2013. The United States does not have an emissions trading scheme, China does not have an emissions trading scheme. But what does National do? It continues to perpetuate the myth that our farmers and exporters will not be affected. The Minister of Agriculture, the Hon David Carter, has been telling farmers at field days that agriculture will not come into the emissions trading scheme until 2015. I call on Mr Carter, the Minister of Agriculture, to tell the truth to farmers. He knows that Meat and Wool New Zealand has said that the cost of the emissions trading scheme to dairy farmers will be about $10,200. There will be redundancies in the farming industry.

Meat and Wool New Zealand is telling farmers that under the emissions trading scheme they will have to start paying extra for electricity, petrol, and the emission costs of their dairy factories, but National is in denial. The Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill is an economic bill. It is about redundancies. We should be asking how we can stop redundancies, how we can recover from the recession, and how we can reduce our unemployment rate of 7.5 percent. The answer is to put in place economic policies that will create employment. We should ask

ourselves why there is a need for Darien Fenton's bill. How do we avoid that need? Do we have economic policies that make it easier for businesses to employ people and for us to trade our way out of recession?

I will leave the last word to the Hon John Key, the Prime Minister of New Zealand. Just 3 weeks before the last general election he said we should not be a world leader because that would come at the expense of our economy. He was obviously thinking of Darien Fenton's bill and about the consequences of unemployment. He went on to say that he could see no sense in New Zealand exporting emissions and jobs to another part of the world. In the face of overwhelming change in the environment for emissions trading legislation and costs, and when all our major trading partners have pulled away from an emissions trading scheme—just last Tuesday Australia announced it was delaying its emissions trading scheme by 4 years—the National Government is charging ahead with it. National has its head in the sand. The Hon David Carter, the Minister of Agriculture, told farmers in Waikato this morning that we will proceed with the scheme. How stupid is that! I can understand why Darien Fenton thinks we need a bill of this nature.

CHARLES CHAUVEL (Labour): I will start my short contribution today by congratulating Darien Fenton on the success she has had in getting her bill out of the ballot, and on the effort she has gone to in doing something through this bill that if the House were to pass it, would represent us as doing the right thing. The bill implements the recommendations of the Public Advisory Group to the Minister of Labour on Restructuring and Redundancy, which reported back in 2008. That group recommended that it was time to put in place a modest entitlement, on a universal basis, for qualifying employees.

I practised in the area of employment law for many years before I came into this House, and not only is this bill a decent thing to do; it is a smart thing to do from the point of view of making the law certain. I will take the House through some of the developments that have been seen in the law in this area to explain what I mean by that. There has never been a statutory obligation in this country to pay redundancy compensation to an employee dismissed through redundancy, and that absence of a statutory obligation, at the time when we last went through major unemployment in this country back in the 1990s, caused major disruptions in employment law. It was not an issue during most of the term of the last Government, so it was interesting to hear Mr Henare's contribution on that point. There was no need to legislate for redundancy in that area, because we had full employment. But, guess what, the House needs to remember that we are not in those times now. We are now in times where the rate of unemployment is over 7 percent, and this issue will have to be confronted by the courts again.

It is timely for the House to recall what the courts did in the absence of a statutory redundancy entitlement the last time we faced high and unlikely-to-decrease unemployment. I will describe some of the legal cases. First of all, from about the early 1980s onwards the courts looked at what used to be called the dispute of rights provisions in the labour law that prevailed at the time. There ended up being a number of cases over whether the dispute of rights provisions in the legislation could be used to confer a right on workers to redundancy compensation, when their employment contract, award, or agreement did not expressly call for that entitlement, or, if the contract did so, it did not specify how much redundancy compensation—or notice, even—they would be entitled to. Employers tied themselves up in knots trying to work out what the law should be in any particular case where an employment instrument mentioned redundancy but did not go further than that—it did not define an entitlement.

The courts did not give any clear guidance as to whether there was such an entitlement. In some cases, like the Wellington Hospital Board case in the early 1980s, the court indicated that, yes, there was such an entitlement. Then there was the Cornhill Insurance case, the Westland Catchment Board case, the Timbercraft case, and, finally, Westland again, this time in the Court of Appeal. All of these cases gave inconsistent results as to whether an employer had to pay redundancy.

Parliament took the matter in hand when it passed the Employment Contracts Act. Clause 34 of the Employment Contracts Bill, which became section 46 of the Act, did away with the ability to use the disputes process to get a redundancy compensation deal. But the courts were actually a step ahead of Parliament, because unemployment was still high and rising at that time, and 8 days before the introduction of the Employment Contracts Act, the Labour Court, in a decision called *G N Hale and Sons Ltd v Wellington Caretakers IUOW*—and in its second judgment in that case, following the matter being remitted from the Court of Appeal—decided that the personal grievance jurisdiction in the relevant labour law could be used to give a redundancy entitlement. All those same problems that arose under the disputes law applied for a number of years. Although, yes, it was deemed fair by the courts to pay compensation, there was never any clear guidance as to how much and in what circumstances.

We have the same provisions that applied then in our labour law at the moment, as far as personal grievances are concerned. The test is whether it is fair in all the circumstances to dismiss somebody. If the courts decide to swing the pendulum again, and decide there is an entitlement in the common law that redundancy ought to be paid to dismissed workers in certain circumstances, we will be back in that same position. No doubt this Parliament will swing in under this mean-spirited Government and just abolish the entitlement, but would it not be better to do the right thing: to support Darien Fenton's bill and provide a modest entitlement on redundancy to workers dismissed for that reason?

CAROL BEAUMONT (Labour): Let me start by acknowledging my colleague and friend Darien Fenton. As Mr Chauvel has said, Darien Fenton has done a lot of work on the Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill, and for many years she has promoted the rights of workers in this country. I think that is worth putting on the record of the House.

I have been appalled at the contributions from members on the other side of the House. Mr Bennett went on about mandatory rules—mandatory this, mandatory that. He said the bill would undermine workers' rights. I do not think there is an understanding of the importance of having in place strong minimum rights that provide guidance and the base on which we build. New Zealand has international obligations to provide a strong mandatory framework.

It has been fascinating to hear some members opposite trying to rewrite history. Mr Henare gave a very good analysis, except he forgot to mention what happened as a result of the Employment Contracts Act. He did not say that it ripped out the award system, which had provided quite significant redundancy coverage for workers in this country and left us in a situation where there was no statutory right and rights were limited to what people negotiated in individual or collective agreements. They negotiated their own rights. None of that was mentioned. Then we heard all that commentary about do-gooders but, frankly, if promoting workers' rights and ensuring protections for workers in hard times is being a do-gooder, I am proud to be one; so are my colleagues.

This bill amends the Employment Relations Act to provide minimum statutory entitlements for employees in the event of dismissal for redundancy. I reiterate the point already made that this bill was a unanimous recommendation of the public advisory

group on restructuring and redundancy. Employer representatives and union representatives understood the importance of having these protections, and at times of record job losses 80 percent of New Zealanders having no protection against redundancy is just plain wrong.

Members opposite still have the opportunity to do the right thing tonight for the 80 percent of workers in our country who do not have a right to redundancy protection. Redundancy entitlements will not replace a lost job but will certainly help workers, and their families, in the period until they have a new job.

I was interested today to hear the Minister of Finance say we are through the recession, but he should tell that to the 170,000 New Zealanders who are unemployed—7.3 percent compared with Australia's 5 percent. Many more people are underemployed and are struggling to make ends meet. In the area of Auckland I work in, Maungakiekie, I talk to people who are struggling because they have lost their jobs, lost hours of work, or had little or no pay increases over recent times and are facing rising prices. We need to do something to send a message that this Parliament recognises that we are in hard times and that there should be minimum protections against redundancy.

This bill is particularly important at this time, but this Government has failed New Zealanders through hard economic times. It has failed in this recession to respond appropriately. Let us look at the rate of unemployment. It is not about just numbers; it is about people who are without jobs and are struggling to make ends meet.

There is a lack of empathy on the other side of the House, and there is certainly a lack of action. I compare that to just about every other country in the OECD, where active attention has been paid to job creation and the protection of workers' rights—but not by this Government. This bill is about rebuilding a minimum code. This bill is about rebuilding after 9 years of a Labour Government where much was done.

Melissa Lee: We had 9 years of mismanagement.

CAROL BEAUMONT: I tell Ms Lee that in those 9 years Labour made regular increases to the minimum wage and put in place a number of employment protections. So members opposite should not try to rewrite history.

Many New Zealanders think there is a right to redundancy. New Zealand workers are, in fact, the cheapest and easiest in the world to sack. Is that something that members opposite are proud of? Are they proud that New Zealand workers are among the cheapest and easiest to sack in the OECD? That is not something they should be proud of.

This bill is about people. As others have said, it is about people who lose their jobs, who struggle, and who have to deal with the emotional consequences as well as the financial consequences. I urge members opposite to take this bill seriously and do the right thing.

DARIEN FENTON (Labour): First of all, I want to thank the Green Party and the Māori Party, and, of course, my colleagues in the Labour Party, for their contributions and support. I appreciate very much their understanding that this is a situation of basic fairness; that the Kiwi way is to treat people fairly, particularly when they are vulnerable. I also put on record my thanks to the many people who have been in touch to tell me their stories or to offer their support. I acknowledge all of the unions and organisations that have backed the redundancy protection bill and who will continue to fight, alongside Labour, to ensure that this issue will be on the agenda at the next election. I mention them by name: the Council of Trade Unions, the Engineering, Printing and Manufacturing Union, the National Distribution Union, my own union the Service and Food Workers Union, the Dairy Workers Union, the Unite union, the Rail and Maritime Transport Union, Finsec, the Maritime Union, the Public Service Association, the Nurses Organisation, the New Zealand Educational Institute Te Riu

Roa, and the Wellington People's Centre. I want Government members to know that together these organisations represent 350,000 workers, plus their families. Today National and ACT have sent a strong message to all of those people that National and ACT do not care about them.

I also respond to the pathetic defence from members opposite who say that Labour had 9 years. I mentioned in my first speech on the bill that Labour actually did an awful lot about redundancy protection but it was not a priority, because people were not losing their jobs in the droves that they are now. For insolvency situations we made redundancy protection a priority. We also cut the tax rate on redundancy payments and we set up the advisory group, because we also want to do things based on good evidence. That is what the advisory group was about. Members opposite should not go on about Labour having 9 years, because we did a lot, there was a lot to do, and there will always be more to do. The fact is the Labour Party has more ideas and will take them to the next election.

This Government has failed working people again. It has failed to take the harsh edges off the recession as John Key promised it would. Wages are in decline, unemployment is skyrocketing, and workers cannot look forward to any support from this Government.

When this bill was drawn from the ballot last year I deliberately postponed its first reading. I wanted to make sure that the bill was not taken lightly by political parties, but unfortunately the speech made by David Bennett shows that the Government has utter contempt for the issues facing workers today. I wanted to make sure the bill was not taken lightly; I wanted to give National and ACT, and other parties, a real chance to show that they were prepared to listen to working people and their families when they say that not enough is being done for workers facing redundancy. Actually, I do not think they bothered, even though more than 120,000 of these postcards that I am holding up went to John Key's office. I know they would have gone in the rubbish bin, but what about the cost to workers? We can talk about the cost to business but what about the cost to workers and the cost to their families?

Redundancy entitlements are about recognising that the loss of a job is not the fault of workers; they provided their labour in good faith to an employer and they have a risk of not finding a comparable job. We have had examples in the debate today. It also recognises the impact generally on the earning capacity of the worker. Redundancy entitlements can also act as a deterrent; I think some of my colleagues have referred to this. An employer might otherwise make a worker redundant without due consideration. For example, I am aware that many of the employers in the 9-day working fortnight programme—

Hon Darren Hughes: Ha!

DARIEN FENTON: Yes, I know. Many of them joined that. The cost of redundancy, of making their workers redundant, made them sign up to it. It acted as a deterrent. It was not John Key's brilliance; it was the fact that something stood in the way of them being able to just send people down the road. I have noted that in the last year personal grievances in relation to redundancy have doubled. That is the consequence of not having certainty in the law around redundancy. The cleaners who work in this Parliament have no redundancy payments in their agreement. They have a specific clause that says that they do not get anything. This is legal in the current situation, and common. Yet all of us in this Chamber can be made redundant at every election, but we get paid 3 months' salary.

A party vote was called for on the question, *That the Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill be now read a first time.*

Ayes 57

New Zealand Labour 43; Green Party 9; Māori Party 5.

Noes 64

New Zealand National 58; ACT New Zealand 5; United Future 1.

Motion not agreed to.

DARIEN FENTON (Labour): I seek leave to table a redundancy notice to the Hon John Key saying that he will receive no notice and no redundancy pay because the law says he is not entitled.

The ASSISTANT SPEAKER (Eric Roy): That is not an acceptable document for tabling.

SMART METERS (CONSUMER CHOICE) BILL

First Reading

DAVID CLENDON (Green): I move, *That the Smart Meters (Consumer Choice) Bill be now read a first time.* At the appropriate time I intend to move that the bill be considered by the Commerce Committee. The genesis of this bill is, in part, a response to a report published in June last year by the Parliamentary Commissioner for the Environment, Dr Jan Wright, entitled *Smart electricity meters: How households and the environment can benefit*. This bill would give effect to the recommendations of the commissioner. It would do that by ensuring that all meters have functionality enabling them to automatically control loads and talk to smart appliances, and by requiring installers to give consumers the choice to have real-time information about their electricity use and variable tariffs, so that they can make use of that function if they wish to. The bill would also ensure that a variety of tariffs is available to consumers.

It is known that new meters are currently being installed in households as part of a replacement programme for very old equipment. The meters being installed through that programme are being described as smart. Although those meters are indeed capable of adding value by providing services useful to power companies, they are not capable of delivering much of anything to consumers. This bill seeks to remedy that imbalance by ensuring that meters that are installed are genuinely smart, and will provide choices and benefits to consumers as well as to the providers of electricity.

The much less smart meters being rolled out now allow power companies to use them for remote meter reading. They avoid the need for meter readers to go into homes. That cuts costs for the companies, but that saving may or may not be passed on to consumers. The meters also allow companies to data mine about the consumer's user profile and consumption patterns, and enable remote disconnection or reconnection of supply. Although those are useful benefits for the providers, the same meters—the same hardware, in effect—could be installed quite simply and cheaply with the capability to enable consumers to manage their power load to minimise cost on a differential or cost-reflective tariff. As well as saving households money, which is one of the core features and intentions of this bill, that would benefit the nation by making better use of installed energy-generating capacity, by delaying the need for extra generation, and by reducing carbon dioxide emissions from coal and gas stations, because they would be required to run less often. The key difference between what is currently being rolled out and what we would like to see rolled out is the addition of a home area network capability, enabling the functions that can deliver sustained demand reduction and reduce cost to

the consumers through load shedding and load shifting. The cost of ensuring that meters have this capability when they are installed is very low. To retrofit them later, as has been proposed by some, would be much, much more expensive.

The Electricity Commission was charged with investigating whether the roll-out of advanced metering infrastructure—effectively, smart meters—should be regulated, and it came back with a recommendation that "it is not necessary to extensively regulate the roll-out …" of those meters, as "the benefits of regulation do not outweigh the costs." We have no quarrel with that part of the commission's findings, to the extent that the regulation proposed in this bill is deliberately very light-handed, doing only enough to secure the necessary degree of standardisation and to ensure consumers are offered the opportunity to exploit the benefits of the technology. The Parliamentary Commissioner for the Environment, in a briefing note signed by the heads of a number of consumer-owned and council-owned lines—or distribution—companies, advocated for a somewhat more stringent approach to regulation. The companies saw the installation of smart meters as a significant building block towards a smart grid, which is already an objective in Australia, in many European countries, and in parts of the US.

The Electricity Commission notes that one of the primary drivers of smart meter installation nationally is to enable load management, in particular allowing peak loads to be manipulated and levelled, thus reducing the pressure on that critical peak-load capacity. The commission's report notes also that "New Zealand has had an effective centralised load management system (the ripple control system) in place since the 1950s.", but goes on to concede that "the ability to enable more controllable load does make AMI systems attractive."—considerably more attractive than the very old technology. The ripple control system we have is a very blunt instrument, a one-trick pony, and the new technology would allow for a much more comprehensive array of load management options.

Clause 4 of the bill states: "The purpose of this Act is to empower domestic consumers to better manage their electricity use by requiring providers of smart meters to inform the domestic consumers of their options when upgrading to smart meters, and setting minimum requirements for the provision of smart meters." It is important to note that nothing in this bill obliges any consumer to adopt any of the new options. There is absolutely no obligation on consumers to accept or take on any extra cost; they simply must be given a choice. The cost to the company of offering that information at the time of installation would be negligible.

One of the options a company would be required to offer to a customer is an in-home display—effectively a small screen inside the home that displays in real time the current tariff in cents per kilowatt, the current rate of consumption, and the current use for the day in consumed dollars and in kilowatt hours. It is a very simple read-out that can sit conveniently in the home. We know from experience that, where these have been trialled in business premises and domestic situations, such a real-time display works as a constant reminder to consumers of their consumption and is a prompt for them to turn off unnecessary, non-essential consumption at that moment. The units are a really effective mechanism for initiating and embedding long-term behaviour changes in energy use and conservation. That will benefit the individual consumer, and, again, will reduce demand, particularly for peak generation.

The bill requires retailers to offer to consumers the choice of a cost-reflective tariff, an average-price tariff, or a low fixed-charge tariff. Those who are currently on the low fixed-charge tariff will be able to stay on that tariff if that is their preference. It is entirely in a consumer's hands. The cost-reflective tariff is a tariff where the customer pays a different rate according to the time of the day the units are consumed. Those types of tariffs can be designed to closely signal the network cost—the generation

cost—of the electricity being consumed at any given time. The average-price tariff is simply a tariff where the consumer pays the same fixed rate for each unit of electricity consumed, reflecting the average cost of generation across the 24-hour period. The low fixed-charge tariff is an average price offered to people who consume low amounts of electricity, as defined in the regulations. That spread of options will allow householders to select the model that best provides for their needs, whether they have large households with a relatively high demand—as with growing young families, perhaps—or small, low-user households, such as with older couples, who have lower needs and a lower demand for electricity.

All we are seeking to do with this bill is to combine available, well-proven technology with some options being offered to consumers, to enable them to make intelligent choices and so reduce their costs. The bill is appropriately titled a consumer choice bill. It suggests we use the readily available technology. In that way, we can reduce the need for add-in generation, with all the social, environmental, and financial costs inevitably associated with that. I commend this bill to the House.

AARON GILMORE (National): Members might remember the issue of VHS versus Beta in the 1980s. They might remember Microsoft's Internet Explorer versus Netscape in the 1990s. They might remember the recent thing about the Sony Blu-ray Disc versus Toshiba in the 2000s. The issue of smart meters in the Smart Meters (Consumer Choice) Bill is a very similar situation. All aspects of technology that are common today have eventually become very well adopted. But in their time, particularly in the early stages of technology like smart metering, a lot of confusion existed about whether we had jumped to the right standard of technology. That is why National will not be supporting this bill.

It has some good aspects; I must commend the member for bringing it to the House. I will touch on some aspects of the technology in the bill, but I believe that the bill will compel New Zealand to make a choice today on a set of standards and technologies that is not quite there yet—an idea whose time has not yet come. I will touch on that. People have a lot of confusion about what a smart meter is. Recently in Canterbury, Meridian Energy has been rolling out what are called by the Parliamentary Commissioner for the Environment "almost smart meters". Some people call them smart meters; in other places they would not be called smart meters. It depends on people's situations. In other countries, particularly in Europe and even more particularly in Italy, significant numbers of smart meters have been rolled out—tens of millions of them. But very different standards exist across the world. Recently in other parts of the world—like Germany, the United Kingdom, and Canada—we have seen the roll-out of smart meters. Nearly every single one of those countries has rolled out a different form of technology and a different set of standards, and that is one of the issues National has with this bill.

As the previous speaker, David Clendon, talked about, we have seen that New Zealand was a world leader in what was called ripple control mechanisms. In fact, in the 1950s and 1960s we were one of the first countries in the world to bring in ripple control. That mechanism allows consumers to control their hot water load, and it was a very useful hot water load management system. New Zealanders have used that technology and sold it in many places.

There is an issue with metering generally in New Zealand. Many of the ferrous iron - type meters that have been in place since the 1950s are coming to the end of their natural lives. That is why there has been some interesting debate about the issue of smart metering today. In Christchurch, where I live, Meridian Energy has made the call to put in place metering technology that will allow automatic meter reading. It will stop meter readers from having to go to consumers' doors to read the meters on the wall. That is a good step. The technology for that is very well-developed and has been used

very well across the US and in other parts of the world. We think that technology makes sense.

A lot of work has been put into these issues of smart metering, and particularly into the issue of how smart a metering device should be. I think we would all agree that in a perfect world we would have devices in our homes—for example, for our fridge or freezer—that would monitor the electricity use and turn an appliance off and on to take into account the load that might exist. I think we will get there, and that in our lifetime that will occur, but we are not there yet. Having the ability to jump to put in the meters what is called a home area network chip would cost a significant amount today. I accept that the marginal cost today would be quite low, relative to the expected benefits of that mechanism, but the reality is that consumers cannot bear that cost. That chip might cost a consumer anywhere up to an additional $200 to install today, but the benefit to that consumer of putting in place an in-house display on the meter, in the case of that chip, would be effectively zero. National does not feel that that is an appropriate thing to do at this time, when people have been facing record price rises in electricity over the last few years.

We believe that one of the things we have to think about is how we get this technology right to bring it through into the market. The Parliamentary Commissioner for the Environment wrote a report recently on metering. That report has been considered by the Electricity Commission and the Minister of Energy and Resources, and some guidelines have been put in place around smart metering. I am pleased to say that there has been some success in the roll-out of some of those smart meters. Some would say that that is not enough, but it is a start. Given what we have seen so far in the technology, I think that it is a good start.

I understand that there is some sort of fear over this issue, and particularly over the home area network chip. I spoke at the start about the issue of VHS versus Beta, Netscape versus Internet Explorer, and Sony Blu-ray Disc versus Toshiba. In each of those cases there was a winner and a loser in the field of technology. If we make a decision to jump to one standard today, when it is actually not clear whether that will be the dominant standard in the world, we will end up incurring a whole lot of unnecessary costs for the consumer. It would cost a couple of hundred bucks extra for the consumer, but that is basically a waste of money if the consumer has to spend that money again some time in the future. We do not think that that is the right thing to do. For example, the meters that Meridian Energy has put in at Arc Innovations in Christchurch have allowed the situation where in the future home area network chips could be put in, should that be the right technology to jump to. As that member has outlined in his bill, it may end up being the right technology to jump to in the future, but I think that idea has not yet been proven—it is not proven that it is the right place to go.

A number of regulations exist currently about the guidelines on metering by the Electricity Commission. In fact, a bill currently before the Finance and Expenditure Committee has been looking at a number of issues about electricity. This issue has arisen in passing. If the member had brought the bill before the House with some alterations, particularly in terms of the home area network chips and other things about tariffs, we might have been able to support it.

I will touch on one example of the tariffs the member spoke about. Again in Canterbury, the Orion New Zealand lines company has one of the most innovative sets of tariffs in the country. Up and down New Zealand there are currently something like 300 different types of electricity tariffs. The electricity reforms that the Minister of Energy and Resources is currently undertaking outline a series of regulations for the new Electricity Authority to formalise and make some changes in those tariffs, in order to bring together a simplification. I think that that makes some sense. But we have to be

very careful not to put in place what is effectively more compulsion in other tariff rates, when it makes some sense to have some innovative tariff arrangements, particularly in Canterbury with the use of irrigation. I know that the Green Party has some particular concerns about irrigation, but tariff rates and the innovative tariff structures used by Orion actually help to reduce water use and power consumption. I think that is a good thing.

It is true that smart meters have the potential to reduce peak demand. They have the potential to defer the need for more electricity generation in the future, and to encourage people to change how they consume electricity through their appliances throughout their lifetimes. But there are smart meters and smart meters. As I outlined earlier, the question is whether we jump now to what is probably the wrong conclusion, or whether we wait and take into account a more cautious approach, to implement an arrangement whereby we would have meters that are more appropriate for New Zealand. New appliances will come on to the market from developers such as Fisher and Paykel, which is a world-leading developer of technology for appliances, and they will be able to access a standard of communication between meters and their appliances. That will be a good thing, but we are not there yet. I think this bill, in outlining some way of jumping that decision before the technology is there, is a move too far.

Finally, I reiterate the issue of costs. Some matters in this bill contain too much detail for a bill, and are probably better taken into account in terms of regulation. They are better taken into account in the electricity reforms we are undertaking at the moment with the electricity legislation, and I encourage the member to get involved in some of the final stages of those regulations and their development to make the current situation with the Electricity Commission and those guidelines more formalised. These reforms will take into account a big chunk of what this bill does, but will not take into account the tariff restructuring, the home area network chips, and the in-home displays, which we think are a cost too far. Thank you.

CHARLES CHAUVEL (Labour): I would like to begin by congratulating David Clendon on bringing the Smart Meters (Consumer Choice) Bill successfully to the House. It must be a record in the annals of the proceedings of the House for a new member to have a bill drawn from the ballot as quickly as he has managed to do.

Grant Robertson: Outrageous!

CHARLES CHAUVEL: Yes, the rest of us are very jealous of the success he has had. Labour will support this bill because we believe that New Zealanders ought to have more control at home over their power bills. Householders should have the opportunity to get a little more control over the cost of their electricity. Smart meters provide electricity users with the ability to monitor their power usage, and therefore to begin to exercise that greater control that we think they should have. The previous speaker is quite right. There are issues that need to be resolved. But the question is one of the chicken and the egg. Does the country wait until the technology is perfect, or do we give the technology a bit of a boost by specifying a standard now and helping the appliance manufacturers to know what they should be doing, as the Victorian Government has done, and roll out a proper series of appliances in the home that can connect to smart meters and start to give consumers the power we think they should have?

There is a real problem at the moment, as the previous speaker observed. There is no requirement at the moment for the smart meters that Meridian Energy and others are installing to have any home area network functionality. There is an excellent report on this issue from the Parliamentary Commissioner for the Environment, the servant of the House in this area, who has done meticulous research on the requirements that would be needed to make sure we could roll out smart meters in a way that provides choice to

consumers. That is something we should take seriously. The Parliamentary Commissioner for the Environment has estimated that by 2012 retailers will have installed a total of 800,000 meters in this country without home area network capability—the feature that makes them smart. Without having installed a home area network chip, so that smart meters can communicate with other in-home appliances, consumers simply will not be able to take advantage of using power when electricity is cheaper.

The bill sets minimum standards for smart meters, to ensure that the meters being installed are actually smart. They should live up to their name. They should have home area network functionality, not just the capability to have them put in later on. As I said, this will encourage appliance makers to move quickly to put chips in fridges, washing machines, dryers, heat pumps, and dishwashers so that householders can programme them to use power most efficiently and to lower their power bills. The corollary of this development would be that power retailers would offer differential tariffs. When they were not able to sell a whole lot of power into the market, they could make that power available to householders, say at night, for cheaper rates.

This is the future of electricity usage. It is an important step towards smart grids. Smart grids use digital technology to upgrade the current system, and this will allow for much closer control of our electricity supply.

The Government has shown a consistent lack of interest in providing consumers with greater control over their power usage and encouraging greater energy efficiency. Last year the Parliamentary Commissioner for the Environment recommended that the Minister should specify a standard, as has now taken place in a number of overseas jurisdictions. I mentioned Victoria, and that is probably the closest relevant development. But Gerry Brownlee has just ignored those recommendations. He defends his decision because he says that the ripple control system on home water heating, to manage peak load, is an adequate substitute. In technology terms, Mr Brownlee's decision is a bit like people saying they do not want an iPod because they still have a perfectly good collection of 78s.

In March 2010 Gerry Brownlee again rejected calls to establish a standard for domestic smart metering of electricity, in favour of allowing the industry to decide what is best. This refusal is a major missed opportunity to empower consumers. It is another example of the energy Minister just sticking his head in the sand. We can trot out all the excuses as to why we should not do this, but we are missing opportunities. I congratulate David Clendon on bringing this bill to the House. I hope we take the opportunity he has offered, to give consumers a bit of choice in the way they use electricity and to start making our electricity grid a lot smarter.

PESETA SAM LOTU-IIGA (National—Maungakiekie): I rise to speak on the Smart Meters (Consumer Choice) Bill introduced by my colleague the Green list MP David Clendon. I acknowledge his knowledge in this area. The Commerce Committee heard from the Parliamentary Commissioner for the Environment and various other submitters on this very subject. Obviously the bill's aim is to give effect to some of the recommendations that the Parliamentary Commissioner for the Environment stated in her report. I must say up front that National will be voting against the first reading of this bill. "Advanced" meters I think is the proper term that should be applied to this because there are very few smart meters out there—not just in New Zealand, but across the world. Smart meters communicate with appliances in a really advanced way.

In terms of the development of the technology, advanced meters have changed electricity meters into complex systems. These systems are able to measure and record electricity consumption in almost real time. It makes that information available to the electricity market, its participants and, most important, its consumers. The benefits have

already been espoused by previous speakers. Obviously it allows retailers to remotely read meters, without needing to physically access consumers' properties. It provides consumers with accurate monthly invoices, not just guesstimates of what their bills will be. It also enables faster switching between retailers, reducing the barrier to entry for new-entrant retailers.

Smart meters have the potential to reduce peak demand, thereby deferring the need for investment in new generation, transmission, and distribution assets. As all speakers have alluded to, it could lead to cost savings for consumers, retailers, and distributors, enabling greater consumer participation in, and understanding of, the electricity market. The recent ministerial review of electricity market performance, led by the Hon Gerry Brownlee, endorsed the introduction of smart meters in New Zealand because of the benefits they will bring. But the key point is that the Government supports the introduction of smart meters.

In terms of the current regulation around smart meters, some aspects of metering are regulated under Part D of the Electricity Governance Rules. The roll-out of smart meters is unregulated. However, the Electricity Commission issued guidelines in May 2008 that recommended minimum standards for smart metering systems. These guidelines are recommendations only. The Electricity Commission, of course, reported to the Minister in December 2009 about the regulation of smart meters. The commission's overall recommendation is that it is not necessary to extensively regulate the roll-out of smart meters, because, and this is the critical point, the benefits of regulation do not outweigh the costs. Let me repeat that, for the benefit of members opposite. The benefits of regulation do not outweigh the costs. The commission considered that some technical aspects of smart meters addressed only in the current voluntary guidelines should be regulated. Those regulations are being progressed as part of the fundamental review of the electricity market rules, as my colleague has alluded to.

Why should we not support this bill? Well, some of the bill's provisions are unnecessary because of widespread compliance with the voluntary guidelines on smart meters. There are technical matters contained in the bill that are inappropriate for primary legislation. They can instead be advanced through the rules made by the new Electricity Authority. The bill is also inconsistent with the expert advice of the Electricity Commission that we have all spoken about. It recommended against the extensive regulation of smart meters. Passing this bill would impose extra cost on consumers, who are still reeling from the electricity price rises under the last Government. What were those price rises? I will remind the House. Prices rose at three times the rate of inflation—75 percent over 9 long years of the Labour Government.

CHRIS HIPKINS (Labour—Rimutaka): There we have it. National, the party that purports to be the party of choice, is denying consumers the choice to have lower power bills and to save money on their electricity. National purports to be the party of choice, except when it comes to giving ordinary working New Zealanders any choice over saving money, those members do not want a bar of it. At a time when prices are continuing to go up and we have low, low rates of wage growth under this Government—the lowest in almost a decade—National does not want to give people the choice of saving money on their power bills. That is what this Smart Meters (Consumer Choice) Bill would do. It is a very good bill from our colleagues in the Green Party, it is supported by the Parliamentary Commissioner for the Environment, and the National Government is turning its back on it.

Those members do not care about the evidence. They do not care about giving people choice. They want to take the Gerry Brownlee "we know best" approach and not give people the choice. National members do not care about energy efficiency at all. We saw that from the minute they took up the Treasury benches, when they repealed the

restriction on new thermal generation. They repealed laws on biofuels. They slashed the $1 billion home insulation fund that would have given so many New Zealanders the opportunity to save money on their power bills and to live in warmer, drier homes. That all went out of the door as soon as National got into office and as soon as Gerry "Sexy Coal" Brownlee became the Minister of Energy and Resources.

The ASSISTANT SPEAKER (Eric Roy): Order!

CHRIS HIPKINS: He does not want to reduce our use of energy because that would reduce the market for coal, which he wants to go around pulling out of the ground to turn into electricity. Mr "Sexy Coal" Brownlee—

The ASSISTANT SPEAKER (Eric Roy): The member will use proper names.

CHRIS HIPKINS: Gerry Brownlee wants to mine our national parks. Gerry Brownlee's motto is "When in a hole, keep digging". He thinks that the future of New Zealand is not in energy efficiency and in giving consumers the ability to control their power bills, but in digging up more fossil fuels and burning them to produce electricity.

Members on this side of the House say that that is not a sustainable future for New Zealand. We need to look at more sustainable energy and electricity generation, and we need to give consumers the ability to reduce their energy consumption, should they wish to; to spread their energy consumption; or to make use of cheaper electricity. What is Gerry Brownlee's answer to that? He says that we have ripple control. The 1970s solution to energy efficiency is good enough for Gerry Brownlee. As Charles Chauvel said, it is a bit like saying that we do not want an iPod because we have a perfectly good set of LPs.

The Government is not interested in the latest technology that can give people choice. The Government is going against all of the international evidence. In fact, we can look at what the Conservatives in the United Kingdom are doing. David Cameron, that great Conservative icon for the National Party, stated: "We have got this big 1960s grid but it's a dumb grid, and we need to make it into an intelligent grid." That was David Cameron. He said that a smart grid is "the equivalent of the internet, rather than an old phone system." That is the Conservative Party in the UK.

The UK Conservatives, who are not even in Government—at least, not at the moment—are miles ahead of the National Government here, which has had 18 months to do something to lower the price of electricity for consumers and it has done nothing. National members went up and down the country during the last election campaign promising people lower power bills. Where are they? The Government has had a year and a half. The price of electricity has not come down; it has continued to go up. Instead of lowering power prices, the National Government is denying consumers the right to cut their power bills by being able to have smart meters.

Thousands of new meters are being installed in households as we speak. Consumers are paying for the new meters already, so the rhetoric from National that specifying a standard would load more costs on to consumers is not correct. Consumers are paying already. The meters are already being installed, just not to a consistent standard, so there is no guarantee that they will be compatible. There is no guarantee that the electricity companies installing the meters will not use them as a competitive advantage to stop consumers switching electricity companies. Specifying a standard would give consumers more choice. It would allow them to lower their power bills. This Government is denying people that choice. It is denying hard-working New Zealanders the chance to have lower power bills.

JOHN BOSCAWEN (ACT): That was certainly an impassioned plea from Mr Chris Hipkins in this debate on the Smart Meters (Consumer Choice) Bill. It would seem that the debate has broken into one on the electricity industry, the price of electricity, and

energy conservation. I will start by saying that the ACT Party will not be supporting this bill.

Chris Hipkins: What a surprise!

JOHN BOSCAWEN: Well, we approach things with an open mind, I tell Mr Hipkins, but we are following the logic that Mr Gilmore outlined. He made the point that if we go back to the 1980s and 1990s, we go back to the debate between VHS and Beta. We go back to the debate between Microsoft and Netscape. One could have taken a gamble and decided which type of technology to pursue, but one would have made a mistake in doing that. I think Mr Gilmore has outlined very clearly that that would be a foolish thing to do at this stage.

It was particularly interesting that Mr Sam Lotu-Iiga talked about the 75 percent increase in the price of electricity during the term of the previous Labour Government. He said that Labour is now crying crocodile tears over the National Government's lack of support for this bill. I think it is very important to remind ourselves that there was a 75 percent increase in the price of electricity over the last 9 years. That is three times the rate of inflation. So what is this Government doing about it? It will increase the price of electricity even further. It will increase it even further, because we have an emissions trading scheme starting on 1 July this year. It is being extended to the stationary energy sector, which Treasury says will add 5 percent to the price of electricity. I know that Mr Hipkins is concerned about that, because he is concerned about the price of electricity rising, but he ignores the fact that his own party would have increased electricity prices by 10 percent if it had won the last election.

The ACT Party, and only the ACT Party, questions the logic of having artificial increases in the price of electricity at all. Why would we proceed with an emissions trading scheme when none of our major trading partners is prepared to impose those same costs on their consumers, businesses, and exporters? I know that this issue is of concern to all New Zealanders and particularly to people living in rural areas. I have just finished a 2-day tour of the Waikato and Taranaki. I had seven public meetings, and I was stunned by the response and by the number of people who wanted to come.

Mr Clendon talked about the current roll-out of what he would call dumb meters. I understand Mr Clendon's concerns, because when the Parliamentary Commissioner for the Environment raised this issue with the Commerce Committee last year, I also wondered at the wisdom of doing that. But I was persuaded by the arguments of Mr Gilmore and the National Government that to proceed when there is so much uncertainty as to the way the technology will go would be unwise. Mr Clendon said that the advantage of having the meters that are currently being installed is all one-way. The generators have an advantage because they will be able to read these meters to automatically calculate accurate power bills. I think that is an advantage for the consumer, but Mr Clendon argued that the consumer will get no additional benefit.

Sitting suspended from 6 p.m. to 7.30 p.m.

TE URUROA FLAVELL (Māori Party—Waiariki): Tēnā koe, Mr Deputy Speaker. E te Whare tēnā tātau katoa. Kātahi anō ahau ka hoki mai i te nehu o tētahi o ngā uri o roto o Ngāti Manawa, ko Bill Bird tērā. Koia tērā i whakatakotohia ki roto i te rua kōiwi o ngā mātua tūpuna o roto o Ngāti Manawa, i Murupara. Nō reira, e tika ana kia tuku i ngā mihi nui ki a ia kua riro ki tua o te pae. Nō reira, waiho ia kia moe, kia okioki.

Ko tā tātau ko te wānanga i ngā take o roto i te Whare Pāremata i tēnei pō. Me kōrero au mō te āhuatanga ki a Murupara. I a au i Murupara i te rangi nei ehara i te mea, he hāngai tonu ō rātau whakaaro i tēnei rangi tonu nei ki tēnei pire. Ko tā rātau i a tātau e kōrero nei mō tēnei mea mō te hiko, ko tā rātau e whakaaro nui nei, mō te moni hei utu i

ngā nama. Ehara i te mea mō te mītā, ehara i te mea mō ētahi atu take, kāo. Ko tā rātau, ko te kimi moni kia taea ai e rātau te utu ngā nama e pā ana ki te hiko.

Ehara i te mea he nui wāku kōrero mō tēnei take. E ai ki ngā kōrero kua puta ki te komiti whāiti o te Commerce Komiti, i tae mai wētahi kōrero mō tēnei kaupapa, mō te smart meters. Kāre au i te mōhio, mēnā i tētahi taha ko te smart meter, ko tētahi taha ko te dumb meter, aua hoki. Engari i tōna mutunga mai, e ai ki ngā kōrero he kaupapa pai tēnei hei āwhina i te hunga e whakapau moni ana mō te hiko nā runga i te mea tuatahi, he āta titiro ki te moni ka whakapauhia i runga i te hiko, ā, ka mutu, tērā pea nā runga i tērā āhuatanga, ka kore rātau e tere whakapau moni i runga i te hiko, ka mutu, ka āwhina i a rātou ki te āta tiaki i te pūtea kai roto i te pūkoro. I tōna mutunga mai, te tūmanako ia ka whakamāmā i te āhuatanga o tēnei mea te hiko mō tēnā, me tēnā o roto i ngā hapori, kia kore e raruraru nā runga i te taumahatanga o ngā pire kei runga i a rātau.

He paku āwangawanga nō mātau nō roto i te Pāti Māori, ana ko tēnei nā. I ngā tau kua hipa kua rongo mātau, ā, whakakīkīngia ngā roto o Te Wai Pounamu mō te hiko, ā, ka mutu, ko ngā kamupene nui, ko rātau te hunga ka whiwhi pāinga nā runga i tēnei mea o te hoko hiko. Ka pātaia te pātai, e, mēnā koi rā te āhuatanga ko te nuinga o te moni ka haere tonu ki roto i te pūkoro o ngā kamupene nui, he aha tā rātau ki te hapori, ki a Aotearoa whānui tonu? Koi nā te pātai nui. Hē āwangawanga tonu nō roto o te Pāti Māori i te mea, mēnā ka pērā, e aroha atu ana ki te hunga e rongo nei i te pōharatanga, e rongo nei i ngā uauatanga o te kore moni nā runga i te kore mahi, ka mutu, ā, koi nā te āwangawanga nui.

Ā, kāti, ka tautoko ake i tēnei pire. He poto noa ake taku kōrero engari, he whakatakoto i ēnei kōrero ki mua i te aroaro o te Whare Pāremata i tēnei pō. Kei wareware i a tātau, ko te hunga rawa kore, ko te hunga kore moni, kore mahi nei i te mea, tōna mutunga mai, ka riro anō rā mā rātau ngā nama e utu. Mēnā he āwhina tēnei ki a rātau, kia āta tiaki pai mai i te āhuatanga o te moni kei roto i te pūkoro, e tika ana kia tautoko ake. Nō reira, ka waiho ake ngā kōrero ki reira, me te tautoko ake i tēnei pire i tōna pānuitanga tuatahi. Kia ora tātau.

[*Greetings to you, Mr Deputy Speaker, and to us all, the House. I have just returned from the burial of a descendant of the Ngāti Manawa people. That person was Bill Bird, and he was laid to rest in the cemetery of his Ngāti Manawa ancestors in Murupara. Therefore, it is apt that tributes of the highest order be placed upon the one who has passed beyond the horizon. Allow him to slumber and rest there.*

Our task is to debate the issues that are before the House of Parliament tonight. The thoughts of the people in Murupara today were, as expected, not focused on this bill. Their main concern, as we debate the issue over power, is about where the money is going to come from to pay the bills. It is not about meters, or any other issue, absolutely not, but to find the money to pay the bills relating to electricity.

I do not really have a lot to say about this issue. According to some reports from the Commerce Committee, submissions about this policy relating to smart meters were received. I am not exactly sure whether the submissions were about smart meters, or dumb meters, or whatever. But at the end of it all, and according to the discussions, this is a sound policy in that it helps people who spend on power, because, in the first instance, it monitors the money being spent on power and conserves the funds in the pocket. The desired outcome is that it eases costs to the individual and spreads it more evenly over the whole community.

The Māori Party has a small concern, and it relates to this. We heard that the ones who reaped the benefits by storing waters in South Island lakes and selling the electricity generated from that in the past were the huge power companies. The question then is, if the majority of the money continues to go into the coffers of big power companies, what is their contribution to the community and to New Zealand at large?

That is the big question. It is a real concern for the Māori Party, because if that is going to be the case, we pity the ones struggling to keep above the breadline and struggling to find work. It is a huge concern.

That aside, we support this bill. While my contribution is a small one, I have at least expressed it before the House. We must never forget those without means, money, and jobs, because eventually they are the ones left to pay the accounts. If this bill is of some help to them in terms of stretching the money in the pocket, then it is right that it be supported. So I leave my comments there, and endorse this bill at its first reading. Greetings to us.]

Dr KENNEDY GRAHAM (Green): I take pleasure in rising to support David Clendon's Smart Meters (Consumer Choice) Bill. The purpose of the bill is to empower domestic consumers to better manage their electricity use. The mechanism to achieve that is twofold: first, by requiring the providers of such meters to inform domestic consumers of their options when smart meters are about to be installed; and, second, to set minimum standards for the provision of smart meters.

As the title of the bill indicates, this is all about consumer choice. It must, therefore, be clear that this Government would be positively predisposed to support it. I note that earlier in this debate Sam Lotu-Iiga acknowledged that his Government supported the introduction of smart meters in themselves, but, alas, not this bill.

The Minister of Energy and Resources has expressed a concern that the bill imposes over-regulation on the industry. But the Parliamentary Commissioner for the Environment and the chief executives of six major lines companies have called for far more stringent regulations than are proposed in our bill. Under the bill, one of the requirements for smart meters in this country is the provision of a home area network, as has been acknowledged. This is a chip that can be installed inside the smart meter that would enable any electric or electronic device to communicate with the meter. The Minister, along with the Electricity Commission, recommends against proceeding with these chips. But if the bill is voted through to the select committee, this issue can be explored. We could perhaps accept deletion of this provision, although it is not easy to follow the logic of the argument against that.

The basis of the cost-benefit analysis against such chips, assessed by the New Zealand Institute of Economic Research, was highly skewed against them in three ways: first, it used retail prices for the costs and wholesale prices for the benefits; second, it downplayed the electricity savings by 80 percent, compared with the studies it quoted, without giving any substantive reason besides suggesting that somehow New Zealand was different; and, third, it used the retail price for the home area network chip, but, in fact, the chip comes pre-installed in the meter, which makes a difference of $65 per unit.

In the United States there is some public concern over the accuracy of smart meters, resulting in calls for regulation. Our bill does not require regulation; it just gives the Minister the authority to regulate, should that be needed. It has been argued that appliance manufacturers must move on a protocol first, before smart meters do. I note that Aaron Gilmore earlier in the debate expressed concern about the different standards prevailing, and concern about uncertainty over the precise technology that might apply in the future. Yet we understand, from at least one major manufacturer, that until the smart meter protocol is mandated, they will not move to develop the interface. That is why other countries are mandating a protocol by way of regulation. Only this initiative will get things moving. Of course, there may be problems of obsolescence down the line, but the chip socket will still be in place, so the chip can be upgraded at less than total cost.

Does the Government truly believe that the cost-benefit analysis of the consumer aspects of smart meters will not pay? Does it believe that it will be 10 years before they

are fully functional? If so, the Government should introduce a moratorium on their installation. Otherwise, the extra costs that retailers are charging to customers for smart meters that are of no use would be indefensible.

This bill is about making New Zealand a smart economy. It is about using high tech to make us warmer, more efficient, and less polluting in our lifestyle. It gives the consumer the option of choice. The only thing standing between households and the absurd power price increases we are all facing is this bill. There can be no sound reason to oppose the bill. Any refinements that are warranted can be agreed to in the select committee. I call upon Government members to support the bill still, at this stage, and work with the Green Party to make it become law.

KATRINA SHANKS (National): I rise to take a call tonight on the Smart Meters (Consumer Choice) Bill. National is voting against the first reading of this bill. We have heard a lot of talk about what smart meters are, what they can do, and how good they are. Smart meters are good, and this Government supports their introduction. But we have to make a distinction between smart meters and advanced meters. In New Zealand we have advanced meters. Smart meters are an emerging type of technology that is still coming into the market, still being commercialised, and still being put into products that we can use. But in New Zealand, we are not quite there. In fact, it may not be wise to make regulations and pass legislation to make happen something that is not in existence now, and that maybe will change significantly the way it is delivered or as technology changes. There might be a great big shift. If we are going to regulate and enforce something, why do we not wait until we have smart meters in New Zealand and see what they look like?

Although some aspects of metering are regulated under Part D of the Electricity Governance Rules, the roll-out of smart meters is still unregulated. However, the Electricity Commission issued guidelines in May 2008 that recommended minimum standards for smart meter systems. The guidelines are recommendations only; participants are not required to comply with them. But many, many organisations already are gearing up to do so, and many are already in that space without being told they have to do it and without having this legislation.

What does the report say? The Electricity Commission report, which is the most recent information we have, was reported back to the Minister in December 2009. The commission's overall recommendation was that it is not necessary to extensively regulate the roll-out of smart meters because the benefits of regulation do not outweigh the costs at this stage. The last thing this country needs is increased electricity prices. The last thing this country needs is another law put in place that will make the costs for those users go up even higher. Now is not the right time for a bill like this.

What does the bill do? It requires providers of smart meters to offer to consumers, before the installation service or upgrade of any domestic smart meter, an in-home display unit, import and export capability, and the choice of particular types of prescribed tariffs. It sets out minimum requirements for smart meters, such as that they must include certain components and features that accord with the Electricity Governance Rules, the means to control any existing hot water cylinder, various other features, and, crucially, home area network functionality, not just capability—and there is a difference there. The bill also introduces regulation-making powers for the purposes of assisting domestic consumers. This is already happening in certain areas, without this legislation having been passed.

Some of the reasons why the bill's provisions are unnecessary are that there is widespread compliance. There are already voluntary guidelines on smart meters. The technical matters contained in the bill are inappropriate for primary legislation, and can instead be advanced through rules made by the new electricity authority. Maybe there

will be a time and a place for this legislation, but the industry is already doing all right on its own. We do not need to interfere at this stage. Thank you.

CLARE CURRAN (Labour—Dunedin South): Poor value for money—that was the Treasury advice on the Government's so-called jobs package last August. Do we have more jobs? No, we have fewer jobs, and 168,000 people are unemployed. More jobs are disappearing offshore every day, and the Government has refused to invest in jobs and skills.

The fact is that this Government is not very smart, but here we are talking today on a bill about smart meters that is intended to put the power back into the hands of consumers. The Smart Meters (Consumer Choice) Bill is timely, and it should be supported. Unfortunately, it will go nowhere, because we have a Government that is stuck in mundane and bland thinking. It does not see its role as being to invest in skills and jobs, let alone to promote new technologies to deliver new policy directions and transform our economy and society. I will talk about smart thinking, something this Government does not do. I am deadly serious about it, because if we do not do some smart thinking, then we will stand still as an economy.

The communications revolution means massive changes in the way that we live, work, and communicate, which has an impact on health care, education, and environmental services. It requires collaboration between various industries, such as utilities services, the telecommunications companies, and the information technology sector. I wish that I could stand here in this House today and say that is what is happening in this country, but unfortunately it is not.

Despite a big plan to put $1.5 billion into ultra-fast broadband, this Government is doing very little thinking about what it will use that broadband for or about how it can drive demand and help transform our society to deliver better education, health services, and energy services through new technology. Instead, that thinking is going on in Australia. Its smart thinking is being led from the top. The Rudd Government has made the connection between smart meters, new technology, and energy efficiency, and the importance of having the Government drive change for the good of all society.

In Australia a fundamental shift has taken place in environmental policy since 2007. That has had a huge effect on the utilities market. For the information and communications technology and the energy industries, Government initiatives on smart meters and national fibre telecommunications networks are moving in new directions, such as towards smart grids. By mid-2010 the outlines of Australia's first smart grid project should become visible, starting in Victoria. The major players are mostly large energy retailers and producers, supported by information technology and telecommunications firms.

The Australians grasp that smart meters should only be considered in the broader context of the modernisation of electricity networks that introduced sensing communications and information technology on to the grid. Reputable Australian telecommunications analyst Paul Budde has talked about trans-sector thinking. He has talked about how the Australian Government is leading on all infrastructure projects and on the potential synergies between the building of roads, sewerage systems, and water and gas pipe networks, and telecommunications and electricity networks. The concept of smart communities is based on intelligent infrastructure, such as broadband and smart grids.

In this country one would hope that there would be smart thinking by our Government to go with the delivery of broadband, and that the Government would think of putting broadband in place to make sure that people in communities are better connected, with services that link their homes to broadband. What are we doing as a Government to make that happen? Well, stuff-all, as it happens.

I sit on the Commerce Committee. Last year a stream of State-owned electricity companies came before the committee for their financial reviews: Meridian Energy, Genesis, Mighty River Power, Transpower, and the Electricity Commission. I asked every one of them the same question, and I got virtually the same answer from each of them. That question was whether, given that the efficient use of electricity and saving power is a key issue for our time, any more work was being done on it, and whether the organisation was doing any thinking about where we are going next. The answer, consistently, was: "Not much." Then I asked whether they were aware of the work being undertaken in Australia and other countries on smart grids and whether they were doing any thinking about that. The answer was "Yes" to the first part of the question, and "Um, no" to the second part. I rest my case. No smart thinking is being promoted by this Government in the electricity industry.

There is a huge opportunity to use this bill to propel thinking about how to better use smart meters. We could use new technologies to build smarter communities, to save people on their fuel bills, and to save energy.

DAVID CLENDON (Green): Kia ora koutou. I will begin by thanking those members who have spoken in favour of the Smart Meters (Consumer Choice) Bill, particularly the Labour and Māori Party spokespeople; that demonstrates the forward-thinking and progressive nature of those two parties. It must be said of some of the opposition comments that members have shown damned good "faint praise" in recognising that many of the benefits we are proposing for the installation of smart meters are in fact very real. Nevertheless, they are choosing to vote against offering choice to consumers.

There seems to be a strange phenomenon around electricity prices. In years when the hydro lakes are dry we are told the power price must go up, but in years when they are full the power price must still go up. We bring in more renewables, and electricity prices go up. When we fire up the old coal burning stations, there seems to be some strange economic alchemy that demands that electricity prices must continue to rise. This bill would not be the entire solution to electricity pricing and to managing that, but it would be one significant and very positive step towards giving consumers the ability to manage their usage and cut their costs. It is a great shame that the Government tonight is demonstrating its failure to protect householders from rising electricity prices by voting against this very sensible and very timely bill. It is ironic that the two political parties that pride themselves on being advocates for choice, will be voting against a proposal that would enhance choice and offer consumers even more choice in this very critical area of energy in the household.

Consumers are indeed paying for the new meters that are currently being rolled out, so consumers are stuck with paying for a technology from which they cannot benefit. That to me seems to be at odds with at least the professed beliefs of the two parties that are so far opposing this bill. We have heard much objection that the legislation has come too soon and that we must not get ahead of the game in terms of putting the technology in place before it is certain. In fact, that belies the reality. This is not new technology; it is well-proven technology. In fact, it is mandated in Victoria, the state of Australia, and in parts of the United States.

We are told that we must catch up with Australia. But suddenly the Government seems entirely reluctant to adopt the technology that is proving its worth in Australia, and that has been adopted there for all the reasons we are proposing that it would be appropriate to adopt it here. For a Government that speaks a great deal about innovation and the advancement of New Zealand's economy, it seems to have a remarkable reluctance to innovate—not even to take a risk but simply to display some leadership—and to demonstrate a willingness to accept that time has moved on.

I must thank Mr Chauvel for his very appropriate comments that this is the iPod generation. We no longer content ourselves with just 78 records, but that is what this Government seems satisfied to do. There has been some mention of smart appliances. One spokesperson hoped that in his or her lifetime, smart appliances would be seen. I am not putting words in the mouth of Fisher and Paykel Appliances; I am not suggesting that that company is coming out in support of this bill, necessarily. But I spoke a few days ago to one of its technical people, who assured me that technically, in terms of electronic design and development, it could have smart appliances on the market within 18 months. All the company requires is confidence and the surety of the standard. Essentially, all it needs to light the fuse to make New Zealand - manufactured smart appliances available is an assurance of a standard. That is a very, very slight—minor—regulatory step, but that is what we see the Government unwilling to adopt tonight. Eighteen months is a very short time in the scheme of things, and that is how long it would take—not 10 years, not a lifetime.

Overall, the objections from the Government have been in effect quite niggling objections—that the bill is too soon and that the bill is imperfect. Of course it is imperfect; I doubt whether a member's bill has ever come to this House that could not have been improved by appropriate attention from a select committee. It is very disappointing that this Government will not allow that process to proceed. What will come out of this debate, though, is that New Zealanders will note which parties were willing to stand up and support the best interests of consumers, and which parties were not there to support consumers' interests. Kia ora koutou.

A party vote was called for on the question, *That the Smart Meters (Consumer Choice) Bill be now read a first time.*

Ayes 57

New Zealand Labour 43; Green Party 9; Māori Party 5.

Noes 64

New Zealand National 58; ACT New Zealand 5; United Future 1.

Motion not agreed to.

TARIFF ACT 1988 REPEAL BILL

First Reading

Hon Sir ROGER DOUGLAS (ACT): I move, *That the Tariff Act 1988 Repeal Bill be now read a first time.* Way back in 1998, when National actually seemed to believe in something, it passed an Act that would have abolished all tariffs by 2006. The National Party back then had it right; the National Party today has lost its way, and now does not appear to believe in private enterprise or competition.

Tariffs can only harm the country that imposes them. When we impose tariffs on iPods, sports equipment, and shoes, we make New Zealand consumers worse off. Consumers have to pay for the goods that they want. To take just one example, let us assume that we have a family in South Auckland who want to buy a pair of shoes. If those shoes are heavily protected they might have to pay $200 for a pair, when they could pay only $100 for an imported pair. What happens when they pay the $200 instead of the $100? During that week they will be unable to go to the picture theatre, and they will possibly be unable to buy as much food as they would otherwise have, etc. In other words, although protection might have produced one or two jobs in the shoe industry, the country would have lost jobs elsewhere.

Let us take the recent idea that the Labour Party has desperately latched on to—that we should build trains here. Let us say that the cost is $200 million to import trains and

$250 million to build them here. I ask members what the first effect is of buying from overseas. The first effect is that the Government is better off by $50 million. That is money that can be used to cut taxes or to spend elsewhere. "But what about the $200 million that goes to China?", some will say, "instead of staying in New Zealand?". Well, what can the Chinese do with New Zealand dollars? There are only three things. The first thing they can do is to purchase goods and services from New Zealand, in which case we have nothing to worry about. The second thing they can do is to make the money available for investment. Once again, if people want to invest in New Zealand we should be happy about that, as well. The third thing they can do is exchange New Zealand dollars for their local currency. If they do that, then someone else has those New Zealand dollars—dollars that must flow back to New Zealand in the end.

Labour members misunderstand the economics of trade. That is why they will not support this bill. Many in National understand the economics, but think that the politics are far too tough. National seems also to think that trade barriers are somehow a useful bargaining chip in international trade. According to the logic that National applies, the most powerful trade negotiator in the world must be North Korea, a country with the highest trade barriers in the world. According to the perverse logic employed by National—and by Labour, I might add—we must harm ourselves in order to convince other countries to sign a trade agreement with us. That is a truly stupid argument. According to that logic the Governments of Singapore and Hong Kong are fools, because no one will ever want to sign a free-trade agreement with them. So which dumb countries have bothered to sign free-trade agreements with countries like Singapore and Hong Kong, which have no tariffs? Interestingly enough, New Zealand has a free-trade agreement with both.

The fact is that New Zealand can gain—and this is the essence of the argument—by selling goods that it can produce at a relatively low cost, from agriculture, etc., and by using the proceeds to buy things that it can produce only at high cost, like trains and shoes. There are three reasons for that: firstly, in international trade the people of each nation will be able to use more of their resources to produce and sell things they do well—a major plus. Secondly, international trade allows both domestic producers and consumers to gain from reductions in per-unit costs, which are brought about by specialisation, size, etc. Thirdly, international trade promotes competition in domestic markets, and thereby allows consumers more choice and lower prices.

During the 1980s eight of the least developed countries in the world with the lowest restrictions—the lowest tariffs—grew their economies at 5 percent a year, while 10 of the least developed countries with the highest tariffs remained at zero percent for economic growth. I think that that is significant. If we take eight of the least developed countries in the world with low tariffs during the 1980s, we see that on average their economies grew by 5 percent. On the other hand, 10 of the countries that had the highest protection, the highest level of tariffs and other restrictions, collectively remained at zero percent for growth. I think that that makes the case for getting rid of tariffs.

Labour members, both last week and this week, have argued that if we provide protection to the rail industry by building trains here, then we will create jobs for New Zealand. That is wrong—wrong. If jobs were the key to high incomes, we could create as many as we liked. We could dig holes one day and fill them in the next, but we would be very poor as a result. Of course high tariffs will expand employment in a protected industry. That is obvious; anyone can see that. However, that does not mean that total employment in the country will expand. If job-savers think that high tariffs and other trade restraints will create jobs, why do they not introduce a tariff between the North Island and the South Island? For heaven's sake, if it is such a good idea, why not

do that? That example simply illustrates how absurd some of the arguments for having high tariffs really are.

To conclude, I want to make one final point: New Zealanders should simply be left to trade with whomever they want. We should be free to buy from the cheapest markets, and, if at all possible, to sell our goods in the most expensive. The economic benefits of trade do not—and I emphasise do not—care about political borders. Just as trade between Wellington and Auckland makes both cities better off—as indeed any voluntary trade must do—so does international trade make countries better off.

JOHN HAYES (National—Wairarapa): That speech made by Sir Roger Douglas sounded plausible, but I rise to oppose him, and I rise to oppose his piece of political theatre—one and a bit pages of four clauses that, if passed, would allow imports without the payment of tariffs, which are currently provided for by the Tariff Act 1988. In effect, this tiny piece of political theatre would get rid of the Tariff Act 1988. The Act provides a framework for the Tariff of New Zealand and its administration. The Tariff Act also provides for transitional safeguard measures where such measures have been provided for under free-trade agreements. Such safeguards protect New Zealand industries from serious injury caused by increased imports resulting from the reduction or elimination of tariffs under a free-trade agreement.

In many circumstances I would be inclined to support the proposal. Why? Lowering trade barriers is good for the ordinary person in my electorate and, more broadly, for this country. The Uruguay round of trade negotiations, which reduced trade barriers right across the world from 1994, is estimated to have increased world income by roughly US$100 billion. If tariffs on agricultural and industrial goods and services were reduced by one-third, there would be a further gain of about US$600 billion—or about 2 percent of world income. The removal of all trade barriers would deliver over 6 percent of world income. In fact, the gains would be much greater, I suspect, because these numbers are back-of-the-envelope calculations estimating the gains from bringing cheaper goods from world markets into what are currently protected markets. It is a very simple application of Ricardo's theory of comparative advantage.

So why am I standing against this proposal from Sir Roger Douglas? Essentially, I say to Sir Roger that the question is about judgment; mine differs from his. New Zealand tariffs are already amongst the lowest in the world. New Zealand's economy, along with economies like those of Hong Kong and Singapore, which Sir Roger mentioned, is one of the most open in the world. There are very few tariffs left to be knocked off, and those that remain are very low. The current 5 percent and 10 percent tariffs are subject to reductions that may arise out of the World Trade Organization's Doha round, and also to reductions that may be negotiated with New Zealand's free-trade agreement partners over the coming years. The most recent of these is the Malaysia free-trade agreement, which is before my select committee, the Foreign Affairs, Defence and Trade Committee.

In fact, if we look at New Zealand's existing free-trade agreements, we see that there are very few tariffs left. They have been eliminated from exports from Australia, and our recently concluded free-trade agreements with China and 10 nations of South-east Asia—Hong Kong and others—mean that we are on a path towards the elimination of tariffs on goods from these countries also. In addition, through the World Trade Organization, we have offered duty-free access to the world's poorest countries, the least developed countries. There are only a few sectors, such as clothing, textiles, footwear, and some manufacturing sectors, where tariffs remain. New Zealand's last scheduled unilateral reduction of tariffs took place on 1 July last year, when the highest tariffs, mainly on footwear and carpets, were reduced to 10 percent. On 1 July 2008 tariffs on a range of mainly manufactured goods were reduced to 5 percent.

Let us talk about companies in my electorate, such as Metalform in Dannevirke where I will be on Friday helping to lock up a container with the 500th high-tech wheelchair to be exported. These companies are in absolutely no rush to see the remaining tariffs eliminated. They have competed with imports for years. Shoe manufacturers in my electorate, and certainly clothing manufacturers, have competed with imports for years and will continue to do so. These tariffs are likely to be negotiated away as our free-trade agreements take effect, but there is little to be gained from doing this immediately. This is why my judgment differs from Sir Roger's. I remember what happened back in the late 1980s, when Sir Roger and his colleagues from the Labour Party caused massive economic restructuring, and what did that achieve? It increased unemployment, it ruined many small businesses, it ruined many farmers in my electorate, it penalised those on low incomes, and it penalised the elderly, who rebelled against discriminatory taxes. I say to Sir Roger that this is not what we need at this time on the back of a recession. It is a question of judgment, and that is why I stand against him.

The problem New Zealand faces is not that our consumers are hampered by high tariffs; that was certainly once the case, but it no longer is. It is that other countries have not followed suit—I am particularly thinking of America. We would see real economic gains if tariffs were reduced in our key export markets, and that is precisely what the Government is working hard to do through its agenda of free-trade agreement negotiations. We have done it with China, which is now our second-largest trading partner, and we are reaping the benefits. New Zealand exports to China grew by 43 percent last year. I say to Sir Roger that that was a key factor in driving New Zealand through the global recession and helping to keep New Zealanders in jobs. Increased market access in key export markets achieved through free-trade agreements can be expected to provide significant benefit to the New Zealand economy, to New Zealand companies, and to New Zealand consumers, and, in turn, support employment, which is so critical at this time of economic fragility.

Last year Cabinet decided to maintain tariffs through until 2015. That judgment was made on the basis that tariff reductions through trade negotiations, rather than through unilateral tariff reduction—as Sir Roger is proposing in the House tonight—will provide more benefit for domestic tariff liberalisation, and enhanced as well as reciprocal access to the markets of important trading partners. I say to Sir Roger that we have to be smart about this. That strategy makes sense for the economy as a whole. That is what Sir Roger Douglas overlooks; it is why his bill is faulty, and it is why I will vote against it tonight. Thank you.

Hon MARYAN STREET (Labour): I rise as the third speaker on the Tariff Act 1988 Repeal Bill. As the third speaker I have only 5 minutes, so I will not waste too much time traversing history. Suffice it to say that in the time of the fourth Labour Government, of which Sir Roger Douglas was a key member, there was huge economic restructuring and consequent dislocation, particularly of 300,000 people who lost their jobs in the process. Although we still stand by some of the economic restructuring, it was a period that saw the Labour Party nearly tear itself apart because of the extreme implications and effects of these policies. Sir Roger has now come back to finish the job. The Labour Party stands against this bill tonight and will stand against Sir Roger finishing this job.

The Tariff Act 1988 was legislated, to begin with, in order to provide for changing regulations around tariffs and the implementation of the Government's plan to lower tariff rates to below 20 percent by 1992. Throughout the 1990s the National Government repeatedly and unilaterally lowered tariffs to the point where they were one-fifth of late 1980s levels. In 1998 the Government passed the Tariff (Zero Duty)

Amendment Bill, which mandated the reduction of all tariffs to zero by 2006. But the new Labour Government in 2000 amended this bill, placing a freeze on all further unilateral tariff reductions until 2005, and tariff reductions were to continue as part of free-trade agreements. For Sir Roger to characterise our free-trade agreements as being only tariff reduction mechanisms is to do them a disservice. These days they are much more complex mechanisms than that, which is why the logic about countries that have no tariffs not entering into free-trade agreements with New Zealand does not stand up, because they continue to make gains from the other provisions in free-trade agreements that have nothing to do with tariff reductions.

I say to Sir Roger that that logic is out of date and needs to be updated. The new free-trade agreements well may contain tariff reductions, and frequently do. They are done on a calculated and measured basis in a way that allows some protection of New Zealand industry, and at the same time provides New Zealand with a few remaining bargaining chips. They are not the only things, but we have a few remaining bargaining chips that we may be able to deliver in the course of free-trade agreements. However, they are complex mechanisms these days, and they are not simply about tariff reductions. We have tariffs remaining on a number of goods. In particular, we have a 5 percent customs duty on textile imports and a range of other products imported from overseas. These products include processed foods, machinery, steel, and some plastic products. A 10 percent customs duty applies to a few imports, mainly clothing, footwear, and carpet. Those tariffs apply on goods that are still made in New Zealand.

I refer to a press release from the New Zealand Council of Trade Unions at the time when Tim Groser, the Minister of Trade, together with Simon Power, the Minister of Commerce, had announced that they not would be proceeding with any more unilateral tariff reductions. Peter Conway, the Secretary of the New Zealand Council of Trade Unions, said that although the level of tariffs provided much less security in respect of local industry and employment than in the past, it still made a difference to sectors such as carpets, clothing, textiles, and footwear, as well as to plastics and whiteware. He went on to say that the eventual phase-out of tariffs on items such as clothing, in the context of the free-trade agreement with China, and the likelihood that tariff reductions would feature in other such trade agreements, means that it does not make sense for New Zealand to undertake unilateral tariff reductions. I say to Sir Roger that the process of arriving at tariff reductions these days is a much more measured and calculated affair. They are now done in the context of complicated and very sophisticated free-trade agreements.

JACQUI DEAN (National—Waitaki): I rise to oppose the Tariff Act 1988 Repeal Bill with an air of confusion as to why this bill has come to Parliament. It seems to me that this is—

Hon Maryan Street: Finishing the job. It's an old agenda.

Hon Steve Chadwick: Political theatre!

JACQUI DEAN: Indeed, I am in agreement with my Labour colleagues on this. This is an old agenda, and I believe it is an agenda that previous Governments and this Government have moved well away from. The Government is working successfully in terms of trade for both our importers and exporters.

When I looked at this brief bill, a couple of things struck me. The first thing that struck me was that in terms of trade this is an "all bets are off" type of bill. This bill is like New Zealand taking off its overcoat and exposing everything it has to offer to the world whilst still dealing, in trade terms, with fully clothed opponents. To me, that did not seem to be a very good thing to do. The bill seems to give away any trade advantage that New Zealand has, and we are an exporting nation. Exports are incredibly important to New Zealand and will continue to be important.

Another aspect of this bill that struck me was that previous trade Ministers, and our own Minister of Trade, the Hon Tim Groser, are working extremely hard to negotiate free-trade agreements. The word "negotiate" really captures where New Zealand is at in terms of trade these days, which is that we engage with countries like Hong Kong, China, and the ASEAN countries in negotiations that are not just about tariff rates but also about other aspects of trade with those countries and doing business with them. That might include things such as rights for workers, educational opportunities for both countries, and other such things. Tariffs may form a small part of those negotiations, but I would not have thought it was a very smart move for a small country in the middle of the South Pacific that is very dependent on trade and on forming trade relationships with other countries to just say: "OK, come in; it won't cost you much. We'll pay a tariff on goods going into your country.".

This bill may work for importers, but certainly tariffs remain for exporters. As I have already said, we are a country that relies very heavily on exports. The repeal of the Tariff Act would put New Zealand at a huge disadvantage. We would open the door to tariff-free goods, yet our exporters would still face tariffs from our trading partners. The other problem is that we would lose the protection that we currently enjoy under the Tariff Act—that is, we would have no protection from a sudden influx of goods into our country. It has happened before; we are well aware of it. Chinese T-shirts or underpants come to mind. Without the protection of the Tariff Act, I fear that New Zealand would be exposed—possibly the wrong word—to that kind of influx of goods, with little protection.

I am curious about a term used in the bill, and in Sir Roger Douglas' speech in reply I invite him to explain it, because I can make neither head nor tail of it. This is a short bill, luckily, and I refer to clause 4(2). He might explain the phrase "shipment includes loading into an aircraft; and to ship and cognate expressions have corresponding meanings". I cannot understand what that term means. I am very interested to hear what Sir Roger Douglas makes of it, and I invite him to give us a very clear and full explanation of it. I strongly oppose this outdated, outmoded, and damaging bill. Thank you.

SU'A WILLIAM SIO (Labour—Māngere): This morning I was released by my whips to attend a community event where several Pacific community leaders who have been involved in a life-changing programme called "OTC", or Off the Couch, were celebrating. This is a programme run by Buck and Lucretia Stowers of Genetics Gym in Manukau. Off the Couch involves some of the heaviest South Auckland men supporting one another to change their lifestyle through exercise and information.

I took a taxi from the South Auckland Taxi Association. While talking to the taxi driver, I learnt that he was quite concerned about the Auckland super-city and the impact of that change on him and his family. He was quite free with his views. He revealed to me that he did not like the person whom he called "the architect of the super-city". He did not say any names but simply referred to that person as the "architect of the super-city". He believed that his proposal would be "a disaster for Auckland", and then he said: "He's only firing the gun, but the bullets are coming from Roger himself."

The "Roger" that this taxi driver referred to this morning is the same Hon Sir Roger Douglas whose bill, the Tariff Act 1988 Repeal Bill, we are debating. The taxi driver had a very vivid memory of losing his job during the Rogernomics period. He did not have a kind word to say at all about Sir Roger Douglas. I confess that I gave the taxi driver a bit of encouragement about that. Our community still has vivid memories of Sir Roger Douglas being responsible for Rogernomics in the 1980s. Tonight in this House in 2010 we are debating the first reading of a bill that is based on the same ideological

thinking, which delivers only for the few and not for the many in our country. Sir Roger's bill aims to remove all taxes on imports. The last time that Sir Roger played around with the removal of tariffs, he practically destroyed many of the industries of that time, particularly in my neighbourhood in Māngere in Manukau, South Auckland.

The wholesale overnight removal of all tariffs, as proposed by the Hon Sir Roger Douglas' bill, is in our view reckless, and it would have a detrimental impact on many New Zealand industries and jobs, especially on our manufacturing industry. I will quote Peter Conway, Secretary of the Council of Trade Unions: "although the level of tariffs provide much less security in respect of local industry and employment than in the past, they still make a difference to sectors such as carpets, clothing, textile and footwear as well as plastics and whiteware."

New Zealand's unemployment rate has ballooned to over 7 percent under this Government, and it continues to rise. Māori and Pacific unemployment numbers have hit double digits, and the detrimental impact of being unemployed manifests itself in children going without and missing out on the basic necessities. Some families are falling behind in their power and rent payments. They are risking eviction and power cuts, because they have lost their jobs and cannot find other ones quickly enough. Some families are struggling to meet their mortgage payments, and risk losing their home, because they have been laid off from work. Since the last election, our unemployment rate has soared and it now stands at 30 percent higher than Australia's rate, which has gone down. If this bill is passed, this Government will risk the livelihoods of many more families, who will lose their jobs as a result of the reckless ideology of the past.

Mr Douglas will argue that the tariff imposed on imported goods hurts consumers. He will argue that the tariff forces us to pay higher prices for goods. He will say the tariff should be removed so that consumers can have more money in their hand to spend elsewhere. If he is concerned about that, and if this Government is so concerned about additional costs being placed on consumers, they should back down on their proposed increases to GST, because increases to GST mean there will be higher prices in our community. No one voted for increases to GST. No one voted for higher prices for the basics.

We oppose Sir Roger Douglas' bill. Labour supports free trade by endeavouring to build free-trade agreements, bilaterally and multilaterally through the World Trade Organization system, not through the reckless unilateral action that this bill proposes. New Zealand already has some of the lowest tariff rates in the world, which benefits our consumers.

DAVID CLENDON (Green): The point has been made that the Tariff Act 1988 Repeal Bill reflects a rather old agenda, and that must indeed be the case, because, when I was a much younger man—the honourable member in charge of the bill, the Hon Sir Roger Douglas, will be pleased to know this—I engaged in a protest against tariffs. That was at a time when New Zealand had a very diverse and robust manufacturing industry, unlike today. One of the products we manufactured was tyres, and at that time there was a very high tariff placed on the import of tyres, which was well and good, except that it included motorcycle tyres. Of course, we did not manufacture motorcycle tyres locally. So I took part in a protest, which took the form of many of us posting used tyres to our local member of Parliament. I rejoice in remembering the television images of the time, which showed a great pile of tyres arriving in this place.

More seriously, there are very valid reasons why one would continue to impose tariffs on imported goods. We all enjoy buying cheap products, and tariffs can indeed increase the price of imported products. If the cheapness of those imported products is because the manufacturers are more efficient and use the best technology and better design, then so be it. But most often, or very often, it is the case that cheap imported

products are cheap because the people manufacturing them are not being paid what we would consider a reasonable wage, even in the context of their countries. They are not protected by unions and have no choice in the conditions of their employment. Very often products are cheap and arrive at our shores because the environmental measures taken during manufacture in the countries of origin would not be acceptable to us. Using resources carelessly, dumping waste into rivers and drains, and using child labour are all reasons why one would reasonably impose tariffs on goods coming into this country.

It is interesting that this bill comes to the House during Fair Trade Fortnight. A few days ago, a number of members from all parties across the House joined a small celebration of fair trade. The idea is that fair-trade products are guaranteed to come from countries, or at least from supply chains, where people are paid reasonably, and where there is some environmental management and control. One can purchase and consume those products with a clear conscience. In fact, there was a proposal that Parliament ought to become a fair-trade workplace.

The Greens have always had significant ambivalence about the notion of free trade, because it can simply be a disguise, or a mechanism for allowing us to import products that are not from sources that any of us would find acceptable if we took a moment to look at them, for the reasons that I have outlined. Tariffs are certainly a very legitimate mechanism, even in 2010. They are perhaps a mechanism to be used thoughtfully and lightly, but they have a place. We will certainly be opposing this bill.

TE URUROA FLAVELL (Māori Party—Waiariki): Tēnā nō tātou e te Whare. With an 18,000 kilometre coastline and a lack of land borders with other countries, Aotearoa is probably ideally suited to levying border tariffs on imported goods. In fact, tariffs have been a part of Government policies since right back in 1840. I am told that one of the first actions of Governor Hobson was to issue a customs regulation ordinance, which imposed a tariff on alcohol, tobacco, tea, sugar, and grains. These days, however, most goods remain free of tax. I am told that in 2008 about 80 percent of New Zealand's imports were tariff-free. Some tariffs, of course, are of about 10 percent, and these apply mainly, as other speakers have said, to clothing, footwear, and carpet.

I understand Sir Roger's kōrero that removing the payment of tariffs from importers would have some immediate benefits for consumers, with a likely reduction in the price of imported goods such as cellphones and computers. We know that the immediate income effects of lower consumer prices would inevitably benefit Māori, and to the extent that tariffs are a tax on exports, there is a school of thought that tariff reduction would benefit Māori relatively more than other groups. This is in light of the fact that, on average, the Māori economic base is twice as export-intensive as the New Zealand economy.

But there are a couple of major hitches, and I will outline those at this point. The Māori Party suggests that opening up the domestic market to a potential flood of imported goods could, and would, undermine locally manufactured goods. We say that this move might threaten our own local manufacturers at a time when we can least afford it, and in the wave of the very successful introduction of the tobacco tax by my co-leader Tariana Turia just last week, it would be devastating if removing tariffs suddenly opened the door to a mass of cheap alcohol and cigarettes.

I will raise a couple of other issues very quickly. The first is that this bill is inconsistent with the Māori Party's position about the bigger picture of our international relationships. In our policy document, *He Aha Te Mea Nui?*, we made a commitment that "The economic benefits of international trade agreements need to be balanced with consideration of our own local, regional and national social progress and environmental enhancement." That is the first point.

The second point is that as a political party, the Māori Party has opposed all free-trade agreement legislation to date. Our policy position is probably summed up best by saying that we want fair trade, not free trade. We seek a trading partnership that seeks greater equity in international trade, that offers better trading conditions, and that contributes to securing the rights of all workers. We say that more than profit is at stake. We want to see attention paid to labour and environmental justice issues, and to human rights issues.

Finally, I cannot leave this debate without stating the obvious: the Government has decided against any review of tariffs until 2015 at the earliest. Quite simply, nothing in the 105 words in this tiny little bill convinces us, as the Māori Party, to disregard our policy position, to turn against our voting history, to short-cut the Government's deadline, or to support this bill. That will inevitably tell this House that the Māori Party will not be supporting the bill at its first reading. Kia ora tātou.

STUART NASH (Labour): I have heard the Māori Party member Te Ururoa Flavell talk about principles, and I hope he stands by his principles when the Government comes to introducing the Budget, which will increase GST on food to 15 percent. I hope he has the balls to stand by his principles and vote against the Budget.

We have heard from Labour members and National members, from every party in this House, as to why they will not support the Tariff Act 1988 Repeal Bill. I offer a personal message to Sir Roger Douglas. There are a few of us in this House whose ancestors have trod this path before. There is Todd McClay, whose father was Roger; there is Jonathan Young, whose father was Venn Young; and, although I am a little further removed, I have an ancestor who was here for 38 years. Then, there is Sir Roger Douglas, who was a Minister in the same Cabinet that his father was a Minister in. I remember Sir Roger Douglas as the man behind the concept of compulsory superannuation. I wonder what state our country would be in today if Sir Roger's vision of compulsory superannuation had been realised and Robert Muldoon had not illegally cut the scheme off. I wonder what it would have looked like today. I think that Sir Roger's vision of compulsory superannuation would have created an economy far greater in size and scope than the one we have today. So I take my hat off to him.

But I say to Sir Roger that at this point in time it is a game for a different generation. The prestige that he once had is now gone; it is a different game now. What happened to the principles he once stood for that allowed him to stand for Labour and work for the rights of workers? The ACT Party opposed my colleague Darien Fenton's Employment Relations (Statutory Minimum Redundancy Entitlements) Amendment Bill. That bill represented the rights of the workers—the workers whom Sir Roger Douglas once stood for, stood proud for, and fought for.

The Tariff Act 1988 Repeal Bill would remove the tariffs that protect the industry still remaining in this country. It is the ideological thinking of a Sir Roger Douglas who is not connected to the Labour Party. In his younger days in the Kirk Government, he espoused everything that the Labour Party stood for. It is time for Sir Roger to retire. It is time for him to hang up his gloves, put his boots away, and remember the old times. I will remember him for introducing compulsory superannuation, because I think it was an awesome scheme. But this bill is not the bill that he wants to go out on. This bill will not protect New Zealand workers and New Zealand industry. It is not a bill put forward by a Labour Minister from a party that has 94 years of proud legacy. It is not a bill from a man who comes from three generations of Labour Party members of Parliament. It is time for Sir Roger Douglas and the outdated philosophy of the ACT Party to move forward. When it gets to a point where not only Labour but also National, the Greens, Jim Anderton, and Peter Dunne—everyone—oppose that philosophy, it is a sad conclusion to a great Labour Party family.

Labour supports free trade—of course we support free trade. New Zealand's next Prime Minister, the Hon Phil Goff, signed the free-trade agreement with China. We are the champions of free trade; we believe in free trade. But this bill will not champion free trade. It will not move New Zealand forward; it will move New Zealand back. I am not too sure why Jacqui Dean is offering a rebuttal speech, because she stood up less than 5 minutes ago and supported the stance that I am now taking. This is not a bill for New Zealanders. All I can say to Sir Roger is that I am sad and ashamed that such a proud Labour family is bowing out on such a bill. I will not support it.

TODD McCLAY (National—Rotorua): What a disgraceful speech that was! That member, Stuart Nash, is as new to the House as I am. He stood up, and, first of all, pretended to heap praise upon a member of this Parliament who has been here for many years representing New Zealanders and constituents, worked hard, and come forward with something that he believes in and believes will help New Zealand. Then Mr Nash made an outright attack on that member of Parliament. I have decided to change my speech a little bit after that disgraceful intervention by the last member. Mr Nash lost all credibility at the end of his intervention when he said that the next Labour Party Prime Minister would be Phil Goff. At that stage everybody on this side of the House, and certainly everybody on that side of the House, switched off and stopped listening. I think there is a reasonable chance that the next Labour Party Prime Minister could be Stuart Nash himself. Would that not be a wonderful, wonderful country to live in?

I come directly to the Tariff Act 1988 Repeal Bill. Along with members opposite, I will not be supporting this bill, because I do not believe that it is the best thing we could be doing for the country in terms of trade at this moment. It is a little bit like a can of coconut cream. It looks good and it smells good, and we all want it, but when we dig down a bit deeper, we realise that it is not good for us. I will speak more about that in a moment.

The thing about trade negotiation is that it is like a game of chess. We do not give up all of our options or all of our advantages before we start playing the game. Unfortunately, this bill before us today would do exactly that. It would mean that when our negotiators went out to negotiate trade agreements on our behalf, we would have given up all of our advantages; all of the things we might trade away for better access for our exporters to other markets would have gone.

New Zealand tariffs are imposed against a very small number of imported products, and at extremely low levels. In 2008, 80 percent of goods imported into New Zealand were tariff-free, with no restriction. Those that did have tariffs imposed against them had tariffs rated at between 5 and 10 percent. As Jacqui Dean, a very capable member of Parliament from the South Island, said, the Tariff Act provides protection for New Zealand industries. A number of industries, perhaps, could not function as well if a large number of foreign goods were imported from other markets. The Minister of Commerce and the Government have the ability to provide some short-term protection through the imposition of tariffs to stop those goods from being imported. I think that is very, very important.

Last year, along with a number of my colleagues and members from the other side of this House, I had an opportunity to visit the Pacific Islands. It was very interesting to have discussions with people there. In fact, in a previous life before coming to this Parliament, I worked very closely with a number of Pacific Islands. I spent a good 4 years with them, negotiating trade access and trade agreements with the European Union. The one thing that the European Union wanted from the Pacific Island countries was increased access, because their tariff rates were very high. Conversely, on the other side, there was not a lot that the Pacific Island countries could offer the European Union—one of the largest trading blocs in the world—and, therefore the Pacific Island

countries were very cautious not to give up too much of their protection too quickly. This bill would mean that New Zealand would be giving up too much at a time when we have the ability to negotiate more.

I will take the case of Niue, and come back to my analogy of coconut cream. In Niue people go out and pick coconuts. They make wonderful coconut milk and great coconut cream in factories over there. They get to export it to New Zealand without a tariff upon it, at all. Countries in Asia also produce coconut cream, and under the bill they would get access to our country without any tariff restriction, because there is no tariff restriction. Well, that would mean that coconut cream producers in countries like Niue, the Cook Islands, and the many other countries where great coconut cream is produced would be under greater pressure because of this bill. So I think we should not be doing it, at all. As the member opposite has just said, it tastes good, but it is not necessarily good for us. Certainly, this bill would not be good for those producers in the Pacific Islands.

I will finish up very, very briefly. If all of our trading partners were doing this tonight, as well, and if all of our trading partners around the world were saying "Let's get rid of all tariffs.", that would be fantastic for New Zealand. But, sadly, they are not. Sadly, it will take many years and a lot of hard work on the part of this Government to sign more free-trade agreements in order for us to have freer trade access. Therefore, we must go step by step to do that. I commend the honourable member Sir Roger Douglas for bringing the bill to the House, but National will not be supporting it. Thank you.

Hon Sir ROGER DOUGLAS (ACT): When I listened to the member from Māngere, I was reminded of a story that I think is very relevant. I recall a taxi trip I had from my home to the airport in 1990. I asked the taxi driver, a Samoan who lived in Ōtara, how business was. He looked at me and said: "Well, not all that fantastic, not that good." I asked him why, thinking I would get a story about the deregulated taxi industry, leading to too many taxis, as the reason he was not doing well. But he said: "I am not doing all that well, but I am not complaining about it, because a lot of my customers now own their own cars. Because you've reduced the price so much, as a result of lowering tariffs, etc., my customers can now afford a car. So instead of having to get a taxi to take them home after they have been to the local grocery store, they can drive themselves home." The fact is that because the Labour Government of the 1980s lowered tariffs in respect of cars and opened up that particular industry, a whole lot of people who could not own cars suddenly could do so. I think the Labour Party should think about that.

Mr Nash, I think, was trying to give me some sort of lecture. Given that Mr Nash gave me so much advice, I thought I might be able to give him a little bit of advice. I think he should start apologising to all those young Māori who are out of work—38 percent, after 9 years of a Labour Government. Thirty eight percent of young Māori are out of work. I think that Mr Nash should start to apologise to them. I think he should say sorry to every superannuitant in the country. When the State controls our entitlement to superannuation, as it does, then it will undoubtedly discriminate against those groups who have shorter lives. Our present system, which, of course, was amended and changed by the Labour Government over the last 9 years, discriminates against Māori and Pacific Islanders, in particular. So I think those Labour members should apologise for that.

I think Labour members should apologise for the populist vote-buying they entered into over 9 years, which left the country in debt, and left us with a deficit of 7 or 8 percent of GDP. I think they should apologise for the way in which they discriminated against low-income earners, and got them to pay for the children of the wealthy to go to university. I could go on. The last Labour Government tried to buy votes. It was a

Government that spent over and above the rate of inflation by about $18 billion—in other words, for a family of four it imposed an extra $20,000 a year in costs. So if anyone needs to apologise, I think we should start with the Labour Party, and with Mr Nash in particular.

A party vote was called for on the question, *That the Tariff Act 1988 Repeal Bill be now read a first time.*

Ayes 5

ACT New Zealand 5.

Noes 116

New Zealand National 58; New Zealand Labour 43; Green Party 9; Māori Party 5; United Future 1.

Motion not agreed to.

MOTIONS

Nuclear Disarmament—Treaty on the Non-Proliferation of Nuclear Weapons Review Conference

PHIL TWYFORD (Labour): I move, *That this House recognise the historic opportunity to advance the cause of nuclear disarmament at the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) Review Conference May 3-28; acknowledge the leadership on this issue by United States President Barack Obama; and call on the New Zealand Government to take an active role in this issue, drawing on our country's proud nuclear-free stance, working together with other like-minded nations to support the United Nations Secretary-General's Five Point Plan for Nuclear Disarmament including preparations for the development of a Nuclear Weapons Convention*.

For more than two decades nuclear disarmament efforts have floundered, but a year ago in Prague a new US President declared America's commitment to seek the peace and security of a world without nuclear weapons. Since then, the world has watched keenly, hoping that this generation will break the deadlock. In recent months we have seen the green shoots of an antinuclear spring. The US and Russia have negotiated a treaty to reduce their stockpiles. The US Government has conducted its Nuclear Posture Review. Some NATO States have called for the removal of nuclear weapons from Europe. President Obama hosted last month a summit in Washington to keep nuclear weapons out of the hands of terrorists. Now, Governments gather in New York to review the nuclear non-proliferation treaty. The world is watching with high hopes.

Twenty-three years ago we were ostracised by our traditional friends because of Labour's antinuclear law. That reinforced in our nation a deep commitment to our nuclear-free policy as a symbol of our rejection of nuclear deterrence and our concern for the planet. That the Prime Minister was invited to Washington by the United States specifically because of our nuclear-free status speaks volumes about the fact that the world has caught up with New Zealand on this issue. But now is not the time to rest on our laurels. Now is the time to lead. We did it before, and we can do it again.

Others are looking to us. Former Australian Prime Minister Malcolm Fraser and former Australian Foreign Minister Gareth Evans both visited New Zealand in recent months, urging the Government to take a leadership role on this issue. US Vice-President Joe Biden said to the Prime Minister: "New Zealand could play a leadership role working with other countries demonstrating that the world free of nuclear weapons would be a better place." But the Prime Minister did not even mention New Zealand's nuclear-free status in the three-page document he presented to the Nuclear Security

Summit. To the Prime Minister I say: "Don't be an antinuclear lion in the New Zealand media, and a mouse in Washington or New York." His comments on the nuclear issues seem to be only for a domestic audience, and, as some commentators have observed, he seemed to be using the access gained by our antinuclear credentials to leverage a free-trade agreement.

Well, I say to this National Government that trade is vital to our nation, but it is not everything. New Zealanders are passionately antinuclear. We want our nation to be a voice of conscience to argue the antinuclear case in the streets, at the World Court, and at international meetings. If we can make a difference and make this world safer for our grandchildren, we should. But it will take courage. We will have to stand up and be counted, and sometimes disagree with powerful friends. Norman Kirk did it, David Lange did it, Helen Clark did it, and history recognises them for it.

We can continue to work patiently at initiatives to build confidence in disarmament, getting weapons off their hair-trigger alert, and building support for nuclear-weapon-free zones. But the challenge now is to lift our eyes to the bigger goal. The United Nations Secretary-General, Ban Ki-moon, has proposed a five-point plan to get us there. New Zealand should explicitly commit to the plan and work with other like-minded nations to build support for it. The Government should call for preparatory talks on a process leading to the nuclear weapons convention. Many MPs in this House have already endorsed that call.

I want to finish with a quote from President Obama, from his Prague speech: "Human destiny will be what we make of it. … let us honor our past by reaching for a better future. Let us bridge our divisions, build upon our hopes, and accept our responsibility to leave this world more prosperous and more peaceful than we found it."

Dr PAUL HUTCHISON (National—Hunua): As a foundation member of International Physicians for the Prevention of Nuclear War and a member of Parliamentarians for Nuclear Non-proliferation and Disarmament, it gives me great pleasure to speak on this motion. This National Government remains totally committed to the goal of a nuclear-weapon-free world. As we speak, the Minister for Disarmament and Arms Control, the Hon Georgina te Heuheu, and New Zealand officials are heavily engaged in the Nuclear Non-proliferation Treaty Review Conference being held in New York. As Minister Georgina te Heuheu said earlier today to the 189 non-proliferation treaty States parties assembled in New York, these are issues that New Zealanders feel passionately about. That passion has been borne out over many years and through the contribution of many members of this House and the broader community.

The nuclear non-proliferation treaty is often described as the cornerstone of the global nuclear disarmament and non-proliferation regime. It is the only multilateral treaty that contains a commitment to nuclear disarmament. New Zealand was one of the first countries to sign the non-proliferation treaty in 1968. The vision of a nuclear-weapon-free world has been adopted by all New Zealanders and is one that this Government proudly supports. As the Minister said in her statement at the UN this morning, the issues at the heart of the treaty are of a global nature. We are all impacted by the proliferation of nuclear weapons, and we would all suffer the catastrophic consequences of nuclear war.

President Obama's leadership on nuclear issues has been largely responsible for reinvigorating the debate. When he spoke in Prague in April of this year, he expressed America's commitment to seek the peace and security of a world without nuclear weapons. More recently, the US and Russia signed a new treaty on nuclear weapons reduction, and the US released its own Nuclear Posture Review, which marked a significant break from the past. Yesterday, the US Secretary of State, Hillary Clinton, announced that the US would be taking the important step of working to ratify the

protocols to the South Pacific Nuclear Free Zone Treaty. The UN Secretary-General's Five-Point Plan on Nuclear Disarmament is also lending momentum to global nuclear disarmament efforts, as the Minister acknowledged in her statement to the Nuclear Non-proliferation Treaty Review Conference today. The New Zealand Government welcomes these initiatives as concrete steps towards nuclear disarmament, but our delegation at the conference will be working for real disarmament commitments from all nuclear-weapon States.

Central to New Zealand's nuclear disarmament engagement at the conference is our membership of the New Agenda Coalition, which will be pressing the review conference to adopt a number of practical recommendations that would significantly advance the world towards the elimination of nuclear weapons. New Zealand is also coordinating a group of States calling for action to address the significant number of nuclear weapons that still exist today on high alert, and to bring an end to a Cold War legacy. We will also be working closely with Australia on promoting greater transparency from nuclear-weapon States as an essential confidence-building measure, and supporting a Canadian initiative to address the non-proliferation treaty's need for better working methods.

The motion put to the House today supports the development of a nuclear weapons convention that would outlaw the possession and use of nuclear weapons. This Government firmly believes that a legally binding instrument or framework of instruments governing the elimination of nuclear weapons will one day be required as we progress towards a world without those weapons. For that reason, New Zealand regularly supports a resolution at the UN General Assembly that calls for negotiation leading to a convention. As the Prime Minister stated in the House in April last year, our support for those negotiations is conditional upon the time being right. We need to deploy our resources where they will have the most effect. New Zealand's approach has therefore been to support a nuclear weapons convention as a long-term goal, but in the meantime to focus on practical measures that will lessen the importance and number of nuclear weapons, and further diminish their threat. Our engagement at the Nuclear Non-proliferation Treaty Review Conference is focused on just those measures.

Dr KENNEDY GRAHAM (Green): I rise to support Mr Twyford's motion, members' motion No. 1. This House is asked to do three things: first, to recognise the historic opportunity to advance the cause of nuclear disarmament at the non-proliferation of nuclear weapons treaty conference that is currently under way; secondly, to recognise the leadership on this issue by US President Obama; and, thirdly, to call on the New Zealand Government to take an active role on this issue, drawing on our proud nuclear-free stance and supporting the UN's five-point plan, including preparation for a nuclear weapons convention. Let us scrutinise each of those matters without any euphoria over the global opportunity for nuclear disarmament or New Zealand's role in it.

The one historic opportunity for nuclear disarmament came and went in 1946, when the US, which was at the time the only country that possessed nuclear weapons, offered the Baruch Plan to place atomic energy under international control. Global strategic relations since that ill-fated attempt have taken the schizoid character of a determination by the five permanent Security Council members to accumulate nuclear weapons in their national arsenals, while preventing other States from doing the same. So we need to distinguish between nuclear disarmament and nuclear non-proliferation.

The non-proliferation treaty is an agreement to limit the spread of nuclear weapons to non - nuclear weapon States. It recognises the de facto possession of nuclear weapons by the five permanent members of the Security Council. That possession was justified for 40 years on the grounds of the need for there to be a mutual deterrent during the

Cold War. When the Cold War ended, the rationale switched to retaining nuclear weapons as a prudential hedge in an uncertain world, and also as the currency of global power. Today it rests largely on the proclaimed need to deter nuclear terrorism. The strategic policy of NATO speaks, as always before, of the retention of nuclear weapons into the indefinite future at the lowest level necessary to preserve international peace and security—a haughty and patronising attitude, redolent of 19th century alliance diplomacy. The non-proliferation treaty includes, as the quid pro quo for the original agreement, an undertaking by the five permanent members to negotiate nuclear disarmament measures in good faith. The World Court judged back in 1996 that it was a binding obligation not just to negotiate but also to reach agreement on nuclear disarmament. That, of course, has not been done.

The positive rhetoric of the US President is a welcome change from the benighted and wilfully ignorant policy of his predecessor, but Mr Obama does not expect nuclear disarmament to occur in his lifetime. This relieves him of any responsibility to proceed with haste. Reducing the levels by 30 percent, to 1,550 nuclear strategic warheads each, will simply make the rubble bounce fewer times. It does not penetrate the barrier of minimal deterrence, nor will it do so until the legitimacy and effectiveness of global collective security through conventional weaponry is achieved, with nuclear weapons actually being dismantled. It would, in fact, be possible for the two major powers to dismantle their strategic arsenals in roughly the same amount of time that it took them to build them up: about 10 years. India recognised this in its proposals back in the 1980s, with its 20-year programme for a nuclear-free world. Failure by the five permanent members to make progress in this respect prompted India and Pakistan to emulate them. Israel, of course, is offered the special treatment of a duplicitous silence by superpower decree.

We in New Zealand have succumbed to a bout of narcissistic preening over our nuclear-free policy. I was, and remain, a supporter of that policy. I did my PhD on the subject, and I was part of the New Zealand delegation that negotiated the South Pacific zone. But there has always been a distinction between the strict nuclear-free policy that applies here in our national territory and the ambivalent stance that we take at the United Nations regarding a nuclear-free world. To this day, we still vote along political, rather than logical, lines on nuclear disarmament at the United Nations. Only when New Zealand declares its readiness to commence negotiations for a nuclear weapons convention that can be implemented over 20 years can this country stand true to its proclaimed nuclear-free policy. Until then, we remain encapsulated within the NATO reliance on nuclear weapons and remain pliant with our deployment of conventional armed forces overseas. Our SAS and provincial reconstruction team in Afghanistan operate effectively under NATO strategic direction, not that of the United Nations.

Let us wish the non-proliferation treaty conference well, let us wish President Obama well, and let us start to vote consistently for a nuclear-free world at the United Nations and take a leading role in working towards a nuclear weapons convention.

DAVID GARRETT (ACT): On behalf of the ACT Party, I rise to support this motion. We could hardly do otherwise. The Treaty on the Non-Proliferation of Nuclear Weapons is a bit like mum and apple pie: no one could possibly be against it.

Chris Hipkins: Motherhood and apple pie.

DAVID GARRETT: Motherhood—I thank the member. It has been around for many years. Even Phil Twyford, who moved the motion, was unable to tell me exactly since when, but we settled on it being many years prior to the Cold War. Certainly, times change. I recall being at university in the late 1980s, where I joined my fellow students, who were 10 years younger than me, in tittering sneeringly at the idea that "MAD"—mutually assured destruction—was indeed mad. But here we are, 20 years

later, and I wonder whether the idea of mutually assured destruction did work, and whether the certainty of mutual annihilation prevented it from happening.

Although times have changed and the Cold War is over, one thing has not changed. I recall that 20 years ago nuclear terrorism had already been identified at that university as a threat for the future. University dons do not always get things right, but they were right about that one. Global thermonuclear war will probably never happen—thank God—but, sadly, nuclear terrorism probably will.

The non-proliferation treaty rationale was to keep the nuclear club no larger than it was when the treaty was first entered into. It failed. Israel, South Africa, North Korea, India, Pakistan, and probably Iran—not Iraq, we now know—got nuclear weapons anyway, so, in that sense, it was a failure. However, no one can disagree, as I said at the beginning, with strengthening the non-proliferation treaty and re-injecting life into it. That can only be a good thing. But, as I have said, times have changed.

The real threat that was predicted in the late 1980s has now come to pass. I may be mistaken, but there was a suggestion that the bomb that was to be let off in New York the other day was a dirty bomb. It was a so-called explosive bomb designed to fling about fissile material, not a nuclear device as such. That is the real threat. Sadly, it does not much matter even if Dr Graham's fantasy comes true and all of the members and the non-members of the club disarm. There will still be a whole heap of fissile material floating around the world to fall into the hands of radical Islamic terrorists, or of any other terrorists for that matter. That is the real threat, and it does not matter how well the treaty machinery does its job. The real task is to eliminate fissile material from the world, and that will not be easy. It is a major problem.

Notwithstanding that, we should support nuclear disarmament—of course we should. The world can only be a better place without weapons of mass destruction. But we also need to face the fact that we have a major problem with nuclear terrorism that is linked, sadly, to religious radicalism, but not linked solely to it. I believe that the next challenge will not be disarming the superpowers, the members of the club, and the non-members of the club, but it will be accounting for and containing, if not destroying, fissile material that could well destroy us if it falls into the hands of people who are not only unafraid to die but also very keen to die. That is a whole new concern and a great worry, but we are certainly in favour of this motion. Thank you.

TE URUROA FLAVELL (Māori Party—Waiariki): Tēnā koe, Mr Assistant Speaker. Kia ora anō tātau katoa e hoa mā. Rua wiki kua hipa ake i tū au ki roto i te whare o te United Nations i roto i te āhuatanga o te whakahīhī mō te tū o Aotearoa i a ia e kōrero ana mō ngā iwi taketake o te ao. Mēnā ka tū koe ki roto i tērā whare kua mōhio tonu koe, arā noa atu te whānui, te whāroa o ngā kōrero kua kōrerohia e pā ana ki ngā take o te ao. Nō reira, ka mārama tonu i a koe e tū ana ki reira, ē, mō ēnei take pēnei i tēnei nā, he take nui, he take hōhonu e pā ana ki te whānuitanga o te ao. Nō reira, anei te Pāti Māori kua tae mai ki tēnei o ngā kaupapa, e tū whakahīhī nei mō te tū o Aotearoa ki te mau pūmau ki tēnei o ngā kaupapa, arā, kia wātea a Aotearoa ki ēnei momo take kia noho nuclear free tonu a Aotearoa. Me kī, kei te whakaae atu ki te āhuatanga i tēnei wā tonu nei, te wā e kōrerohia ana ngā take nei mō te nuclear disarmament i roto i tērā tiriti e kōrerohia ana ko te non-proliferation of nuclear weapons, i te hui, ki taku mōhio i roto o Amerika i ngā rā tata kua hipa, ā, tae rā nō ki te mutunga o tēnei mārama. Kai te tautoko ake i te āhuatanga o te kōrero a te mema Pāremata a Phil Twyford, nāna tēnei take i kōkiri ki roto i te Whare Pāremata, ka mihi rā ki a ia.

Nō ngā rua, toru wiki pea kua hipa ake, i tautoko ake te tiamana o te Centre for Arms Control and Non-Proliferation i te āhuatanga o te tū o Aotearoa mō tēnei take. Ka mutu, i tautoko ake te ngako o tēnei kaupapa. Lieutenant General Robert Gard mai i Amerika i Washington tonu i a ia e kōrero ana mō te Nuclear Security Summit. Ko tana kōrero he

whakanui i a Aotearoa "hei toa" mō ngā take e kōrerohia nei. Ka mutu, mō te toa o Aotearoa ki te whakakore momo pū e kōrerohia ana, ka mutu, ki te whai i ngā tikanga here kia whakakore i ēnei momo pū kino nei, me kī. Ka mutu, me tū whakahīhī a Aotearoa nā runga i te āhuatanga o ngā kōrero o te Rt Hon David Lange, te wā i a ia Pirimia ana, toru tekau tau kua hipa ake. Nāna tēnei take i heri ki mua i te aroaro o te ao i tērā o ngā tau patupatu i Rānana i Ingarangi tonu.

I ngā tau 1980s, ko te Rōpū Reipa i tū tonu ki mua i te aroaro o te ao ki te whakatau, ki te kī atu ki te ao, ehara a Aotearoa i te wāhi tika mō ērā momo waka, kia haramai ki Aotearoa nei me aua momo pū, kua noho wātea tonu a Aotearoa i ērā momo pū. Ka mutu, ko tā Aotearoa he whakakore i tērā momo whāinga hei tiaki i tō tātau ake whenua. He kī atu, waiho ērā take ki wāhi kē, arā, te nuclear armament. No reira, nā runga i tērā whakaaro ake anei tātau e kōrero nei me te noho āhua rangirua tonu tēnei nā runga i te mea, rau tau kua hipa ake ko te Rōpū Reipa i whakahē i ētahi o ngā whakataunga i kōkirihia e te United Nations General Assembly ki te whakanui i te āhuatanga o te nuclear-free world. E toru ngā whakataunga i puta, ā, me pēnei rawa kōrerohia ki roto i te reo Pākehā, tuatahi, the major powers to reduce their nuclear arsenals, tuarua, stated that the use of nuclear weapons would constitute a violation of the charter, tuatoru, perceives nuclear weapons as posing "the most serious threat to the survival of mankind". Nō reira, anei au e whakaaro ake ana, he aha te take e pēnei ana te āhuatanga o te Rōpū Reipa, e kōkiri nei i tēnei take engari nō ngā toru tau kua hipa, i whakahē nei i ngā whakataunga.

Hoi anō, he kōrero hītori tērā, he kōrero nō ngā tau kua hipa. Engari tōna mutunga mai, i tautoko a Aotearoa i te taha o ngā whenua o NATO, i te taha o Ahitereiria, he mema katoa i raro i te korowai o te global nuclear alliance o te Hononga o Amerika. Nō reira, anei tātau i tēnei pō e kōrero ana i te take nei me te whakaaro ake tērā pea, kua huri te Kāwangatanga hou nei ki te āta titiro ki ngā take kua kōkirihia kētia e ētahi, ka mutu, ka āta titiro ki te painga mō Aotearoa. Nō reira, kai te tino whakaae atu, ka mihi rā ki te tangata nei ki a Matua Twyford me tana whakahou anō rā i tōna ake rōpū mō ngā take kua kōrerohia, ka mutu, te tūmanako ia ka tū anō a Aotearoa "hei toa" mō tēnei take te nuclear disarmament.

Kei te tautoko te Pāti Māori i te whakataunga o te Tumuaki o te Kotahitanga o ngā Whenua o te Ao, a Ban Ki-moon, i a ia e kōkiri ana i tēnei take mō te United Nations Security Council summit mō ēnei take, kei te āhua ohorere tonu mō te nui o te pūtea ka whakapauhia i runga i ēnei momo pū. E ai ki ngā kōrero, hipa noa atu i te $1 trillion, kāore au i mōhio te ingoa Māori mō te "trillion", engari, tērā kōrero tērā; trillion tāra e whakapauhia e Amerika ki runga i ēnei momo pū. He mea nui tērā, he aha te hē o te whakapau ki runga i te hunga pōhara. Ā, hoi anō kai te tautoko te Pāti Māori i te āhuatanga o Aotearoa, kia tau te rongomau, te rangimārie ki runga i te ao. Nō reira, me whai i tērā kia kore whakapau moni ki te hoko pū, ka mutu, ka tautoko ake i te tū o ngā five-point plan i kōkirihia e Ban Ki-moon, hei whakatau i ēnei momo take i te ao. Nā runga i tērā whakaaro, ka mihi ki te mema, ki te Whare tēnā koutou, kia ora tātau.

[*Greetings to you, Mr Assistant Speaker, and to us all, fellow colleagues, once again. It has been 2 weeks since I stood proudly in the United Nations building as the Minister of Māori Affairs, the Hon Dr Pita Sharples, addressed the indigenous peoples of the world on New Zealand's position. It is not until one stands in that building and experiences it for oneself that one realises just how broad and far-reaching statements impact on the world at large. So the Māori Party members come to this issue among the ones before us, proud of our stance to ensure that the Nuclear Free Policy remains in New Zealand. We agree to the circumstance at this moment right now; and during the discussions on issues relating to nuclear disarmament at the Treaty on the Non-Proliferation of Nuclear Weapons conference, to my knowledge America was involved*

in days just past, and right up to the end of this month. I support Phil Twyford, who proposed and brought this matter before the House, and acknowledge him.

In the past 2 or 3 weeks, the chair of the Center for Arms Control and Non-Proliferation reinforced our unique standing on this issue, supporting the nub of this policy. Lieutenant General Robert Gard, from Washington, in talking about the Nuclear Security Summit, said that New Zealand has been a "champion" in pressing nuclear weapons States to meet their obligations and disarm. Further to that, New Zealand can be proud of the stand taken some 30 years ago under the leadership of the late Rt Hon David Lange as Prime Minister, when he took this issue before the world in one of the debates in London in the very heart of England.

During the 1980s Labour stood up in the world by banning nuclear ships and declaring New Zealand nuclear-free. At the same time, New Zealand rejected the possibility of nuclear deterrence as part of a national security strategy, and stated quite firmly that nuclear armament should be taken to somewhere else. In that context, I am somewhat perplexed, because just 2 years ago Labour opposed some resolutions that the United Nations General Assembly put forward to promote a nuclear-free world. Three resolutions were as follows, and I will put them in English. The first one called for the major powers to reduce their nuclear arsenals; the second one stated that the use of nuclear weapons would constitute a violation of the charter; and the third perceived nuclear weapons as posing "the most serious threat to the survival of mankind". So here I am wondering why Labour members should be putting this matter forward, when just 3 years ago they opposed the resolutions.

But never mind, that was just a historical account of the past. At the end of it all, New Zealand, with NATO countries and Australia, voted in favour of being members of the United States global nuclear alliance. So here we are tonight, talking about this matter, and confident at the same time that the new Government is prepared to review decisions and act in the best interests of New Zealand. We totally agree with that, and recognise Mr Twyford's efforts in turning his party's viewpoint round in respect of the issues that were discussed. The real hope is that New Zealand will once again be seen as a champion of nuclear disarmament.

The Māori Party supports the call from the United Nations Secretary-General Ban Ki-moon that set the context for the United Nations Security Council summit on these issues. But we are still amazed at the size of the funding spent on nuclear weapons. According to estimated costs, it far exceeds $1 trillion. I do not know what the Māori word for trillion is, but that is another issue; more than $1.3 trillion is being spent by the United States on nuclear arms. That is staggering. What is wrong with spending that amount on the poor? Nevertheless, the Māori Party supports peacekeeping functions in the world, and advocates that money should not be spent on arms. In addition, we support the five-point plan put forward by Ban Ki-moon to address this kind of global issue. On that thought, I acknowledge the member and the House by extending greetings to you and to us.]

Hon PETER DUNNE (Leader—United Future): I rise on behalf of United Future to support the resolution moved by Mr Twyford. I acknowledge his role in bringing this resolution before the House. I generally concur with the remarks made by the other speakers in this debate. I cut my political teeth on the campaign in 1971-72 to oppose French nuclear testing at Mururoa atoll. I vividly recall the image of Norman Kirk standing on the dock in Devonport in 1973 as HMNZS *Otago*, as it was at that stage, was farewelled to be the beacon of hope for New Zealand in the Mururoa test zone. I recall Norman Kirk saying we may only be a small country, but we could send a signal to the rest of the world. The fact that New Zealand and Australia combined shortly thereafter to take a case to the International Court of Justice, called the World Court in

those days, and won that case regarding the illegality of the French efforts, gave some substance to what was a mounting campaign in this country at that time against the use of nuclear energy and on antinuclear issues not only in this country but on an international scale, as well.

In that same vein, I say one of the proudest moments, if not the proudest moment, that I have had as a member of Parliament was being in Los Angeles in 1985, when David Lange passed through on his way north to the Oxford Union debate. I was heading back to New Zealand as a young MP at that stage. I went to a dinner that was hosted on his behalf at the Ambassador Hotel in Los Angeles, in the very hotel—in the very room— that Robert Kennedy had been in shortly before his assassination a few years earlier. During the course of a very hostile dinner, which was attended by a largely American audience that was sceptical about the New Zealand Prime Minister and this country's attitudes, Lange was getting a fairly rough time. At the end of the dinner—members have to imagine the back wall of the dining room was lined with television cameras—a rather large drooping-moustached, cigar-chomping, American reporter got up and said: "Prime Minister, you are on your way to Oxford to debate the morality of nuclear weapons with Jerry Falwell. He will have the Bible in one hand and a cross in the other, and be arguing in favour of nuclear weapons. What can you possibly say in response to him?". Prime Minister Lange leapt to his feet and said: "I will tell him that to err is human, but that I am prepared to forgive him." At that point, the approximately 400 people in the room leapt to their feet in a spontaneous standing ovation—including a group of senators that I had been at the same table with, who had spent the entire previous 2 hours deriding everything that Lange stood for and had said.

As a Kiwi, it was a moment of extraordinary pride to see our Prime Minister—let us forget party allegiances at that point—getting up there and essentially winning over an international audience. So it was to be in the Oxford Union debate held a little later—which to this day I have never actually seen, because I was in the air at the time. What those two events did for me, and I think for the country as a whole, was to give us some credibility in terms of nuclear non-proliferation issues. We were never going to be a nuclear power; that was never an issue as far as New Zealand was concerned. But I come back to what I think we can be, and what this resolution is all about: that moral beacon that Norman Kirk spoke of way back in 1973.

The challenge that now arises—and I pick up Dr Kennedy Graham's point—is how we should give effect to what is a domestic sense of commitment, in an international environment. This resolution and the actions that would flow from it, if it is adopted, give some substance to the antinuclear cause, so I think that supporting the resolution is the appropriate thing to do. I think, also, that credit must be given to the New Zealand position as reflected by the Prime Minister in Washington just recently. This has been the result of an accumulation of effort over the years. It is important that we take advantage of the opportunities that are provided to us in the international forum and of the standing that we do have, and have acquired, to continue to push those issues, which have been very important to many New Zealanders over a long period of time.

I congratulate the mover of this motion. I am delighted to think it will pass with unanimous endorsement in this House, but I come back to Dr Graham's point. These resolutions are all very well, but there is a wonderful quote from Bismarck that is appropriate in these circumstances. It is to the effect that the actions that flow from this resolution will be what is important, not the mere passage of the resolution itself.

Motion agreed to.

SITTINGS OF THE HOUSE

JO GOODHEW (Junior Whip—National): We have made excellent progress this afternoon and this evening; therefore, I seek the leave of the House for the House to now rise.

The ASSISTANT SPEAKER (Hon Rick Barker): Leave is sought for that purpose. Is there any objection? There is no objection. The House stands adjourned until 2 p.m. tomorrow. Nō reira, tēnā koutou, tēnā koutou. Pō mārie.

The House adjourned at 9.21 p.m.

THURSDAY, 6 MAY 2010

Mr Speaker took the Chair at 2 p.m.
Karakia.

VISITORS

Japan—Prime Minister's Fellow, Councillor Mrs Hiroe Makiyama, National Diet

Mr SPEAKER: I have much pleasure in informing the House that the Prime Minister's Japan Fellow, Councillor Mrs Hiroe Makiyama from the National Diet of Japan, is present in the gallery. I am sure members would wish that she be welcomed.

BUSINESS STATEMENT

Hon GERRY BROWNLEE (Leader of the House): When the House resumes on 18 May, the Government will look to progress the Electoral (Administration) Amendment Bill, the Private Security Personnel and Private Investigators Bill, and a range of first readings on the Order Paper. The Budget will be read on Thursday, 20 May.

Hon DARREN HUGHES (Senior Whip—Labour): I want to make a couple of inquiries of the Leader of the House about the Budget—obviously, not its contents, but issues of process. The first item is whether the Government intends to repeat the practice last year, which was very helpful to members, whereby once the Minister of Finance commences reading the Budget speech, the Budget documents are made available for members to look at and follow through as the Budget speech is being read. The second item is whether members should prepare for an extra sitting as a result of the Budget, either on Thursday evening or on Friday.

Hon GERRY BROWNLEE (Leader of the House): On the first point, yes, it is our intention that the good practice of making sure that copies of the Budget documents are rapidly made available to members is continued. It was a good process last year. It is part of the new and open way in which this Government likes to operate. We are setting new and very high parliamentary standards for the conduct of public business. As for the member's concern about when he may be able to head home in order to reconnect with Teddy, he will just have to wait until the day.

TABLING OF DOCUMENTS

Proposed New Zealand Coastal Policy Statement 2008—Board of Inquiry Report

Hon DARREN HUGHES (Labour): On to more serious and statesmanlike matters, I seek leave of the House to table the report of the board of inquiry into the Proposed New Zealand Coastal Policy Statement 2008.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

BUSINESS OF SELECT COMMITTEES

Commerce Committee—Authority to Release Departmental Report on Financial Service Providers (Pre-Implementation Adjustments) Bill

Hon GERRY BROWNLEE (Leader of the House): I seek leave for the Commerce Committee to have authority to release the departmental report on the Financial Service Providers (Pre-Implementation Adjustments) Bill to submitters on that bill for further comment, despite Standing Order 235. Before you put that leave, Mr Speaker, I want to indicate that there was some confusion over the status of that report at the time that I

spoke to the chairman of the committee yesterday, but it has been cleared up, and there will be no difficulty with the report being made available.

Mr SPEAKER: Leave is sought for that course of action. Is there any objection? There is no objection.

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

Whānau Ora—Significance

1. RAHUI KATENE (Māori Party—Te Tai Tonga) to the **Minister responsible for Whānau Ora**: What is the significant change anticipated in the Whānau Ora approach?

Hon TARIANA TURIA (Minister responsible for Whānau Ora): The Whānau Ora approach is intended to place families at the centre of flexible and innovative service provision. It will provide for a different way of working with w'ānau, building on their strengths so that they can take ownership of their own needs. This new approach will see families become less reliant on State agencies, and agencies acting as facilitators rather than fixers.

Rahui Katene: How will the providers be selected?

Hon TARIANA TURIA: Providers will be selected through a process of expressions of interest beginning in June this year. The Whānau Ora governance group will oversee the expressions of interest process.

Hon Parekura Horomia: Can the Minister confirm whether any new funding will be set aside for Whānau Ora in the next 4 years, or is it just a "Take from Pita, to give to Paula" approach?

Hon TARIANA TURIA: We have an agreement at this moment for funding of $134 million over the next 4 years. Who knows what the Budget next year will hold?

Rahui Katene: How will contracts be integrated through a Whānau Ora approach?

Hon TARIANA TURIA: There is a focus on the Ministry of Social Development contracts and health contracts, at present. Those contracts will be integrated in the first instance, which will make savings and compliance a really important first stage.

Katrina Shanks: How will Whānau Ora encourage flexibility and innovation?

Hon TARIANA TURIA: The greatest innovation will come from skilled practitioners who are able to go beyond crisis and intervention to build skills and strategies that will contribute to w'ānau empowerment and positive outcomes. This funding encourages Government agencies to be responsive and flexible enough to align with w'ānau aspirations, and it also enables w'ānau ownership of solutions and actions in ways that are unique.

Hon Annette King: As over 800 non-governmental organisations were part of the Pathways to Partnership programme, many of which were to be fully funded through the Pathways to Partnership funding, which is now being diverted to Whānau Ora, how many of these providers will receive funding under Whānau Ora, and how many will have to operate with less funding?

Hon TARIANA TURIA: Nobody will operate with less. I cannot give any guarantees about who will receive this funding, because there is an expressions of interest process.

Kelvin Davis: Can she explain why Whānau Ora, which was once touted as an overarching programme designed to overhaul the delivery of social services to Māori, with funding of $1 billion, has morphed into a small-scale programme for all New Zealanders that is being run out of Te Puni Kōkiri on a budget of less than that of John Key's proposed cycleway?

Hon TARIANA TURIA: The fact is that this is not a programme. There is integrated funding, which, in the first instance for 20 providers, will be well over $100 million—that will be contributed. The money that is being set aside for W'ānau Ora is about the capability of the providers—the training for the navigators. It will be used for the research that will run alongside it. It will be the first time that the Government will have value for money.

Te Ururoa Flavell: Tēnā koe, Mr Speaker. Kia ora tātou katoa. How will providers that are not included in the first wave of providers be supported to undertake a fantastic Whānau Ora approach?

Hon TARIANA TURIA: This is already happening, and it is really exciting. The Government's whole approach is about moving towards integrated contracting, trusting communities and families to know what is best.

Te Ururoa Flavell: What kinds of investments will be made in whānau to realise aspirations of self-reliance and self-management through the fantastic Whānau Ora approach?

Hon TARIANA TURIA: The important investment will be to restore self-belief in these families so that they do not need the State to be their parent.

Accident Compensation—Sensitive Claims Clinical Pathway

2. Hon ANNETTE KING (Deputy Leader—Labour) to the **Minister for ACC**: Does he accept ACC's new clinical pathway for victims of sexual abuse, introduced in October 2009, has drastically reduced the number of people who have been sexually abused who are approved by ACC for counselling?

Hon Dr NICK SMITH (Minister for ACC): The decline rate for the Accident Compensation Corporation's (ACC) sensitive claims unit has increased from 5 percent in 2000 to 41 percent in 2008, when the new guidelines were launched by the Hon Steve Maharey. The decline rates have continued to increase since they were introduced, although the major change in the reported data is the large number awaiting further information. These delays are a concern. That is why last week I announced an independent clinical review.

Hon Annette King: Is he aware of Ashburn Clinic, a psychiatric centre in Dunedin, which has worked successfully with ACC to provide treatment to victims of sexual abuse since 2000, but to which no patients have been referred since his announced changes to ACC guidelines, and, even more alarming, patients in treatment have had their cases reviewed and funding stopped, often rendering planning for a safe discharge extremely difficult; and where does he expect these people to get their treatment from?

Hon Dr NICK SMITH: I am not aware of any communication I have had with Ashburn Clinic. I would recommend that, if there are concerns that that private-hospital facility has about ACC's management of sensitive claims, it refers them to the independent clinical review panel that was set up and is being led by Dr Barbara Disley, a former mental health commissioner, because I will take a very strong lead from that review team as to whether ACC is properly meeting its legal responsibilities for those victims of sexual abuse or assault.

Hon Annette King: I seek leave to table a letter written to me from the director of Ashburn Clinic pointing out all of the issues that I raised in my question today.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Lynne Pillay: Has he seen the report from Rape Crisis that states that the new clinical pathway imposed in October 2009 has almost destroyed the sector, that the

review, which will not be completed until late July, is too late for some, that many survivors are suicidal, and that no alternative was put in place?

Hon Dr NICK SMITH: The first point I make in response to the member is that clinical guidelines for dealing with sensitive claims were undertaken on research work done by Massey University and launched by the Hon Steve Maharey in March 2008. I invite the member and any counsellors, psychotherapists, or others who have concerns about those guidelines or ACC's processes to make direct submissions to that clinical review team.

Lynne Pillay: In light of the avalanche of evidence showing that the changes made to ACC's clinical guidelines last October are having a disastrous impact on the lives of vulnerable people, will he listen and reinstate the previous clinical guidelines while the review is under way?

Hon Dr NICK SMITH: The first point I make is that under the previous Government in 2008—

Hon Darren Hughes: I raise a point of order, Mr Speaker. My colleague is trying very carefully to put a very sensitive topic area to the Minister. She had no political content in her question; she simply asked about two dates, and what guidelines would operate while the review is under way. A Minister cannot stand up and say as the beginning of an answer: "The first point I would like to make is that the previous Government x, y, and z." Clearly, this is all within his portfolio responsibilities for the warrant he holds at present.

Hon Dr NICK SMITH: In the member's question, she made reference to the change in the number of sensitive claims. I wanted to point out to the House that to advance the argument for change, one has to show that cases were not being declined previously.

Mr SPEAKER: I invite Lynne Pillay to repeat her supplementary question because in my view it was not that. Her supplementary question specifically asked whether the Minister would contemplate going back to old guidelines while the review is being conducted. I invite Lynne Pillay to repeat her question.

Lynne Pillay: In light of the avalanche of evidence showing that the changes made to ACC's clinical guidelines last October are having a disastrous impact on the lives of vulnerable people, will he listen and reinstate the previous clinical guidelines while the review is under way?

Hon Dr NICK SMITH: I note that under the previous clinical guidelines that the member wants to return to, 2,400 sensitive claims were declined per year. I also point out that the member is incorrect in her assertion, in that both the Royal Australian and New Zealand College of Psychiatrists and the College of General Practitioners have issued statements strongly supportive of the changes that ACC has made. I do not wish to engage in a clinical argument. That is not my area of expertise. That is why I have sought an independent review team of skilled clinicians to look at the differing views and to provide recommendations on a constructive way forward.

Hon Annette King: Has he heard of a group of survivors of sexual assault called Courageous Women, who are challenging the changes to ACC guidelines, and is he prepared to meet them and hear their stories and the impact the changes are having on their lives?

Hon Dr NICK SMITH: I have heard of the group only through the newspaper. I have made no decisions as Minister in respect of the issue of sensitive claims, because it is a very clinical area in which I am not wanting to interfere in decisions; the only decision I have made is that there is sufficient concern to justify a clinical review, and I invite Courageous Women, or members of the Opposition, or any other group that has concerns about ACC's work in this area to make their submissions to that clinical review team.

Hon Annette King: In light of that answer, why did he phone a member of the Courageous Women who is an advocate against sexual assault and berate and bully her, saying the Courageous Women who signed T-shirts to highlight their concerns at his policy were part of a fiasco and a media circus, and if she wanted to speak out, the only appropriate forum was his review?

Hon Dr NICK SMITH: Firstly, I totally reject the member's assertions. On Monday I read claims in the newspaper that this group was to meet with me. The first my office had heard of any request was when I read that in the newspaper. The person concerned phoned my office three times on Monday—

Hon Annette King: For an appointment.

Hon Dr NICK SMITH: —that is right—and she said that if she did not get an answer by 4 o'clock she would be going on the radio. I phoned her and said to her that the proper place for her to direct her concerns was the clinical review, and I think that is entirely appropriate. [*Interruption*]

Mr SPEAKER: I say to Labour members that they must immediately remove that. If members do not want to leave the House they will remove that immediately. [*Interruption*] I am on my feet. Members know the rules. The member who is speaking may use visual aids when he or she is speaking; other members may not. A member was not speaking then, and that was totally outside the Standing Orders.

Hon Dr NICK SMITH: In light of the claims made by the Deputy Leader of the Opposition, I seek leave to table an email, in respect of the conversation I had with the person concerned, from persons who were listening to those who were part of the conversation, to show that the claims that have been made by Annette King are not correct.

Mr SPEAKER: Leave is sought to table that email document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Budget 2010—Roads of National Significance

3. GARETH HUGHES (Green) to the **Minister of Finance**: Will the Government in Budget 2010 continue to spend billions of dollars on the seven roads of national significance identified in the National Infrastructure Plan?

Hon STEVEN JOYCE (Associate Minister of Finance) on behalf of the **Minister of Finance**: Yes. The Government is forecast to spend $11 billion over the next 10 years on State highway construction, which will include substantially progressing the seven roads of national significance. We are doing this to lift our national productivity and economic growth by easing prominent bottlenecks within and around our five largest metropolitan areas, and by linking our major sea ports and airports more effectively into the State highway system.

Gareth Hughes: Can the Minister of Finance confirm that two of the motorways, Pūhoi to Wellsford and Transmission Gully, have benefit-cost ratios of less than 1, meaning that for each dollar spent they will not achieve even $1 in benefit?

Hon STEVEN JOYCE: The Minister can confirm that depending on which way the Transmission Gully road is measured, one can come up with a benefit-cost ratio of less than 1. The Minister can also confirm that when the road was announced it was pointed out that it would be constructed in a very challenging environment, and that if we wanted a high benefit-cost ratio on the Transmission Gully road, we would have to move the capital city somewhere else so that the road could be built much less expensively. In the case of Pūhoi to Wellsford, depending on the discount rate used, and

taking into account the wider economic benefits, from memory the ratio ranges from 0.8 to 1.6.

Gareth Hughes: Does he have any advice from Treasury to support his view that it is good economics to fund projects when the costs outweigh the benefits?

Hon STEVEN JOYCE: No, the Minister does not have any specific advice in that regard. Of course, there is a huge range of Treasury advice on a range of issues, but Treasury is certainly keen to see the Government focus on economic growth, and we are certainly doing so. Roading forms part of a plan that we have developed for some time now, and it seems to be bearing early fruit in terms of a reduction in unemployment numbers, and in comments from the Governor of the Reserve Bank that New Zealand is back on the road again.

Gareth Hughes: Will he admit that recent OECD analysis referenced in his National Infrastructure Plan actually shows there was no positive relationship between motorways and economic growth in New Zealand?

Hon STEVEN JOYCE: No. The Minister of Transport has been through that report at some length and it does not actually say that, at all. He is happy to take the member through it if the member so desires.

Hon Darren Hughes: How does he plan to come up with the $600 million shortfall between the funds he has available to him as the Minister of Finance and the funds that are required to build the seven roads of national significance over the next 7 years?

Hon STEVEN JOYCE: I am not sure exactly which numbers the member is referring to because—

Hon Darren Hughes: There's no money for all this.

Hon STEVEN JOYCE: No, the National Land Transport Programme projects $10.7 billion to substantially progress the roads of national significance over the next 10 years. It makes no prediction as to what will be completed within 7 years.

Gareth Hughes: What is his response to all the evidence that spending on trains and buses creates twice as many jobs as spending on motorways, because motorway construction involves more land and machinery than people?

Hon STEVEN JOYCE: I think the member is referring, once again, to the OECD report. I am happy to take him through it at some point, because the points he is making are not reflected in the analysis of the appropriate approach for investment in New Zealand. The analysis reflects that we historically have had a very road-dominated transport system, which we are continuing to invest in.

Gareth Hughes: I seek leave to table graphs from pages 62 and 63 of the OECD report on infrastructure investment, which show there is no correlation between motorways and economic growth in New Zealand, and a strong, positive link—

Mr SPEAKER: Leave is sought to table those documents. Is there any objection? There is no objection.

Documents, by leave, laid on the Table of the House.

Gareth Hughes: Can he name any city in the world that has eliminated congestion and enhanced economic productivity by widening motorways and attracting more cars into crowded urban areas?

Hon STEVEN JOYCE: Yes, I can. There is one north of here called Auckland, which has made good progress with roading investment. With the combination of good roading investment and good public transport investment, I strongly predict that in the next 4 or 5 years we will have a much better transport outcome in Auckland.

Gareth Hughes: Is it fiscally responsible when the Government is cutting funding across the board for it to be spending tens of billions of dollars on motorway projects that fail to deliver jobs, fail benefit-cost analysis, and fail to provide for our future?

Hon STEVEN JOYCE: The Minister would reject all of those assertions. I point out to the member something that he may not be aware of, and that is that we have a hypothecated roading revenue system in this country whereby road-user charges and petrol excise duty are reinvested into the roading system, largely to improve it. That system, of course, was signed off by the previous Government, of which his party was a member.

Gareth Hughes: I seek leave to table a report from the US that demonstrates that economic spending on public transport—

Mr SPEAKER: Whose report is it?

Gareth Hughes: It is entitled *What we learned from the stimulus*, and it is by three non-governmental organisations based in the US.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Government Proposals—Treasury Criticism

4. Hon DAVID CUNLIFFE (Labour—New Lynn) to the **Minister of Finance**: Which of the Government's proposals have been criticised by Treasury as representing poor value for money?

Hon STEVEN JOYCE (Associate Minister of Finance) on behalf of the **Minister of Finance**: Most Ministers and most Governments have been criticised by Treasury for certain elements of their proposals. For example, Treasury is regularly critical of proposals to take GST off food, because that would cost about $2.5 billion in lost tax revenues per annum. That would dramatically push up our levels of foreign debt, which is another thing that Treasury is also critical of. Treasury is also critical—

Mr SPEAKER: Order!

Hon STEVEN JOYCE: —of moves to increase—

Mr SPEAKER: Order!

Hon STEVEN JOYCE: Sorry, Mr Speaker.

Mr SPEAKER: I should think so. This is a question on notice, which states: "Which of the Government's proposals have been criticised by Treasury as representing poor value for money?". I have been listening carefully to the Minister, and I have not heard any list. It is a question on notice.

Hon Gerry Brownlee: I raise a point of order, Mr Speaker. An open question like that surely has to allow the Minister some scope to narrow it down to the portfolio area in which it is asked. If it is just a general question, I will get my office to come over here with a wheelbarrow full of stuff relating to the previous Government's policies, which Treasury consistently said were poor value for money.

Mr SPEAKER: I hear what the member says, and if there are many criticisms it could be a very long list, so maybe we would not expect the Minister to make an exhaustive list. But no attempt was made to advise the House as to which of the Government's proposals have been criticised by Treasury. The question appears to be in order. It is a very particular question. It is a primary question. It is capable of being answered, and I do not expect the answer to attack the Opposition without making any attempt to answer the question.

Hon STEVEN JOYCE: Mr Speaker—

Hon David Cunliffe: I raise a point of order, Mr Speaker.

Mr SPEAKER: I think we should give the Minister a chance to answer the question.

Hon STEVEN JOYCE: The member will be aware that Treasury criticises a huge range of proposals made by many Governments, and it also criticises some policies that

actually proceed. One policy that the member may be interested in is the Government's Youth Opportunities programme, which Treasury criticised, yet it seems to have had a positive effect alongside the Government's other policies, with the unemployment rate today announced as having fallen to 6 percent, from 7.1 percent in the December 2009 quarter.

Hon David Cunliffe: When the Minister said earlier he would not be funding the cycleway project—not this year, not next year, and not the year after—was this because he agreed with Treasury advice that it was poor value for money?

Hon STEVEN JOYCE: The Minister always defers to the Prime Minister's superior judgment to that of Treasury. Of course, we are funding the cycleway project.

Hon David Cunliffe: Following on from that answer, why is he continuing to implement policies like the cycleway, which Treasury said was low-quality spending, when he is axing home help for the elderly on the same grounds?

Hon STEVEN JOYCE: The Government has a huge range of policies that are designed to improve economic growth, in order to take the toughest edges off the world recession. I note that the Government is having some success in that regard, with a reduction in unemployment reported in the household labour force survey this morning from 7.1 percent to 6 percent. I also note the comments by Mr Bollard, the Reserve Bank governor, who says New Zealand's recovery from the global crisis is now entering a "new, less fragile stage" in an article headlined: "NZ economy trucking again".

Hon David Cunliffe: Given the Minister's contention that the recovery is now fully under way, what does he say to the hundreds of thousands of New Zealanders who have gone without wage rises, who face rises in the cost of living, or who have lost their jobs? What does he say to them, now that he is trumpeting the arrival of the recovery?

Hon STEVEN JOYCE: The recovery is still in an early stage. The household labour force survey figures are moving around, but they are improving. This is very encouraging when we consider the experience of many other countries in the world, including that of many in Europe, that are still struggling with the global economic recession.

Simon Bridges: What kinds of economic policies would threaten New Zealand's recovery and destroy jobs?

Hon STEVEN JOYCE: The biggest threat to our recovery would be an economic policy mix that featured soaring debt, higher taxes, and never-ending Budget deficits. This Government inherited precisely that scenario in late 2008, when New Zealand had already been in recession for most of that year. This Government has taken concrete steps to reduce our debt, to get our economy growing again, and to get people into sustainable jobs. That is evidenced in figures today. Labour never learns: it is still promoting a recipe of more debt and higher taxes.

Health Services—Minister's Statements

5. Dr JACKIE BLUE (National) to the **Minister of Health**: Does he stand by all of his recent statements on health services?

Hon TONY RYALL (Minister of Health): Yes, including the announcement that the Government has approved and funded a bowel cancer screening pilot that will cost in total $31.6 million over the next 5 years. Bowel cancer is the most frequently diagnosed cancer and the second highest cause of cancer death here in New Zealand. In 2007 almost 3,000 people were diagnosed with bowel cancer, and 1,252 people died from the disease. However, it is a cancer that, if diagnosed and treated early, people have a good chance of surviving.

Dr Jackie Blue: What further details can he advise concerning the bowel screening announcement?

Hon TONY RYALL: The final decision on which district health boards will be the sites for the pilots will be made following an expressions of interest process, which is expected to cover a minimum of 60,000 people aged from 50 to 74. This process will enable the Ministry of Health to assess willingness, capacity, and readiness, and will allow a coordinated approach to planning and implementation. It is a long-awaited initiative that if successful, and if a national programme is rolled out, could save up to 270 lives a year over time.

Iain Lees-Galloway: Given that we hear the Minister congratulate himself day after day for elective surgery increases, what does he say to Dr Clive Solomon, a surgeon operating at the front line, who said that the Minister's figures were "questionable", and a "blatant misrepresentation of health figures for political expedience."?

Hon TONY RYALL: I would say that he is wrong. I say that that is wrong, and that it is quite clear we are heading into the district health board election season.

Hon Luamanuvao Winnie Laban: How can this House trust his so-called good news on health, when each day my office is called by another older person who is suffering because of the Minister's health cuts—which is why we will listen to the views of those older persons, not the Minister's?

Hon TONY RYALL: That member can recite that mantra as much as she likes. The fact is that more services are being provided at the front line in New Zealand every day. If members look, for example, at Capital and Coast District Health Board, they will see that 500 more Wellingtonians had elective surgery last year than in the final year of the failed previous Government, whose members are seated opposite.

Adult and Community Education—Funding

6. Hon MARYAN STREET (Labour) to the **Minister for Tertiary Education**: Does he stand by the decisions the Government has made with respect to funding adult and community education?

Hon STEVEN JOYCE (Minister for Tertiary Education): Yes. This Government has had to make some difficult decisions regarding adult and community education, because the previous administration left behind a $521 million hole of unfunded commitments in Budget 2008.

Hon Maryan Street: In this New Zealand Sign Language Week, is the Minister aware that his predecessor had this to say last year about guaranteeing funding for sign language classes: "New Zealand Sign Language will continue to receive adult and community education funding, because it fits within the Government's adult and community education priority. … The courses will not be cut."; if he is, how is it that sign language classes previously held at Napier Boys' High School, Tamatea High School, and Hastings Boys' High School are no longer running in 2010, because of funding cuts?

Hon STEVEN JOYCE: Yes, I am aware of that. In relation to the Hawke's Bay schools that the member mentioned, I am not aware of the specific provision in Hawke's Bay. But if she would like me to make some inquiries on her behalf, I am happy to do so.

Lynne Pillay: How is it that sign language classes at Tikipunga High School, which serves the Whangarei, Kaikohe, and Kerikeri areas; at Rutherford College in Te Atatū; at Kelston Boys High School, which is right beside the Kelston Deaf Education Centre; at Tauranga Boys College; and at Tauranga Girls College are all unable to deliver services this year because of funding cuts?

Hon STEVEN JOYCE: The Government has made a decision to refocus adult and community education funding on providing a number of programmes, including literacy, language, numeracy, and foundation skills, and sign language. The individual funding decisions are made by the Tertiary Education Commission. But if the member has concerns about the lack of provision in a particular area, I invite her to contact my office and I will investigate that.

Hon Maryan Street: If sign language is one of the Government's priorities for adult and community education, how, in New Zealand Sign Language Week, is it that courses at Fairfield College and Melville High School in Hamilton, at Shirley Boys High School in Christchurch, and at Taieri College in Dunedin cannot be offered in 2010, because of funding cuts; is this a sign of how the Government delivers its priorities?

Hon STEVEN JOYCE: As I said to the previous speaker, the funding decisions are made by the Tertiary Education Commission, based on the Government's priorities. Once again, I am happy to address any specific concerns about lack of provision in a particular area, but schools and other providers are prioritised by the Tertiary Education Commission. I note that the biggest reduction in adult and community education funding occurred under the previous Government, where the number of students funded for adult and community education dropped from 279,000 students in 2004 to 77,000 students in 2008.

Electricity—Number of Households Changing Suppliers, March 2010

7. KATRINA SHANKS (National) to the **Minister of Energy and Resources**: How many households switched electricity suppliers in March 2010?

Hon GERRY BROWNLEE (Minister of Energy and Resources): A total of 34,892 households switched electricity suppliers in March this year. That is the highest number of customer switches since August 2001. It is 48 percent more than in March last year, and is a very good sign that people are making choices for cheaper electricity.

Katrina Shanks: What steps is the Government taking to promote customer switching and competition within the electricity market?

Hon GERRY BROWNLEE: The recent ministerial review of the electricity market endorsed competition as the best way to constrain retail electricity price increases. The Government agreed with a series of recommendations made by the expert advisory group. It has agreed to reallocate Tekapo A and Tekapo B power stations from Meridian Energy to Genesis Power and to create virtual asset swaps amongst State-owned generators to facilitate a better market. The benefits forthcoming from the transfer of Tekapo A and Tekapo B have already been seen, with Genesis Power aggressively entering the Christchurch and Dunedin markets and offering extremely competitive price packages. We expect the same to happen in the north very soon.

Education, National Standards—Plain English Reports for Parents

8. Hon TREVOR MALLARD (Labour—Hutt South) to the **Minister of Education**: How important is it that parents receive plain English information on their children's progress against national standards?

Hon ANNE TOLLEY (Minister of Education): It is very important that the information that parents receive explains to them clearly and in plain language how their child is doing at school. This means providing information that tells them what progress their child is making and how he or she is achieving in relation to the national standards.

Hon Trevor Mallard: How would the Minister explain in plain English to the parents of a year 8 student that, notwithstanding their child being in stanine six, being in the top half of the asTTle results, fulfilling the expected requirements of the New

Zealand curriculum, being in the average and above group for the progressive achievement test, and being ranked in the top third of the OECD, their child has failed to meet the numeracy requirements of her national standards?

Hon ANNE TOLLEY: The member fails to understand that the national standards are designed to lift standards, and they are aligned to National Certificate of Educational Achievement (NCEA) level 2. In those circumstances, that child would not be on track to achieve at NCEA level 2.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. My question was about measurement, not lifting, and it was about how she would explain that a child who is average or above in New Zealand has failed. The question did not ask about how the tool is to be used in the future.

Mr SPEAKER: With respect to the member, I listened quite carefully to the Minister's answer. Unless I misheard her, I believe that she was pointing out in her answer that the standards that are being set may be a little higher than those in previous tests, and that someone who might have been above the average in the asTTle tests may not meet the national standards, which may be set differently. The member can pursue that point in supplementary questions.

Allan Peachey: What support is being provided to schools to help them to report to parents in plain language on children's achievements and progress against the national standards?

Hon ANNE TOLLEY: More than $26 million of existing professional development funding has been budgeted for, and is focused on, delivering extensive, specialised support around national standards, including reporting to parents. We have also provided a range of online resources and a self-review tool to support schools' improvement of their reporting practices.

Hon Trevor Mallard: How will having a national standard that her ministry says 50 percent of year 8 students will not meet help to identify the bottom 20 percent of students, who she says make up the tail of underachievement that she wants to focus on?

Hon ANNE TOLLEY: The national standards are designed for all students, not just the bottom 20 percent. First of all, no good teacher would ever label a child who did not reach the national standard as a failure. No good teacher would ever call a student a failure. Secondly, schools will be reporting to parents about the progress and achievement that their child is making in relation to the national standards.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. I think you know what it is. Again, it was a pretty simple question about how, when we have a standard that is set at 50 percent, it helps to identify the bottom 20 percent. I do not—

Mr SPEAKER: On this occasion I support the honourable member. The question was reasonably concise. It asked how schools would identify the bottom 20 percent of students that the member understood were causing concern. The Minister did not give any information on that at all. It would be helpful if she could do so.

Hon ANNE TOLLEY: The national standards are designed for all students, not just the bottom 20 percent. Teachers are required to report on all students to their parents in writing, in plain language, twice a year. Even the bottom 20 percent will be reported on to their parents as to how they are progressing and achieving against the standards.

Hon Trevor Mallard: How, then, do her standards differentiate between a child who is in the bottom 10 percent and a child who is, say, at 45 percent of his or her cohort?

Hon ANNE TOLLEY: The discussions between teachers and parents are held entirely at their discretion. So how teachers explain to parents where their child is at at that particular point in time, and explain how that child has progressed, is up to them. Teachers know best. Their relationship is with the parents. But what parents must

know—and we know this because parents have told us this—is how their child is progressing against the national standards.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. It is the same point of order that I had raised before. I asked how the national standards help to differentiate between a child who is at 10 percent and a child who is at 45 percent. The discussion with the parent does not actually help to identify where a child sits against the standard.

Mr SPEAKER: Again, the Minister focused in her answer on how teachers would report to parents, rather than on how the standards would differentiate between the bottom 10 percent of students and, say, a student who is achieving at around the 45 percent level. It would be helpful if the Minister could indicate in her answer to the member's question how the national standards will differentiate between those students.

Hon ANNE TOLLEY: If the member cares to read the national standards, he will see that they set out very well what is expected at standard. There are exemplars for teachers to use, and, of course, they can use their professional judgment on where the child's achievement and progress sit. Teachers can also use a whole range of assessment techniques and tools to ascertain that. A good-quality teacher will know what the difference is in a child's achievement and progress.

Hon Trevor Mallard: What, then, is the point of having a standard?

Hon ANNE TOLLEY: Mr Speaker—

Hon Tony Ryall: Back to basics.

Hon ANNE TOLLEY: Back to basics. The national standards are designed to ensure that every single New Zealand child is able to achieve and progress in reading, writing, and maths, so that he or she will achieve NCEA level 2 as the minimum qualification that a modern child needs in order to live a full and successful life. I understand that that is a difficult concept for the Opposition to grasp.

Hon Trevor Mallard: How will identifying half of the year 8 children as not meeting a standard help every child to achieve NCEA level 2?

Hon ANNE TOLLEY: That is exactly the point. It is the legacy of the 9 years of the previous Labour Government that half the children in year 8 are not on track in mathematics to achieve NCEA level 2.

Hon Trevor Mallard: I raise a point of order, Mr Speaker. The question asked how identifying children would help them to get to NCEA level 2. That was the purport of my question, and you understand that, Mr Speaker. The question asked not how they would get there; it asked what the point is of having those standards if they do not assist children to get there.

Hon Gerry Brownlee: The member should not go pleading to you, Mr Speaker, on the basis of his interpretation of his own question. The *Hansard* will show what he asked. Equally, it will show that the response was very good. The fact that he claims that 50 percent of year 8 students will not meet a standard simply means that those students have an awful lot of work to do. The Minister pointed out that that is the legacy of the previous Government's failings.

Mr SPEAKER: That is a nice try, but the difficulty is that the member asked a pretty fair question on how identifying a certain number of children as not meeting a standard will assist them in reaching NCEA level 2. It is a fair question, and it is perfectly capable of being answered. To say it is all the fault of the previous Government that 45 percent of students are not meeting the new standard does not really answer that question. I think the question deserves an answer before a political criticism is made, because it is a fair question. I can think of all sorts of ways of answering that question. I think an answer is deserved.

Hon Gerry Brownlee: I raise a point of order, Mr Speaker. If this matter relates to a year 8 standard, then it is patently evident that most of the years of those children's education were under the previous Government.

Mr SPEAKER: That is not a point of order. The member knows that the Minister does not need that kind of help to answer a pretty simple question.

Hon ANNE TOLLEY: The standards will provide signposts for teachers and parents to notice, recognise, and respond to.

Police—Facilities

9. CHRIS TREMAIN (National—Napier) to the **Minister of Police**: What is the Government doing to ensure police have the facilities they need to effectively serve New Zealand communities?

Hon JUDITH COLLINS (Minister of Police): I am pleased to report that tomorrow I am opening the 10th new police facility since becoming the Minister of Police. The new station in the Hawke's Bay community of Tamatea will provide a base for the Napier tactical response team and the community constable. This Government is keen to ensure that all communities, large and small, have the police they need to make them feel safer in their homes and on the streets. Single-officer stations will also be opened over the next 6 months or so in Russell, Karamea, Granity, and Nuhaka.

Chris Tremain: What role has the Tamatea community of Napier played in ensuring they have a community police base?

Hon JUDITH COLLINS: I am advised that this station has been a classic example of community policing in action. The community and police jointly recognised a problem, then worked together to find a solution. It has involved local residents, the three schools in the area, local businesses, and the council. I am told that the residents are now feeling much more reassured, and that they are keen to work with the new constable at the grassroots level to take ownership of crime problems in their area, which is something Labour could never bring itself to do.

David Garrett: Has she investigated what resources and facilities would be required to implement a zero-tolerance policing policy in even one major police district?

Hon JUDITH COLLINS: No, I have not.

David Garrett: Is she aware that zero-tolerance policing is widely accepted as the reason for dramatically reducing crime rates in New York State, and would she consider trialling such a policy here?

Hon JUDITH COLLINS: No. I think we need New Zealand solutions. Last time I checked, New York City had 37,000 police officers for a population of 8 million. I am not sure we want to have an equivalent number here.

MAF Biosecurity New Zealand—Confidence

10. Hon DAMIEN O'CONNOR (Labour) to the **Minister for Biosecurity**: Does he have confidence in his ministry's ability to protect New Zealand against biosecurity risks?

Hon DAVID CARTER (Minister for Biosecurity): Generally speaking, yes, particularly when we consider the enormity of the task ahead of us in protecting New Zealand's biodiversity and biosecurity.

Hon Damien O'Connor: Why did he reassure this House just last year that his Government's policies would "significantly strengthen and enhance our biosecurity system", when last week an independent report stated there were 29 deficiencies in the biosecurity processing of imported raw pig meat, including the import risk assessment?

Hon DAVID CARTER: The issue to which the member is referring is the import health standards for pork imports into this country. We received, quite recently, a very

substantial report—67 pages—which is detailed and wants further work before we conclude. I am intent on solving this issue with a lasting solution. This is something that started before 2005, to which the previous Government simply turned its back. I want to achieve a way we can meet our obligations by demanding good access for exports and allowing fair importation into New Zealand, but at the same time balancing the need to protect New Zealand's biosecurity.

Hon Damien O'Connor: Given that it is the second time that an independent review panel has found his department's import safety risk assessment to be deficient, in order to protect New Zealand will the Minister suspend all imports of raw pork products—as happened with bee product imports from Australia—until all the panel's recommendations have been addressed; if not, why not?

Hon DAVID CARTER: As I said to the member, we will analyse this very complicated report with care. We have, as of the end of last year, established 737 import health standards without difficulty. We have two challenges, which we inherited from the previous Labour Government, concerning the importation of honey and pork products, and I will consider them with care, accepting advice from my biosecurity officials.

Hon Damien O'Connor: Given the UN Food and Agriculture Organization's recent advisory that Governments undertake "re-examination of possible routes of entry and measures to reinforce controls," and "more rigorous checks at ports and airports." in order to protect against a heightened threat of foot-and-mouth disease, will he reinstate the 56 front-line biosecurity staff whom he sacked last year?

Hon DAVID CARTER: The first point I make to that member is there has been no cut to Government funding at the front line, whatsoever. As soon as we were aware of notified foot-and-mouth outbreaks in both Japan and Korea, we heightened awareness at the border and we increased our profiling of visitors coming through from those countries. But the point I think Mr O'Connor needs to be aware of is that our biosecurity should not respond to incursions that occur in Asia just when they occur, because, frankly, foot-and-mouth is prevalent throughout that continent at all times. Our systems at the border need to be prepared to manage that risk, not only when we are notified, but on the assumption that foot-and-mouth is in China, Japan, and Korea at all times.

Hon Damien O'Connor: I seek leave to table two documents. The first is a report of the independent review panel on the provisional import health standards for pig meat and pig meat products into New Zealand.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Hon Damien O'Connor: The second is a document of notification for importers of bee products from Australia. It is an import health standard that advises the industry that it can no longer import bee products from Australia.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is no objection.

Document, by leave, laid on the Table of the House.

Pilots, Commercial—Safety and Monitoring

11. Hon TAU HENARE (National) to the **Associate Minister of Transport**: What recent measures has the Government taken to improve the safety and monitoring of commercial pilots?

Hon NATHAN GUY (Associate Minister of Transport): I have recently announced two new initiatives by the Civil Aviation Authority. It will work with the Ministry of Justice to introduce random checks on commercial pilots for any criminal convictions that have not been declared. This will be in addition to the existing check required when a pilot first enters the system. Also, the Civil Aviation Authority is proposing to introduce an electronic database, which will enable it to more effectively gather information and monitor medical issues affecting pilots.

Hon Tau Henare: What recent measures has the Government taken to improve the safety and the monitoring of commercial pilots?

Hon NATHAN GUY: I wanted to reassure the travelling public of New Zealand that these new measures are in addition to the current legislative requirements and will be cost-effective. I am very confident that airlines take the issue of drug and alcohol abuse seriously and that the vast majority of pilots do an outstanding job.

Local Authorities—Privatisation of Infrastructure

12. BRENDON BURNS (Labour—Christchurch Central) to the **Minister of Local Government**: Does he favour the privatisation of local authorities' infrastructure?

Hon JOHN CARTER (Associate Minister of Local Government) on behalf of the **Minister of Local Government**: No. The Minister favours efficient and effective delivery of services provided by councils. Some are best delivered by councils directly and some by private enterprises contracting to a council. He supports councils making their own decisions within the law and representing the wishes of the ratepayers.

Phil Twyford: Does his Local Government Act 2002 Amendment Bill allow private ownership of water infrastructure for periods of up to 35 years?

Hon JOHN CARTER: Yes. Let me reiterate that there is no proposal, however, to privatise water anywhere within New Zealand. The House has been told on a number of occasions that the decision is simply this: to take what the previous Labour Government had in place for many years, which was that a council could enter into a public-private partnership for 15 years, and to allow an extension of up to 35 years if the council and the ratepayers deem it to be appropriate.

Brendon Burns: If a council did not build it, does not own it for 35 years, does not operate it, does not maintain it, and does not control it, as his changes to the Act allow for, how can it be anything other than privatisation?

Hon JOHN CARTER: The fact is that the member first of all needs to look in the dictionary to see the definition of private ownership. I say to the member that the fact is we are talking about public-private partnerships with regard to the management of water; the councils will always own the water supply. That is what the law requires to have happen. We are not talking about privatisation. The councils own the public water supply. It may be that they will deem that the most efficient and effective way to get good performance of delivery of water to the public is to ask the private sector to administer the water, but there is no way that that is privatising the actual asset.

Phil Twyford: Does he agree that, under his bill, activities or functions can be shifted from the public sector to the private sector; if so, is he aware that he has just met the definition of "privatisation" widely accepted in the academic literature?

Hon JOHN CARTER: No, he does not. If that member is an example of what academics think, then I do not think we have a problem with regard to privatisation in this country.

Brendon Burns: When he compared his proposals to allow private sector involvement in water services with his having his lawns mowed by a contractor, was he

aware that under the provisions of this bill the lawn-mowing contractor would own his lawn, and that he would be stuck with him for 35 years?

Hon JOHN CARTER: The member fails to understand that when we talk about the provision of water and public-private partnerships we are talking about the administration of the water, not the ownership. In this case, the fact is that the lawns continue to grow, and the councils will continue to own the water supply in New Zealand and to provide water to the public of New Zealand.

Question No. 2 to Minister

LYNNE PILLAY (Labour): I seek leave to table a survey from the Royal New Zealand College of General Practitioners, which shows that it is currently consulting about concerns about the Accident Compensation Corporation's guidelines.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is objection.

VISITORS

Māori King—Te Arikinui Tā Kīngi Tuheitia

Mr SPEAKER: I have much pleasure in informing the House that Te Arikinui Tā Kīngi Tuheitia is within the precincts of this Chamber. I am sure members would wish that he be welcomed and accorded a seat on the left of the Chair.

Te Arikinui Tā Kīngi Tuheitia, accompanied by the Minister of Māori Affairs, entered the Chamber and took a seat on the left of the Chair.

WAIKATO-TAINUI RAUPATU CLAIMS (WAIKATO RIVER) SETTLEMENT BILL

Third Reading

Hon TARIANA TURIA (Minister for the Community and Voluntary Sector) on behalf of the **Minister for Treaty of Waitangi Negotiations**: I move, *That the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill be now read a third time*. Hauraki, Ngāti Maniapoto, Ngāti Raukawa, Waikato, tēnā koutou, tēnā koutou, tēnā tātou katoa. E rere kau mai te awa nui mai i te Kāhui Maunga ki Tangaroa; ko au te awa, ko te awa ko au. Nā tēnei kaupapa, nā tēnei wānanga ka puta mai te kōrero, ko ngā wai honohono i te pō ki Parikino, tēnā tātou. Nō reira, kei te Kaihautū me ngā mema Pāremata, tēnā tātou katoa.

[*The great ancestral river flows from the cluster of mountains to the sea; I am the river, and the river is me. From this philosophy and occult science emerged the saying, the binding waters from the darkness to Parikino, greetings to us. Therefore, Mr Speaker, and members of Parliament, greetings to us all*.]

My river, Whanganui, connects me to the famous proverb "I am the river and the river is me". Her origin—Te Kāhui Maunga, the family of mountains—is also the origin of the Waikato River. That connection is a matapihi, the component that links the third reading of this bill to something preordained and succinctly outlined in the phrase uttered by my kuia: "Ko ngā wai honohono i te pō tēnā."

This is a most auspicious day in this Parliament, and we are honoured with the presence of Te Arikinui Tā Kīngi Tuheitia, Te Whare o Te Kāhui Ariki, and the tribal peoples of Waikato-Tainui. In their presence, we are connected to a noble line of leaders who have striven for the river to be restored to its former health and well-being. We pay tribute to the leadership and vision of Kīngi Pōtatau Te Wherowhero, Kīngi Tāwhiao, Kīngi Māhuta, Kīngi Te Rata, Kīngi Korokī, and the beloved Te Arikinui Dame Te Atairangikaahu. The ancestors have laid a pathway for the people to follow, and it is a

pathway that is honoured in this settlement. I am reminded of the words of the late Sir Robert Te Kotahi Māhuta when talking about the river: "It is a gift left to us by our ancestors and we believe we have a duty to protect that gift for future generations." We pay our respects to those of Te Whare o Te Kāhui Ariki, and today we think particularly of the legacy of the late Lady Raihā Māhuta, who, along with co-negotiator Tukoroirangi Morgan, played such a distinctive role in the efforts to restore and protect the Waikato River environment.

The Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill fulfils the aspirations of the people to protect the gift of their awa for future generations. A special feature of the settlement is that in seeking to protect the Waikato River, Waikato-Tainui have established an impressive precedent in the form of a co-governance entity and subsequent arrangements. I have every confidence that the co-management approach, which has been reviewed and refined over the last 2 years, will provide a vital context for other river settlements. The co-governance approach will usher in a new era of resource management in which accredited commissioners appointed by Waikato-Tainui, Ngāti Raukawa, Ngāti Tūwharetoa, Ngāti Maniapoto, and Te Arawa river iwi will be appointed to Waikato Regional Council hearing committees and boards of inquiry for applications for resource consent.

The enhanced model represents a significant shift from six statutory boards to a single co-governance entity, the Waikato River Authority. It is an inherently positive approach. The authority comprises equal numbers of Crown and iwi-appointed members, with care taken to include other iwi with interests along the river. Iwi and the Crown will sit together at the table overseeing the management of the health and well-being of the river. It is as it should be, and it is a sign of things to come.

The authority will have a pivotal role in monitoring the implementation of Te Ture Whaimana, which is a direction towards the development of the vision and strategy. Another key aspect of the settlement is the $210 million clean-up fund, which we know to be vital to the economic, environmental, and recreational progress of the area. We know that a narrow, reductionist approach to activities on the river has led to the degradation of the waterways. It is so pleasing that this bill provides the investment to support the iwi in meeting their kaitiakitanga obligations in caring for their puna wai, roto, and awa. The authority will administer a contestable fund that will be available to iwi, local authorities, landowners, and others for initiatives to clean up the river.

The challenge for iwi throughout Aotearoa is to ensure that w'ānau, hapū, and iwi are empowered to implement their aspirations to be fully involved in the management of the awa. A distinctive aspect of the settlement is the importance placed on two fundamental principles that represent the essence of the awa and the essence of the people. The settlement promotes the concepts of te mana o te awa, which is respect for the tupuna awa, and manaw'akahaere, which is the exercise of control, access, and management of the river and its resources in accordance with tikanga. These concepts are extended in provisions that recognise and provide for the exercise of customary activities by members of Waikato-Tainui. Iwi members are also authorised to harvest flora material for cultural purposes in accordance with a plan to be agreed to with the Director-General of Conservation.

The span of the claims for raupatu in the rohe of Waikato-Tainui stretches out beyond 120 years of New Zealand history. Its story is punctuated at one end by Kīngi Tāwhiao leading a delegation to visit Queen Victoria in 1884, and at the other end by the deed of settlement signed in 1995. The search for justice and redress is rewarded today with a settlement that rightly returns iwi to a governance role in respect of their rivers. Again, I return to Sir Robert's vision: "The river belongs to us just as we belong to the river. The Waikato tribe and the river are inseparable."

Today is a tribute to te Kauhanganui, Te Arataura, and the representatives of more than 50 marae that have so much invested in the success of this settlement. I also acknowledge the commitment and support of the members of the Māori Affairs Committee in their work on this bill. This bill is a means of settling a longstanding Treaty grievance, but fundamentally it is about establishing a robust basis for a productive and dynamic ongoing Treaty relationship with Waikato-Tainui. At the very heart of the relationship is a focus on the health and well-being of the awa and its tributaries. This is a vision of the iwi, but it is shared by Environment Waikato. It is the ambition of all key stakeholders that there be an integrated, holistic, and coordinated approach to the natural, physical, cultural, and historic resources of the Waikato River. I am immensely proud to be part of a Parliament that is providing an opportunity for everyone to unite for the single purpose of restoring and protecting the health and well-being of this river. Kotahi te kōhao o te ngira e kuhuna ai te miro mā, te miro pango, te miro whero.

[*There is but one eye of the needle through which the white, black, and red threads must pass*.]

Waikato-Tainui are to be commended for their leadership in protecting the unique life-force of their river in the interests of generations to come. My other river, Whangaehu, starts at Te Wai-a-moe on Ruapehu and cascades down to Nukuhau, the beginning of Waikato-iti. Today my relatives of Ruapehu have gone to the Waikato-iti to pray and to acknowledge the third reading of this bill so that the Waikato at the pūwaha will one day be as clean as it is at the foot of Ruapehu. I join with them all, in spirit and in deed, in extending our deepest blessings to all of Waikato-Tainui descent at this turning point in their tribal history. Tēnā koutou, tēnā koutou, tēnā tātou katoa.

Hon PAREKURA HOROMIA (Labour—Ikaroa-Rāwhiti): Ki te Kīngi Tuheitia me tō ahurei, e mihi ana. Tēnā koutou mō tō kaha ki te tae ake ki konei, ki a koutou o te Kīngitanga, Tainui whānui. Me koutou o Raukawa, Maniapoto, Ngāti Tūwharetoa, Te Arawa tēnā koutou. Nā te mea i roto i wētahi o tātau ngā kanohi Māori i konei, kua tae ake te wā mō te otinga o tēnei tino take. Mai i te pakopako o ngā pū o te Kāwana, mai i ngā heke, ngā neke, ngā piki, ngā āhua katoa, e mau matatau i a koutou o Tainui ki tērā. Nā te pai hoki o te pire nei e tae tahi anō, e noho tahi atu te iwi ki te taha o rātau e tuku ture mō te āhua o te awa nei. E mihi kau ana ki a koe e Koro, e Michael tēnā koutou. E Tuku ka nui te mihi. I tō tātau Minita Māori e Pita e mihi kau ana. Ki a koe Chris tēnā koe. E tautoko atu te nui o ngā kōrero e kōrero a Tariana mō te āhua o te kerēme nei. E mōhio atu tātau te pakaritanga i roto i a Bub, a Te Kotahi, i a rātau mā ā muri rā. I tae tahi atu tātau i konei hei whakaae, ahakoa i reira kē tētahi rōpū e kāre e whakaae.

[*King Tuheitia and your entourage, I acknowledge you. I commend you, the King movement and Tainui at large, on your efforts to get here, as well as you of Raukawa, Maniapoto, Ngāti Tūwharetoa, and Te Arawa; well done. There are Māori members in our midst today who feel that the time to settle this important matter has arrived. Tainui, you are very much aware that since the time when the Governor fired the muskets, there have been many trials and tribulations, setbacks, ups and downs, and everything that was to happen has taken place. You saw all that. What is good about this bill is that the people have been able to get alongside others to create a bill that will look after the river. I acknowledge your part in this, Koro Wētere, Dr Michael Cullen, and Tuku Morgan. I applaud your efforts. I also commend our Minister of Māori Affairs, the Hon Dr Pita Sharples and the Minister, the Hon Chris Finlayson. I support the majority of what the Hon Tariana Turia said about this claim. We are very much aware how Bub, Sir Robert Te Kotahi Mahuta, and others back then who followed after him, worked hard. So we have arrived here together to endorse this bill, even though one party opposes it.*]

For the first time Tainui has been included in the management of the awa—the river. It is historic and poignant, because Tainui has never before at any time been part of the river's management or clearly involved in the decision making. The passageway for travel, the waterway to carry their goods for bartering and exchange, is certainly what they have lived and have imbued in their history. Ironically, it was along the same passageway that the soldiers attacked Tainui. As my colleague Tariana Turia said, it is an honour to be here today to ensure that those sins and ills of the past are put aside, and that that is recognised. There is a host of examples where the iwi opinion has never been considered—for example, the power station, and other issues relating to buildings along the awa. Today, we will put that aside.

I certainly recognise the Minister for Treaty of Waitangi Negotiations, Chris Finlayson, for his efforts, and I recognise especially my former colleague Dr Michael Cullen, the Minister of Māori Affairs, and also Koro Wētere, who is here today.

Nā kē ngā kōrero o Kotahi. Nō tātau te awa, nō te awa tātau. He taonga tuku iho nā ngā tūpuna taua taonga mō ngā uri whakatupu. E kore e taea te wehe te iwi o Waikato me te awa. E whakapono ana mātau, ko tā mātau he tiaki. Ki a Waikato-Tainui, he tūpuna te awa o Waikato, e mau ana te mana, te mauri, me te kaha o te iwi. He mauri motuhake tō te awa. He wairua ake tōna, he tuakiri tino kaha, he mauri tuatahi, e kore e wehea.

[*This is what Te Kotahi said. The river is ours, and we are of the river. It is a treasure handed down by the ancestors for the coming generations. The people of Waikato and the river are inseparable. We firmly believe that our role is to look after it. To Waikato-Tainui, the Waikato River is an ancestor that holds the status, life-force, and strength of the people. The river has a unique life-force. It has its own spirit, a real, powerful identity, and a unique life-force. All are inseparable*.]

Words have been spoken in the treasured language of Tainui. Certainly, all of those people have been on the journey right from the time of Pōtatau Te Wherowhero Tāwhaio. It is important to say at this time, just in case I forget, that the king's role is inherited, and it is important in relation to all the actions that will pervade the development of this settlement that that is taken cognisance of. He is not there just as a figurehead, but we can build up his role in a way to ensure that his say is real and not just platitudes of thanks.

Regarding te mana o te awa, to Waikato-Tainui the Waikato River is a tipuna—ancestor—which has mana and prestige and, in turn, represents the mana and mauri, life-force, of the tribe. The river has its own mauri, its own spiritual energy, and its own powerful identity. It is a single indivisible being. I know that partners, whether they be local authorities, environmental groups, or other organisations, have struggled to understand, appreciate, or even accept that. Today is a day of acceptance. Today is historic in this country. We should relish what has certainly taken a great effort to put together. Respect for te mana o te awa—the spiritual authority—in order to protect the power and prestige of the Waikato River is at the heart of the relationship between the tribe and the ancestral river. Waikato-Tainui regard their river with reverence and love. This is a simple issue about love—non-sensual, but very strong in its meaning.

I can recall the days when Robert Māhuta came here in a big station wagon, with a mattress in the back, and the people would bring their kai in a bin. They would come down and try to convince those dastardly Ministers about what should be corrected. They have moved on now. I commend Te Kauhanganui and Tainui Group Holdings, and all of those groupings in Tainui that matter, like Te Arataura—he mihi atu ki a rātou. It is a real irony that we have got this far. It is great that we can celebrate.

I want to mihi to Raihā. I was there the day when they put all the white seats out in front of Waihī, and the lady tō tātou Te Arikinui Te Atairangikaahu named her as her

spokesperson. I could hear this bit of a kikokiko with the Tainui people, but most were all right. I can see two of them up in the gallery now. I say to them that it was the right thing to do. I am sorry that Raihā is not here, but I know that she would not want us to be sad. She would want us to celebrate this great day, and that is what we intend to do. That is what we intend to do.

There is a host of detail in the bill. It is well read, it is well spoken, but there are simple things that we have to remind ourselves of. If this nation is serious about nationhood, if it is serious about giving Māori a better shot, then certainly we have to get into cooperation like this. There is nothing to be afraid of.

I commend the iwi and Māori for coming to the table, because that is not easy. For those who are scaremongering and saying that this bill will create incessant pain, I say: "Go jump.", because they are not right. That is a disgrace.

The Labour Party will support this bill and will ensure that it goes through. I ask the ACT Party to reconsider its stance, even at this late call. I tell Mr Garrett that it would take a brave party—and a brave person, seeing that he is here by himself—to disagree! This bill is not hocus-pocus, as his leader has said. It is about real nationhood, going forward. This bill is about thinking about this country, about all New Zealanders, and also it is about Māori standing up after they have been pillaged, plundered, and debauched. At the end of the day, that is what today is about—a celebration. We need to do that.

We could go on to the details in the bill, but, in summary, I want to recognise Raihā and Tukoroirangi Morgan, because there is nothing like being a great leader in Māoridom. They say: "You count the knives in your backs." That is why most Māori members in this Parliament have that. Mihi kau ana ki tō tātau kaiwhakahaere a Tau. To Tau and my colleagues on the Māori Affairs Committee, I say: "We have done a not bad job." I mihi to them.

Labour will support this bill. Michael Cullen has led us to this point in more modern times. We give Tainui our best wishes, but we want to remember that this is a model in contemporary times that can solve a whole lot of issues. The rubbish talked about Māori not knowing where they want to go, and about them all being bad, mad, and sad, comes to an end with this sort of thing.

I say to those mischief-makers on the other side that Tainui is going forward commercially, it is going forward culturally, and it has a king and a leader. I say to colleagues on the other side of the House that making sure that he is safe is an integral part of this journey forward. This is a great day to celebrate. This is historic and we are really, really thankful that we are here. Kia ora tātou.

I mihi to my colleague Nanaia Mahuta for the effort that she has put in, to Mita Ririnui, to Shane Jones—I was going to say "to me", but I had better not.

E mihi kau ana ki a koe te Kīngi Tuheitia, ki a koutou o Tainui whānui, kia kaha, kia māia. Ki a koutou e Shane, ngā kaituhi, ngā kaimahi, e Koro, koutou e mahi atu ngā mahi e mōhio atu te mamae o te hīkoi pēnei tonu, kua tae atu te wā hei oti pai. Kia ora tātau.

[*I acknowledge you, King Tuheitia and you of Tainui at large; be strong and steadfast. Acknowledgments to you, as well, Shane, the secretariat, officials, and Koro, all of you who experienced the trials and tribulations of a journey such as this one, and now the time to settle it well has arrived. Greetings to us*.]

Hon TAU HENARE (National): Māku anō e hanga tōku nei Whare. Ko ngā pou o roto he māhoe, he pātete. Ko te tāhuhu he hīnau. He whakatupu ki te hua o te rengarenga me whakapakari ki te hua o te kawariki.

[*I shall fashion my own house. The pillars inside will be of māhoe and pātete, and the ridgepole of hīnau. Those who inhabit the house will be raised on rengarenga, and nurtured on kawariki*.]

It is fitting that I begin my kōrero today with the vision that King Tāwhiao left for his people. It is a vision that constructs the foundation from which the tribe Waikato-Tainui continues to build its capacity. Māku anō e hanga tōku nei Whare. That means "I shall build my house. That statement, although simple to comprehend, is only one part of Tāwhiao's bequest to his people. He not only challenged them to build their own whare but also said to do it from the lesser-known timbers of the forest. To comprehend his vision in its entirety, one must have an understanding of the tribe's raupatu. Inevitably, they are all on roads that lead directly to the steps of this Parliament today.

Firstly, I want to digress to acknowledge the many people who have made the journey to be with us today. We have been able to accommodate some very fine-looking people here in the public gallery. They have come to witness and celebrate the third reading of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill with the people of Waikato. I sense that the numbers in the Grand Hall outnumber the people above us in the gallery. I acknowledge their presence here at Parliament today, along with those who are watching through television and listening via our iwi radio networks. I also digress to acknowledge the Hon Michael Cullen, who is here, for his sterling effort in the previous Government, the late Raihā Mahuta, and my very own brother-in-law Tuku Morgan.

It is said that Tāwhiao held his kingship through the most turbulent era of Māori-Pākehā relations. He was appointed to the throne in 1863 on succession to his father Pōtatau te Wherowhero, and 2 years into his reign legislation was passed that provided for military settlements to be established on confiscated land. I want to pause to point out that it is no coincidence that in building their own whare, Waikato-Tainui have sited their tribal hub amidst the former military settlement that was confiscated from them under the 1865 legislation. Provoked by British advances to go to war, Waikato were unjustly branded as rebels. Under the 1865 legislation, they lost more than 1.2 million acres of their own land. This act of confiscation became known to Waikato-Tainui as raupatu. Rendered virtually landless, the economic, social, and cultural impacts of that placed Waikato at their most vulnerable point in time.

My job is not to reiterate a history lesson as we ascend to this third reading, but to emphasise the vision of Tāwhiao, and, in particular, to put some context around his bequest to his people to build their own capacity. The challenge to develop that capacity was founded on their cultural vision and values. He wanted them to be strategic with innovation and have the propriety required in an evolving political environment. This brings me back to where we are today: witnessing the third reading. The bill of Waikato-Tainui, in seeking recognition of the unique relationship they have with the Waikato River, is testimony to Tāwhiao's vision. The bill's acknowledgment of te mana o te awa and the recognition of Waikato-Tainui manawhakahaere is a first for this House, this country, and—dare I say it—the world. Simply put, to Waikato-Tainui the river is a living ancestor. The concept of an ancestor river, unfamiliar to Pākehā, is central to Waikato belief. That river is a representation of the tribe's spiritual authority and power, and it harbours the life-force of its people. The river has its own mana and, although some may grapple—and I am sure they do—with that concept, to protect that mana is crucial to its future health and well-being.

The tribe has provided an archive of historical responsibility exampling the statements from kaumātua and kuia further supporting the belief that the river has always been a source of sustenance, healing, comfort, and hope. The relationship that Waikato-Tainui has with its river is unquestionable. I am pleased that the Crown, our

Government, and the Opposition are formally recognising that unique and special relationship through this bill. I acknowledge those kaumātua and kuia who are here with us today. This is a celebration of their toil. I especially say to the rangatahi to celebrate this relationship always and recognise the role they will play as kaitiaki.

E te Kīngi Tuheitia me tō whānau hoki, [*Kīngi Tuheitia, and his family as well*] I welcome him to share this forum with us and to take his seat in our House, which was built by Parliament and the people of New Zealand. I look forward to the continued realisation of King Tāwhiao's vision for his people as we continue to build our House here and as King Tuheitia continues to build his house in Tainui.

Nō reira e te Whare, e te Kīngi, e Tainui Waka, a tēnā koutou, a tēnā koutou. Ka nui te aroha, ka nui te mihi ki a koutou ngā mōrehu o ngā hau e whā; tēnā koutou, tēnā koutou katoa.

[*So to the House, the King, and Tainui Waka, I acknowledge and greet you. There is much love and acknowledgment to you, the survivors of the four winds; greetings, salutations, and acknowledgments to you all.*]

Hon MARYAN STREET (Labour): E Te Arikinui Kīngi Tuheitia, tēnei te mihi ki a koe. E Te Kāhui Ariki, e Tainui nui tonu, nau mai, haere mai. Tēnā koutou, tēnā koutou, tēnā koutou katoa.

[*To the paramount chief, Kīngi Tuheitia, I greet you. To members of the King movement and Tainui at large, welcome, welcome. Greetings, salutations, and acknowledgments to you all*.]

I acknowledge Lady Raihā Māhuta. Arohanui ki a koe, I say to Nanaia. As the first Pākehā to rise to speak in the third reading of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill, my speech may seem to be a little pedestrian, but let us make no mistake: although I cannot imitate the humour of my matua Parekura Horomia, I have the heart to support this very important legislation. Let us make no mistake: it is as important to Pākehā as it is to te whānui Tainui. I recognise another matua, Koro Wētere. Tēnei te mihi ki a koe, I say to Koro. I acknowledge also Tukoroirangi Morgan and his presence in the Chamber this afternoon. I have another special matua who is also in this Chamber, and that is Dr Michael Cullen. It is a great delight to look across these benches and see again his wise face here this afternoon.

I pay tribute to all those who have worked and waited for this settlement. The initial settlement with Waikato-Tainui was signed by Michael Cullen on behalf of the Crown in August 2008. In this legislation we have something that is unique to Aotearoa New Zealand, and something that I hope can be taken further, as new arrangements, new settlements, and new ways of doing things are forged not only in this generation but in the next.

I want to quote from the legislation, because I am so struck by the way that it is framed up. I have a very strong sense as a Pākehā of Aotearoa New Zealand identity in this legislation. I want to read something that I identify with as a Pākehā member of Parliament; it is from Part 2 of the legislation. It simply says: "The Waikato River is our tupuna (ancestor) which has mana (spiritual authority and power) and in turn represents the mana and mauri (life force) of Waikato-Tainui. The Waikato River is a single indivisible being that flows from Te Taheke Hukahuka to Te Puuaha o Waikato (the mouth) and includes its waters, banks and beds (and all minerals under them) and its streams, waterways, tributaries, lakes, aquatic fisheries, vegetation, flood plains, wetlands, islands, springs, water column, airspace, and substratum as well as its metaphysical being. Our relationship with the Waikato River, and our respect for it, gives rise to our responsibilities to protect te mana o te Awa and to exercise our mana whakahaere in accordance with long established tikanga to ensure the wellbeing of the

river. Our relationship with the river and our respect for it lies at the heart of our spiritual and physical wellbeing, and our tribal identity and culture."

That statement means a great deal to Tainui. It means a great deal to me as a New Zealander, because here is something very significant printed in black and white in the law of our land. We have come to that point where we are able to recognise such things, to express them in their original language, and to credit them with legal status. And this is new. This is not simply an interpretation of Te Tiriti o Waitangi; this is about a new model of co-management of a waterway that is of enormous importance.

That leads me to the second piece that I wish to quote from the legislation. It is under clause 9, "Scope of vision and strategy", below the heading "Te Ture Whaimana". Clause 9(1) states: "The Waikato River and its contribution to New Zealand's cultural, social, environmental, and economic wellbeing are of national importance." The Waikato River is of importance to me, as a Pākehā, for all those reasons, as much as it is to Māori and to whānui Tainui for all of the antecedent reasons that they hold dear.

This legislation makes me feel very proud. Sometimes laws are passed in this Parliament that I am not proud of, but this is one that has, far and away, the majority support of members of Parliament. Although we have had some not very likable or respectful speeches in the course of the passage of this legislation, we are at the stage now when the vast majority of this House recognises the importance of the Waikato Awa, and its importance across almost everything that is important to human beings: our cultural, spiritual, physical, and economic well-being.

The co-management model that we have in this legislation is unique; by virtue of its very language it can be found only in this country. It cannot be found anywhere else in the world because of the language, because of te reo, and because of the antecedent history—the things that went before—and connection with the awa. The deed of settlement inside this legislation will allow for an unprecedented era of co-management of the river, and that co-management will take into account—because it is charged to do so by this legislation—the cultural, spiritual, physical, and economic well-being of Aotearoa New Zealand. This legislation is for all New Zealanders. There is no doubt that that wonderful river feeds some of the richest pasture and land in our country. Even if one were to take only an economic perspective, that would be reason enough to support this legislation. But there are many more reasons besides that.

So with all of my respect to the members of the Māori Affairs Committee, which has shepherded this legislation through the House, to those who, as I said earlier, have worked and waited for this, and to those who have passed on in the course of working and waiting, I pay a tribute, and I acknowledge what they have done. To those, particularly those here in the House, whose fingerprints are all over this legislation, I pay my respects. As a Pākehā member of Parliament I am proud and delighted to lend my support to, and to join with my colleagues and mātua here in the Labour Party in supporting, the third reading of this most significant legislation. Tēnā koutou, tēnā koutou. Kia ora koutou katoa.

DAVID CLENDON (Green): Kei te mihi nui, kei te mihi aroha ki Te Arikinui te Kīngi, tēnā koe. Ki ngā rangatira mā, ngā kuia mā, ki te mana o te Kīngitanga, te mana o ngā hapū katoa o Waikato-Tainui, tēnā koutou, tēnā koutou, tēnā koutou katoa.

[*A huge and loving greeting to you, paramount chief, the King. To the many chiefs and elderly womenfolk, to the sovereignty of the King movement, and the authority of all the subtribes, greetings, salutations, and acknowledgments to you all*.]

It is a pleasure and a great privilege to stand for the Greens today, to speak to, and to acknowledge the work that has gone into, the Waikato-Tainui Rapuatu Claims (Waikato River) Settlement Bill, which will be passed today. I acknowledge the sense, the

wisdom, and, overall, the commitment that has led to the celebration—because today is a celebration—that is emerging through the passing of this bill.

When Māori assert claims to be kaitiaki of a place, it is often seen as an assertion of a right. And indeed it is a right; kaitiaki have rights to places. But what is often overlooked is that it is also an acceptance of a very significant, absolute, and indeed unavoidable responsibility. I believe that it is that responsibility, that sense of duty, that drives iwi, hapū, and whānau to have the determination to maintain the claims, to maintain the effort, not just for years or decades but over generations. It is that sense of responsibility and duty to our land, to our rivers, to our mountains, and indeed to our whānau that maintains that energy, commitment, and determination, and I offer respect to that.

There is often confusion and, on occasion, even mockery of Māori spirituality—the fact that Māori acknowledge Papatūanuku and Ranginui. We talk of the mauri of a river. We populate our motu with atua, taniwha, and tūpuna. One may observe that as numbers of generations of non-Māori spend longer in this place, they in their turn develop a sense of place, a sense of the value of this place. It goes beyond the ascetic or the amenity, and gets closer to the spiritual attachment felt by indigenous peoples for their earth, their awa, their mountains, and their sky. It is to be hoped that this evolving awareness of the value of place and this place will lead to a better understanding and a greater support and recognition of the justice of the restitution that is signified by these settlements.

Today is an appropriate day to reflect on the language of the Crown apology within the deed of settlement in 1995. The Crown openly acknowledged that the military and the legislative confiscations of Waikato-Tainui land were simply wrong. It was wrong in Māori terms, it was wrong in British terms, and it was wrong in international law. The language of the apology included a statement that the confiscations have caused Waikato to the present time to suffer feelings in relation to their lost lands akin to those of orphans, and that they have had a crippling effect on the welfare, economy, and development of Waikato. I think the richness of that language reflects not only the damage to the spiritual well-being of people who had their place torn from them but also the fact that it completely destroyed a very viable existing economy, an economic base.

Māori in the Waikato and elsewhere in New Zealand in the 1860s, the mid-19th century, to some extent were victims of their own success. They adapted very quickly to new crops, to new means of producing food, and to meeting other needs of the new settlers. Although in some cases there was gratitude from settlers, it also led to avarice and to a determination to take those resources away. We know in this case that it led gunboats up the Waikato River.

Those who would criticise Māori today for being overrepresented in all the negative social statistics either do not know their history or simply choose to overlook that a highly effective, highly efficient economy based on the available resources, and with well-established use rights, was completely shattered through those years. That left Māori in a parlous state. Generations later, these settlements are steps towards restoring the capital base, the land base, that will enable Māori to rebuild on their own terms an economy that meets their cultural and economic needs, and that in turn will make massive contributions to the wider New Zealand economy.

The river, the awa, the taonga that is being returned today to Waikato-Tainui is in a degraded state. It must be said that the river, over many years, has been polluted with human waste, with trade waste, and with waste from agriculture. The water quality has been reduced by overuse. The water has been pumped to Auckland, which has offended both Waikato-Tainui and the hapū of Tāmaki-makau-rau. It is important to acknowledge

that there has been a great lack of care and respect for this taonga, and that there is now a positive step towards restoring management, which will be coming from a sense of aroha, of caring—a sense of respect, care, and commitment to improving the status of that water.

During an earlier reading of this bill, I spoke of the strength and the power of the co-management model. I will not repeat what I said then, except to say that the co-management structure, the authority that has been established, represents a great generosity of spirit on the part of Waikato-Tainui, who could legitimately claim sole rights to manage and to utilise that treasure, that resource. It is that generosity of spirit, which is typical of most of, indeed all, the settlements, that has enabled Māori to be willing to compromise, to accept the realities of the 21st century, and to take back in good spirit and in good heart what is offered, and to make those arrangements with the Crown.

I do not wish to cloud what is undoubtedly a day to celebrate, but it must be acknowledged that the settlement process is still an imperfect and flawed process. It appears that in almost every case of settlement there is a rightful return of lands to people, but also there can be another confiscation of lands. The settlement process too often fails to recognise the rights of smaller iwi and hapū to their tino rangatiratanga, and to their kaitiakitanga, and fails to return land taken wrongfully, and often violently, to those from whom it was taken. The settlement process itself is in need of review in order to improve the redress and to avoid further breaches of the rights of those people.

But today indeed is a day of celebration. It is a day that demonstrates that New Zealanders, Māori and non-Māori, can come to these arrangements, can meet each other's needs and requirements, and can acknowledge each other's rights. In that sense I will finish my statement by again complimenting Waikato-Tainui, and indeed the Crown, the Government negotiators, and those who have committed time, intelligence, and energy to this process. Kia ora koutou. Tēnā koutou, tēnā koutou, tēnā koutou katoa.

DAVID GARRETT (ACT): I rise on behalf of the only party to oppose this bill.

Hon Parekura Horomia: Shame on you.

DAVID GARRETT: It is a shame, I say to Mr Horomia, that he is not giving me the courtesy I gave him, which was to allow him to speak without interruption, although I was sorely tempted. But I thought I would show respect by not interrupting the member. It is very sad that Mr Horomia should take that attitude at the outset.

There will be those who will be offended by my speech—most notably, I suspect, my colleagues to my left. I would simply like to say that that is not intentional; I am not rising to give intentional offence. The ACT Party genuinely believes the contents of what I am about to say. As I have said, I hope that some members at least will have the courtesy to listen, as we have listened with respect to them.

I wish to start by quoting, as best I can, William Hobson, New Zealand's first Governor, who, when signing the Treaty of Waitangi, greeted each Māori co-signer with the words: "He iwi tahi tātou"—we are one people. The Treaty promised that we would all be equal in the eyes of the law, regardless of race. It did not say that Māori and Pākehā, as two separate entities, were equal partners. That is an invention of the 1990s. Article 3 expressly gave Māori all the rights and privileges of British subjects. Although that seems a little funny today, it was seen as something that had great value in 1840.

There were indeed many breaches on the Crown's side, and those are rightfully being redressed. But today we believe that in this House the Crown is committing another major breach by putting the Waikato River under co-governance. Co-governance of our resources was not envisaged by those who signed on to create a new nation in 1840. It

represents the abandonment of the cornerstone of democracy: one person, one vote. It makes a lie out of article 3 of the Treaty. The Kīngitanga Accord, contained in schedule 1 of this Waikato-Tainui Raupatu Claims (Waikato River) Settlements Bill, explains the impact of co-governance. The accord states that decisions must be made by consensus. That would not be a problem if half of the people who will be making up the Waikato River Authority were not undemocratically chosen by, and representative of, such a narrow base.

Waikato-Tainui and other tribes are effectively being granted veto power over anything that may have an effect or impact upon the river. The accord specifically states that they have control over the "development, amendment and implementation of strategies, policy, legislation and regulations … and the processes for granting, transfer, variation and renewal of consents, licenses, permits and other authorisations for all activities that potentially impact on the health and wellbeing of the Waikato River,". That is a lot of power and trust being placed in the hands of such a few people, many of whom will be unknown to most New Zealanders.

I ask exactly whom these people represent. The 2008 Waikato River deed of settlement on which this bill is based seems to have been written with very few Māori in mind. The deed states that the Waikato River represents the mana and mauri of Waikato-Tainui. The river is a metaphysical being with its own mauri. The concept of mauri—life-force—will, in our view, have little significance to most Māori, who according to census figures are mostly Christian. But that phrase is essentially the life-force of this bill. It is that belief in a life-force that has given life to many of the clauses in the bill. The Crown is giving half of the control of the Waikato River and its surrounding land to five iwi led by Waikato-Tainui because of a religious belief—or a world view, as Ms Street referred to in earlier debates—

Hon Parekura Horomia: I raise a point of order, Mr Speaker. I am surprised at the analysis that this bill is based on religious belief alone. That member has gone way outside what the bill is about.

The ASSISTANT SPEAKER (Hon Rick Barker): With respect to the member, I say that that is not a point of order. It is a point of view, but it is not a point of order. Order concerns the House.

DAVID GARRETT: Nice try, I say to Mr Horomia, but it has—

The ASSISTANT SPEAKER (Hon Rick Barker): Excuse me, I say to the member, but I have not sat down yet. I will just say to the member that it is out of order to refer to a point of order once it has been dealt with.

DAVID GARRETT: People can believe in whatever they like. The New Zealand Bill of Rights Act protects freedom of religious expression, but what makes this bill we are debating so dangerous is that it promotes one group's belief or life view—ontology, I believe, is the technical term—over all others.

This bill and the 2008 deed of settlement can be traced back to the 1995 deed between Waikato-Tainui and the Crown, which specifically excluded the river from the so-called full and final settlement. Section 24 reserved a future claim to the river, for reasons unknown to me, but perhaps for a time when iwi leaders could secure for themselves a more attractive package. We can leave aside for a moment the fact that the 1946 settlement, which I referred to in an earlier speech on this bill, was said to be a full and final settlement of all raupatu claims, but was set aside by the next "full and final settlement" in 1995. We will leave that aside. The disturbing factor about both the 1995 settlement and this one is that they are based on deeds of settlement that in neither this bill nor the 1995 Waikato Raupatu Claims Settlement Act form part of the legislation itself.

Perhaps that is deliberate, because when we find and read those deeds, it is clear from their terms that they are not in fact the final word on the subject matter, at all. Both may be amended by agreement between the Government and Waikato-Tainui. That fact, and the history since the 1940s at least, tends to suggest that the grievances will never be fully and finally settled. The more honest Māori radicals, such as Mr Harawira and Professor Margaret Mutu, admit that this is the case. They say that no generation of Māori can bind those who follow.

Twenty years ago Sir Geoffrey Palmer said that the reference to Treaty principles that he inserted into the State-Owned Enterprises Act would be meaningless; that has proved to be very, very wrong. So when the Government flew Pita Sharples and Māori Television to New York to sign the aspirational Declaration on the Rights of Indigenous Peoples, we are inclined to believe Hone Harawira when he says that we will see the declaration applied to our children—

Te Ururoa Flavell: I raise a point of order, Mr Speaker. Anei au e whakarongo nei ki ngā kōrero o te mema. Kei te pātai au ki a au anō, he aha te take o ēnei kōrero ki tēnei pire? Ko ngā kōrero e kōrerohia nei, ē, kei tāwāhi kē e iri ana. Nō reira kō tāku ki a koe, whakahokia te tangata nei ki te pire, ki te ngako o te pire e kōrerohia ake nei. Kua tae mai ngā manuhiri kei te hiahia rātau ki te whakarongo ki te pūtake o tēnei pire. Kia ora tātau.

[*I have been listening to the member's speech, and I wonder, what does it have to do with this bill? The speech he is making pertains to matters overseas. Therefore, Mr Assistant Speaker, bring him back to the bill, to the nub of it. The visitors are here; they want to hear what this bill is about. Greetings to us*.]

The ASSISTANT SPEAKER (Hon Rick Barker): The member has gone outside the strict realm of the bill, but he is drawing on that material to make his point. I sense from the member that he is in an uncomfortable position because he is articulating a position that is a minority view. This is a House of robust debate. It is also a House of free speech. I think the member should be entitled to exercise his right of free speech.

Te Ururoa Flavell: I raise a point of order, Mr Speaker. Kāre aku raruraru kia kōrerohia ngā take o te wā ki roto i te Whare Pāremata nei. Koinei te wāhi tika hei kōrero i ngā take. Engari ko tēnei take, e hāngai tonu ana ki tēnei pire. I waihotia mai ai wētahi, i tuhia e ētahi hei painga mō ngā tamariki, mō ngā mokopuna o āpōpō. Ko ēnei kōrero he kōrero mō ngā take i tua atu o tēnei pire. Koinei kē te pūtake o taku nawe. Nō reira, ko tāku noa ake, ko te kī atu, he pai tonu te kōrero engari, whakahokia mai te mema ki te pūtake o tēnei pire, koa, koa.

[*I have no problems if we talk about current issues in the House. This is the proper place for matters to be debated. But this matter relates directly to this bill. Some were bequeathed and recorded so that future generations would benefit from it. These statements are about things that go beyond this bill. This, then, is the real crux of my complaint. What I am simply saying is that there is nothing wrong with talk, but please bring the member back to what this bill is about*.]

The ASSISTANT SPEAKER (Hon Rick Barker): I respond to the member again by saying that this is my ruling on the matter, and I do not want to have another point of order on it. I have ruled on it. The member is making a point of criticism about the bill. He is making a point of criticism about the clause. He is then articulating the arguments to support that, and it is perfectly within his right to do so. If the member does not continue on at length about that, it is acceptable; it is acceptable in passing. At this point, the member has not gone beyond that. I have ruled on the matter.

Hone Harawira: I raise a point of order, Mr Speaker. Ā, tū ana au ki te whakatika i te kōrero hē a te pokokōhua nei i te mea, e mōhio ana au kua rere atu te Minita i raro i te

maru o te Kāwanatanga ki te Āporo Nui engari, ko te pou whakaata nā rātau anō rātau i utungia.

[*I rise to correct the false statements made by this boiled head, because I know that the Minister flew as part of the Government to New York, but the television crew paid their own way*.]

The ASSISTANT SPEAKER (Hon Rick Barker): I thank the member for the information. That is not strictly a point of order; there is nothing to rule on.

DAVID GARRETT: For the last couple of decades, the Treaty settlement process, of which this bill forms part, has been characterised by Governments on both sides making thoughtless, token gestures, only to see them take on unexpected legal significance. It is no wonder that many people are feeling angry. Now, we have completely abandoned full and final settlements and entered an era where nothing will ever be settled, where grievances will be created against ordinary people by both Crown and Māori, and where those who are aggrieved will have nowhere to turn.

Many New Zealanders, regardless of their race, have an affinity for the Waikato River. Most of us value it greatly for what it provides. We do not have to be Māori to feel a connection, or to be angry when the river becomes dangerously polluted—or so we have thought. But this bill says that our connection does not matter. One hundred and seventy years on from the Treaty signing, we are further away than ever from being one people. This bill, in fact, is saying the exact opposite: forget Hobson's "We are one people." This House is today making a conscious choice as to which of those two people are more important.

Many people will not believe me when I say that we in the ACT Party fervently wish Māori to have the same health statistics, education statistics, welfare statistics, and, yes, crime statistics as the rest of us. The problem with this legislation and similar bills is that it encourages Māori to look backwards, to dwell on grievance rather than to look forward. Aside from the other objections, we are no means certain that this bill will help the people it is meant to help—Māori people. We believe that we are heading further down a very dangerous road, and the ACT Party is unashamed to oppose this bill. Thank you very much.

Hon CHRISTOPHER FINLAYSON (Minister for Treaty of Waitangi Negotiations): In its journey from Lake Taupō to the sea, the mighty Waikato River flows through the heartland of Waikato-Tainui and the iwi who have agreed to participate in its co-governance. The relationship of the iwi with the river lies at the heart of their spiritual and physical well-being and their identity. To Waikato-Tainui the river is a tupuna that has mana. As New Zealand's longest river, the Waikato River is an important natural feature in our country, as well as being a resource of strategic importance. Its importance as a resource is marked by the fact that there are more than 470 resource consents affecting it, which take from it nearly 250.6 million cubic metres of surface water per day, enough to fill around 100,000 Olympic-sized swimming pools. There are over 80 point-source discharges discharging directly into the river on the main stem, and approximately 1,600 discharges to its tributaries. The river supplies around 13 percent of New Zealand's electricity generation, and, from within its catchment area, approximately one-fifth of New Zealand's exports and more than 10 percent of our GDP. The river flows through some of the most intensively used and modified rural areas in our country.

Today, the river is degraded and badly polluted. Approximately 90 percent of its wetlands are gone. Bacteria levels downstream from Hamilton are often unsafe for swimming. Levels of arsenic in the river almost never meet safe health standards. In the lower river, levels of nitrogen and phosphorous fail to meet ecological standards, and water clarity fails to meet the recreational standard. This settlement establishes vital

initiatives focused on restoring and protecting the health and well-being of the Waikato River. These initiatives include a $210 million clean-up fund. Without question, these initiatives befit the deep significance of the river to Waikato-Tainui and the iwi whose rohe it flows through. Indeed, these initiatives befit the strategic importance of the Waikato River to the social, cultural, environmental, and economic well-being of all New Zealanders.

In the bygone era of the 19th century, Waikato-Tainui enjoyed a golden age of peace and prosperity. Large areas of the Waikato were cultivated for wheat, potatoes, maize, and kumara. Several flour mills were established. Waikato-Tainui were among the first to trade in value-added exports, with ships taking flour to Australia. Waikato Māori even established their own trading bank, but peace and prosperity were to be short-lived. The huge pressure for land for rapidly growing numbers of settlers led to the formation of the Kīngitanga in 1858. Its purpose was to place tribal lands under the protection and mana of the king as a guarantee against sale. With this head-on clash of aspirations Crown forces invaded in 1863—1.2 million acres were seized. With the valuable Waikato territory now held by the Crown, land was quickly allocated to settlers. In 1995 it was estimated that the true value of the land loss was around $12 billion. The Crown's invasion was found to be wrong and completely unjustified. It is now acknowledged that Waikato Māori never rebelled; they merely defended hearth and home against an unlawful invasion. When the Crown's military forces crossed the Mangatawhiri River in July 1863, they proceeded by land and by river. The loss of both was a double blow for Waikato Tainui. It denied the iwi their rights and interests in the river and their mana over it.

The failure of the Crown to respect, provide for, and protect the special relationship of Waikato-Tainui with the river has been a source of distress for the people of Waikato-Tainui for many years, as has the pollution, degradation, and extensive detrimental modification of its environs and wetlands. The 1995 settlement did not deal with the tribe's claim in relation to the river. This bill settles the river claim. One of the significant aspects of the settlement is the new relationship between the Crown and the Kīngitanga. It is a mark of our maturity as a people and as a nation that we have come so far in a little less than 160 years. At the third reading in 1995 of the Waikato Raupatu Claims Settlement Bill, the then Minister of Māori Affairs, the Hon John Luxton, said: "The future that we all have to live is a common road forward from here. We need to learn more about each other on the way. … We are never able to turn back the clock, but we can find ways to make amends for grievances. … It is only right that … we should find opportunities to let those grievances go, and to seek by resolution to give hope for our children and grandchildren."

So the time has arrived to usher in a new era based on optimism for the future rather than despair for the past. Today, as we usher in a new era of co-governance over the river, we acknowledge our common road forward. New relationships arising from the settlement will lead to greater understanding and learning. The settlement embraces a real opportunity to let grievances go, by demonstrating respect for te mana o te awa and acknowledging manawhakahaere in a tangible way. This is very much a settlement based on optimism for the future and a real sense of hope for generations to come.

The settlement is the culmination of the dedicated and determined efforts of many. I will acknowledge some of them in this House this afternoon. The claim was lodged by the late Sir Robert Māhuta, whose foresight and drive inspired many, especially the young members of the Waikato-Tainui claims team. Sir Robert's mission was carried on so ably and with such courage and determination by Lady Raihā Māhuta, who sadly has not lived to see this day. I acknowledge the presence in the House of Mr Tuku Morgan, who has always been future-focused and forthright in his engagements with the Crown.

His tireless contribution to negotiating the settlement on behalf of his people had a major influence on the outcome. I acknowledge the work of my predecessor, Dr Michael Cullen. I acknowledge the Hon Parekura Horomia, who apparently is too self-effacing and shy to acknowledge himself. I acknowledge the Hon Mita Ririnui. I also acknowledge Peter Buckley and his team at Environment Waikato. They have made a very, very positive contribution. I especially acknowledge Brian Roche, the Crown negotiator, and the officials who have worked so hard on this matter over so many months. There is much detail in the bill, which members can read for themselves, and the detail has been covered in the Committee of the whole House.

In conclusion, I say that in 1995, when the Waikato Raupatu Claims Settlement Bill was being read in this House a third time, the Rt Hon Jim Bolger observed that the occasions that made the frustrations of politics worthwhile were relatively few. He said: "This is one such occasion, in which we move beyond the bickering and the point scoring to the substance of the work that this Parliament and parliamentarians are charged with." Today I think we can all feel a similar sense of satisfaction, and of the worthiness of what we, as politicians, can achieve by working constructively and in good faith with iwi. This is a time to be proud; it is a time to look forward with great optimism.

PAUL QUINN (National): E mihi kau ana ki a koe te Kīngi Tuheitia, ki a koutou o Tainui whānui, kia kaha, kia māia. Ki a koutou e Shane, ngā kaituhi, ngā kaimahi, e Koro, koutou e mahi atu ngā mahi e mōhio atu te mamae o te hīkoi pēnei tonu, kua tae atu te wā hei oti pai. Kia ora tātau.

[*I acknowledge you, King Tuheitia, and you of Tainui at large; be strong and steadfast. Acknowledgments to you, as well, Shane, the secretariat, officials, and Koro, all of you who experienced the trials and tribulations of a journey such as this one, and now the time to settle it well has arrived. Greetings to us*.]

Firstly, I will make a few acknowledgments. I start by saying that when the 49th Parliament came together in December 2008, the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill was before it, and the new Government had some issues that required, in its view, to be reviewed. In that regard, I acknowledge the spirit and willingness of the Tainui leadership under Lady Raihā and Tuku Morgan in engaging with the incoming Government to consider the changes that the new Government wanted, and, in doing so, bringing through to fruition in December 2009 a revised deed of settlement. So I think it is appropriate to acknowledge the leadership of Waikato and the people of Waikato-Tainui in agreeing to the new Government's position.

I also acknowledge the Minister for Treaty of Waitangi Negotiations, the Hon Chris Finlayson. He and his officials carried out the work of the incoming Government to bring together and put the new proposals to Waikato-Tainui, and edge a way forward. That required a measured and considered approach, particularly in establishing the new co-management arrangements that the Government wanted. I think that speaks highly of the excellent work that the Minister and his officials were able to achieve. I also take the opportunity to acknowledge the former Minister, Dr Michael Cullen, who is amongst us today, proudly, a recent addition to the Ngāti Awa whānau, and also the Hon Koro Wētere, and, of course Tuku Morgan. My final acknowledgement goes to the Māori Affairs Committee. Its spirit of camaraderie manifested itself particularly in this bill. I think it shows great leadership in the work that it does.

I will very briefly canvass the key purposes that drive this bill. There are about four. The first one is acknowledging te mana o te awa and the place that the Waikato River has for the Waikato people. The second is the mana whakahaere. The third is health and well-being. The final one is the co-management arrangements going forward. With

respect to those, I say that in 1995 Waikato were at the vanguard of Treaty settlements with respect to raupatu. Today, once again they are in the vanguard of a co-management settlement on natural resources, which, I have no doubt, will form the template going forward. In particular, in that regard, I am aware that my uncle Bill Bird, for instance, was keenly awaiting the outcome of this with respect to its application to the Rangitaiki River. I am sure it will be duplicated in other areas.

So with those few words, again, it gives me great pleasure to be able to stand with humility to acknowledge Waikato-Tainui for its achievements and for joining with the Government and the nation in allowing this settlement to come to fruition. Nō reira, tēnā koutou, tēnā koutou, tēnā koutou katoa.

Hon MITA RIRINUI (Labour): Otirā kei te Kaihautū, me pēnei rā taku kōrero i te ahiahi nei. Kei waenganui i a tātau tō tātau Kīngi, nō reira, e tika ana kia whakapāoho i ngā kōrero i roto i tō tātau reo rangatira kei konei a ia. Me pēnei rā te tīmatanga kōrero māku i te mea rā, kua tatū ā-wairua mai rātau kua ngaro ki tua o te ārai me te tuku whakamoemiti, whakawhetai ki te wāhi ngaro, ā, kia noho tonu ōna manaakitanga ki runga i a tātau i ngā wā katoa. Nō reira ngā whakamoemiti, whakawhetai, kai te tū tonu i ngā wā katoa.

Kei tō tātau Kīngi, e Tuheitia, tēnā koe e tatū ā-rangatira mai ki waenganui i a mātau, otirā i a tātau, i runga anō i te kaupapa kua whārikihia i roto i tēnei te ana o ngā raiona. E mihi ake ana ki a koe, otirā, ki te Kāhui Ariki, ā, ki a Waikato-Tainui nui tonu, kua takahia mai te huarahi, mai i te nuku o te whenua ki te rohe o Te Āti Awa ki Te Whanga-nui-a-Tara i runga te karanga o te rā. Nō reira tēnā koe, tēnā koutou, tēnā koutou katoa. Otirā kei taku pāpā e Koro, nei tonu rā anō koe, hei maumaharatanga i ngā mahi i mahia nei e koutou, i te wā i a koutou e mahi ana i ngā mahi i kawe nei e koutou i roto i tō tātau Whare. Nō reira tēnā koe, tēnā koutou, e Tuku, me tēnā o ngā rangatira e noho nā ki tō taha, Tākuta Michael Cullen. Kei te tū whakaiti i runga i te maumahara, nāu tonu tēnei kaupapa i ārahi i runga i te huarahi i roto i a Tainui nui tonu, kia tutuki pai ai i tēnei rā. Harikoa ana te ngākau kua tatū mai koe.

Tāku tū, he tū poto noa iho i te mea, kua kōrerohia ngā mema Pāremata o roto i te Whare nei, i ngā tūāhuatanga katoa e pā ana ki tēnei pire, te pire kei waenganui i a tātau. Koi rā, kua tutuki rā tērā kōrero, mai rā i tāku whanaunga mai i Te Tai Tokerau, te hanga hoki au i tāku Whare. Ko te kaihanga o tēnei Whare, ko ngā tīpuna kua ngaro atu. Ko rātau rā i whakarere iho nei i ngā kōrero kia mārama ai tātau, ka pēhea wā tātau mahi katoa o ngā rā kei te heke mai, i ngā mahi hei painga mō ā tātau tamariki mokopuna. Koi rā, kua tū whakaiti kei konei tō tātau rangatira, tō tātau Ariki, tō tātau Kīngi, ā, me tana rōpū, ōku whanaunga katoa mai i Tainui, mai i Ngāti Maniapoto, mai i Raukawa, mai i Ngāti Hauā, ngā iwi katoa o roto i a Waikato. Nā, kua tae mai rā ki te āta whakaarohia, ki te āta whakarongo ki ngā kōrero kua horahia nei.

Ahakoa rā ngā kōrero o tēnā, o tēnā, o tēnā, ahakoa kāore tētahi e whakaae ana ki te pire, kai te pai. Kei te pai. Koinei te Whare e kīa nei te ana o ngā raiona, ahakoa tēnā raiona kua kore he niho, kei te pai. Kōrero i ngā kōrero, kōrero i ngā kōrero.

Tatū rā ki a koe, kei te Minita Māori, e Pita, tēnā koe i tae atu ki tāwāhi i runga anō i tēnā kaupapa. Ahakoa tae atu koe i runga i te kore mōhio, i runga anō i te kūare, kei te pai. Nāu tonu rā i whakatutuki ngā mahi i whārikihia e ō mātau tūpuna, koi rā te poropiti a Rātana, koi rā te tūpuna a Rēweti Te Wheno, koi rā ngā tūpuna o Tainui nui tonu. Nā rātau tēnei kaupapa i takotohia i runga i te tēpu, o te Kooti Nui o te Ao, i mua i ngā Kīngi tekau mā rima kua oti rā, kua tutuki ai tērā kōrero—he iti tāu, he iti. Ahakoa rā, ka taea ā tōna wā ka tū au i roto i te Whare Nunui o te Ao, ki mua i ngā Kīngi tekau mā rua. I tērā rā, nāu anō tēnā kaupapa i whakatutuki. Koi nā nō, ahakoa kua tae atu koe i runga i te kore mōhio, kei te pai. Harikoa ana ō mātau ngākau nāu tonu tēnā mahi i whakatutuki.

Nō reira hai te Whare, e tika ana kia mihingia tātau katoa. Kei tēnā, kei tēnā, kei tēnā o tātau ō tātau whakaaro mō te pire ko te mea nui kē, kua tae ki te mutunga. Kua takahia mai rā e ngā whanaunga o Waikato, o Te Arawa, ki roto i te Whare, hei tautoko i te pire, otirā, tautoko i ngā kōrero katoa. Hoi anō, waiho ake ēnā āhuatanga i konā. Tēnā koe taku rangatira, e Parekura, ahakoa ngā mihi whakatete rā o tētahi ki a koe, kei te pai. Mihi ana ki a koe kei te Minita. Mihi ana koe te teina o tēnā o ngā Minita a Tākuta Michael Cullen, nāna tēnei kaupapa i kawe mai ki roto i te Whare i tērā tau, ko koe te Minita i taua wā. Hoi anō harikoa ana te ngākau, kua honohono ngātahi nei tātau ki roto i te Whare i runga i tēnei o ngā kaupapa.

[*Indeed, Mr Deputy Speaker, let me commence my address this afternoon by saying this. Our King is amongst us, so it is appropriate that I announce his presence here in our noble language. I begin my speech in this manner because those who have passed on are here in spirit, so we must praise and bless the realm that is no longer before us, and seek that the Creator above bestow his praises and blessings upon us at all times.*

To our King, to you, Tuheitia, I extend greetings to you as you grace us with your presence in regard to the matter that has been presented before us in the den of lions. I acknowledge you and the aristocracy of Māoridom, Waikato-Tainui at large, who have traversed the country to the domain of Te Ātiawa here in Wellington in response to the call of the day. So greetings to you, and greetings to you all. Indeed, to you, my elder statesman, Koro, seeing you here once again brings to mind the work that you and your colleagues did and accomplished in our House. So greetings to you, and former colleagues, Tuku, and that leader beside you, Dr Michael Cullen. I stand humbly before you at the very thought that you guided this matter through Tainui at large to its realisation today. How pleased I am that you are here today.

My call is only a brief one, because every aspect relating to this bill in our midst today has been addressed by members throughout this House. And like my kin from the far north, I too construct a house of my own, whose creators are the ancestors who have passed on. In the talk that they left behind about the house was the legacy that regardless what we create for the future, it must be of benefit for coming generations. That is it. So I am humbled by the presence of our leading monarch, our paramount chief and King and his entourage, including all my relations from Tainui, Ngāti Maniapoto, Raukawa, Ngāti Hauā, and all the people throughout Waikato. Now they have arrived here to consider and listen intently to the speeches put before them.

Regardless of the individual speeches of endorsement by this member or that member, or whether one is opposing this bill, that is fine. It is great. That is why this place is called the lion's den. Even though that lion is toothless, it is quite all right. Say what you want to say.

So I come to you, the Minister of Māori Affairs, Dr Pita Sharples. Congratulations on your trip overseas on that matter. Even though you went somewhat uninformed and ignorant, that is OK. You accomplished what our ancestors set out to do before you, like the prophet Rātana, Reweti Te Wheno, and quite a number of Tainui ancestors. They presented this matter before the world's highest court of 15 rulers. So it was adjudicated and ruled upon, and brings to mind the saying: yours was but a minor accomplishment, a little one. And in time I will stand inside the greatest house of the world and before 12 rulers, 12 kings. And on that day I will acknowledge the matter you accomplished, even though you went somewhat uninformed and ignorant, but that is fine. We were very pleased, all the same, with what you achieved.

To the House, it is appropriate that everyone be congratulated on the views that each of us have on the bill, and, just as important, it is at its final stages. The kin from Waikato and Te Arawa have come into the House to support the bill and all the speeches. But let us leave those sentiments there. I acknowledge you, my senior

colleague Parekura; despite the smarting comments cast in your direction from that member, that is all right. I commend you too, the Hon Dr Michael Cullen. As a junior Minister, you originally brought this matter into the House when you were the Minister responsible at the time. It is pleasing, indeed, for all of us to join up once again in the House on this matter.]

What a privilege it is to be involved in this debate this afternoon—although there are not many differences being expressed. I take this opportunity to humbly thank Kīngi Tuheitia and his rōpū for being here today. This is a very, very significant occasion. When we think about the history of the Waikato-Tainui claim and consider many of the statements made here in the House this afternoon in relation to that history, we have to take into account those who do not agree. That is fine with many of us in this House. As has been said, this is a House of robust debate, and everybody should be given that opportunity. We have a saying where I come from, where the House is more aptly named the "lion's den". Sometimes a lion stands up with no teeth, and it roars and chews away at nothing. But this is an opportunity for those people to have their say.

There are many people to acknowledge. I am afraid that if I name them individually I will embarrass myself by leaving somebody out, but there are people who have to be mentioned. They are the lead negotiators for the settlement. Lady Raihā Māhuta held her ground through the most difficult negotiations and did not take any weasel words from officials, and she made that very clear. She made me and my former colleague the Hon Dr Michael Cullen sit very patiently and quietly and listen to her views on how this bill should be shaped, how the mana whakahaere of Waikato-Tainui should be reinstated and protected, and how we should consider what is best for the river.

This has always been about the health of the river. It is not about many of the issues raised by David Garrett of the ACT Party, although he is entitled to his views. It is about the future and the fact that our mokopuna—not only the mokopuna of Waikato-Tainui but all our mokopuna—will be given some ideas on the way they should manage this estate in the future, because that has been seriously overlooked in the past.

In the gallery I see many of the mayors of the Waikato region who played a tremendous part in bringing together a lot of the councillors, some of whom, in my experience, resisted much of the discussion. At the end of the day, through their leadership and the co-chairmanship of Tuku Morgan and Gordon, who steered this waka through a very, very difficult path, they were able to complete the work that had been designated to them.

There are very many people to acknowledge here. At various times I might get the opportunity to thank them. The Māori Affairs Committee did a tremendous job. There were not a lot of differences expressed, but I thank the chair of the committee for the steady hand he had on the committee. I also thank officials, such as John Grant and Liz Monro, who were specialist advisers on how the legislation should be shaped to acknowledge the issues raised by Waikato-Tainui. Indeed, I also thank the officials from the Office of Treaty Settlements and my parliamentary colleagues from both sides of the House for a job well done.

Nō reira, nā runga i tēnā, e te Kīngi, mihi ake ana ki a koe. Tuku atu ngā mihi o te Tūmuaki o te Haahi, nāna i kōrero tahi māua i te pō. E tuku ana i tāna mihi ki a koe nā te mea nā he kaupapa nui tēnei, nāu tonu tō iwi i ārahi mai. Nō reira tēnā koutou, tēnā koutou, kia ora tātau.

[*So with that in mind, I acknowledge you, the King. I convey the sentiments of the head of the Rātana Church, whom I spoke with last night. He is aware of the importance of this matter, and that you were leading your people here. So salutations and greetings to you and to us.*]

DAVID BENNETT (National—Hamilton East): Tēnā koe. E Tainui waka, tēnā koutou katoa. It gives me great pleasure to stand as a National member of Parliament and support the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill through the House. I acknowledge the many people who have made this settlement possible, such as Lady Raihā Māhuta. I say to Nanaia that we pay our respects for Lady Raihā's service to her people and her achievement in this settlement. Tukoroirangi Morgan is a great leader who is forging a great path for his people and who has tremendous respect and support in Waikato. It is great to see him here today. I acknowledge the previous Minister of Finance, Michael Cullen. He has taken a tremendous interest in this settlement. I acknowledge his work and the work of past Ministers of Māori Affairs such as Koro Wētere, who is here—it is great to see him here. I thank and congratulate the members of the Labour ministry who started the first settlement process on the banks of the Waikato River on what they did in presenting the settlement.

The Minister for Treaty of Waitangi Negotiations, the Hon Chris Finlayson, has done an excellent job in making the settlement that is coming to fruition today possible, so I say well done to him. I see members of his negotiating team in the crowd today. I say to Brian Roche, especially, and his team that they have done a great job in portraying this settlement. I thank the Māori Affairs Committee—Tau and his team; I thank him for his excellent leadership. I thank all the iwi representatives here from the many iwi of the Waikato and other tribes, and also those local industry leaders who are watching and are present today, for coming to this place and for being part of this settlement. I encourage them to celebrate this settlement because it is a special and unique part of this Parliament when settlements like this progress through. I say well done to them and I thank them for their presence here today. We tremendously acknowledge and support their endeavours in coming here and being with us to share in this settlement.

Not long ago we stood on the bank of the Waikato River and looked at the first settlement. We witnessed an initial desire by the parties to come to a settlement in regard to the river. Today we see the significance of the intent of the parties to come together to an enduring settlement—a settlement that will work and achieve its purposes. I congratulate those who have made that transition to not merely a settlement, but to the effective settlement that we see here today.

This settlement is a day of celebration for Tainui. It has been a very long time coming, and we have heard the story of our history. It is a history that many of us do not share a great deal of pride in, but we understand the dilemma and also the passion of the Tainui people to rectify and build on that history. I thank them and say that they should celebrate today. The goodwill that has been demonstrated by the Tainui people is something that we do not see much of in a lifetime; I think the people of Tainui should take great credit for not only talking about and acknowledging past issues but also working constructively for something going forward. They should take great pride in that willingness to come and talk and to move forward, and as a country we take great pride in the people of Tainui and their role.

The key aspect of this settlement is co-governance. The establishment of the Waikato River Authority with its combined membership of iwi and Crown sets a new mandate for making decisions in our region. It will possibly set a new mandate for this country. The co-governance arrangement entrenches the strategy and vision for the river, which will become a reality through the co-governance body. But there are some challenges, and those challenges are on the people of the Waikato to make the co-governance arrangement work. We have come together today in agreement on a structure going forward. We need to come together in the future to make that agreement a reality so that we can achieve the common goal of helping that river sustain our people and our region

in the future. We all share this common goal, which is important not only for environmental and economic reasons but also for spiritual and aesthetic concerns that are part of our region and our people.

I have great faith that the people of the Waikato will achieve that purpose. The ability to come here, negotiate, and settle is part of showing that we have the desire and the ability to work together as a region. This is the democratic choice of the people of the Waikato—let us make no bones about that. The people have come together. We see a common vision and we see how it can work. Our region is mature enough, our people are mature enough, and Tainui and all those others who will be involved in the Waikato River Authority will be mature enough to make this vision and strategy work. We look forward to that happening in the future of our region.

It is a time for Waikato, not just Tainui, to celebrate. We need to move forward as a region and work together, and this is one of the ways we can do so. To the people of Tainui and other iwi, I bring from the other people of the Waikato our desire to work together and celebrate in this achievement, because our strength is a lot more than just a piece of paper; it is the bond that we share in our region. Tainui has a huge role in that region and we see it getting bigger and better in the future, as well.

As a Waikato dairy farmer I pay particular tribute to the people of Tainui for the way they have come together and made this constructive settlement a reality. We look forward to working together to achieve the purposes and vision of this settlement. It is a special day for our region. It is a special day for Tainui. It is a time to celebrate, but also it is a time to know that we have work to do together to achieve our purposes. We can and will achieve them because the people of Tainui and the people of the Waikato region will desire to do so. Thank you.

TE URUROA FLAVELL (Māori Party—Waiariki): Kei te Kīngi Māori, tēnā koe. Kei te Kāhui Ariki, Tainui waka, tēnā koutou, tēnā koutou, tēnā koutou katoa. Nō ngā rā tata kua hipa, i tangihia tērā o roto o Ngāti Manawa, pēnei i a koutou, i tuku nei te māmā o tō tātau mema ki te kōpū o Papatūānuku, a Raihā. Ko rātau tērā kua whakangaro atu, i te tirohanga kanohi. Nā rātau anō ēnei kaupapa i kōkiri i te wā i a rātau. I tae atu ki mua i te aroaro o te Karauna ki reira kōrero ai i ngā take. Engari, tērā pea nā te pukumahi, nā te heke o te werawera, nā te ngau o mamae rānei, kāore rātau i kite i te puāwaitanga o tērā o ngā moemoeā. Nō reira, kei te Kīngi Māori, ko koe tērā te kanohi o rātau mā, te Kāhui Ariki, nau mai, tēnā koe, tēnā koutou, kia ora tātau. E taku kīngi, kei te tū i runga i te āhuatanga o te whakamā. He whakamā pēnei nā, i rongo koe i te kōrero a wētahi. Ko ngā kōrero i runga i te marae, he kōrero rangatira. I ētahi wā pēnei i tā te kuia e kōrero nei, i ētahi wā i roto i te Whare Pāremata, he whakaiti te kōrero. Nei au e tū nei ki mua i tō aroaro me te kī, ē, kua pā mai te whakamā, i rongo koe i ēnei kōrero. Ko ngā kōrero o ōku koroua i te kāinga, kaua e whakautu i te kōrero a te rorirori. Mēnā ka pērā, kua whai mana tana kōrero. Nō reira aroha mai, i rongo ngā taringa i ngā kōrero a wētahi.

Ko tāku tū, he kaha tautoko i te kōrero a te nuinga. Nōu te rā, nō koutou te rā, tēnā koutou, tēnā koutou, kia ora tātau. Ko tāku noa ake ko te kī atu, me tuku karakia kia whakawātea au i taku whakamā. Nō reira me pēnei ake te kōrero—tēnei te ara kei runga, ko te aro o tēnei tipua, ko te aro o tēnei ariki, ko te aro o tēnei matua iwi, ko te aro o Ranginui e tū nei, o Papatūānuku e takoto nei; kia rarau iho rā te tapu o Tāne, tēnei te pō, nau mai te ao.”

Nō reira haramai me ngā mate o te wā, kei aku rangatira, haramai ki roto i te Whare Pāremata. Nei te uri o Ngāti Te Ata, nei te uri o Tūhourangi, nei te uri o Pikiaorangi, kei te kōrero au ki a au anō. Tēnā koutou, tēnā koutou, kia ora tātau. Ā, kāti. Waiho te āhuatanga o te hunga mate kia moe, kia okioki. Te tikanga ko tā tātau ko te whakanui, ko te whakanui i tēnei rangi, te whakatinanatanga o ngā mahi i ngā tau kua hipa ake. Me

mihi rā ka tika, ā, ki te hunga kāinga e noho nei, e pupuri nei ā i te kāinga nei mō Te Āti Awa, ngā karangatanga maha o konei. Ka mutu, me mihi ki ngā Minita, ā, o tērā taha o te Whare, o tēnei taha o te Whare. Nā rātau anō rā i kōkiri i te take nei. E te Tākuta, Maikara Karana, hoki mai ki tō Whare. Ko te Whare nāu anō rā i whakamātautau i te wā i a koe. Nō reira tēnei te mihi atu ki a koe, ko koe tēnā, ā, i whakatakoto i te kōrero ki mua i te aroaro o te Whare Pāremata.

Ā, koutou ko ō hoa, a Mita, a Parekura, ā, me huri anō rā ki tēnei taha anō hoki, ki te tangata nei, ki te Finlayson nei, i whaiwhai haere i ō tapuwae, tae rā anō ki taku Minita e noho nei, ki te Tākuta Pita Sharples. Tangata pai. Tangata pai a Pita Sharples. Tērā kōrero tērā. Me mihi rā ki taku tuahine, ko koe tērā, ā, i roto i te Whare Pāremata i ngā tau kua hipa ake. Arā, ko koe tērā i tāpiri atu i ētahi kōrero ki te pire e kōrerohia ake nei. Ka mihi rā ki te komiti, kua kōrerohia kētia e rātau te Komiti Take Māori.

Me mihi rā ki ngā manuhiri kua hoki mai—e Koro, tēnā koe. Nau mai. Me mihi rā ki a koe e Tuku, hoki mai ki tēnei Whare. He nanakia te āhua nei, he nanakia tonu tō kōrero ki ngā Minita. He aha i pērā ai taku kōrero? Pēnei tā te David Bennett e kōrero nei, kua herea te Karauna ki ngā take katoa e pā ana ki te awa o Waikato. E kore e taea e ia te oma, te waiho mai ai i ngā raruraru ki te Ao Māori, me mihi ka tika. Nō reira ka mahi tahi koutou, te iwi me ngā kaunihera. He tauira pai tērā, ē, mō te motu. He tauira pai tērā mō te motu.

Ka mutu, i rongo au i te kōrero i kōrerohia mai rā e te mema Maryan Street mō tētahi wāhanga o roto i te pire. Nā ko te clause 8 tēnei, te wāhanga tuawaru tēnei o te pire. He pai kē me pānui atu au i te reo Pākehā, kia matua mōhio ai tātau ki te tikanga o taku kōrero. Anā, e pēnei ana te kōrero i roto i te pire:

[*To the Māori King, I greet you. To the aristocracy of Māoridom, to the Tainui canoe, salutations and greetings to you all. Just recently we mourned the death of that elder in Ngāti Manawa, just as you did when you committed Raihā, mother of our fellow member, into the bowels of mother Earth. They are two who are lost from view and will no longer be seen. They instigated these matters in their time. They went before the Crown to negotiate the issues. However, because of the workload and energy spent, perhaps, or the grief and pain it caused, they are not able to bear witness to the realisation of another dream. So welcome the Māori King; you represent them. Greetings to the aristocracy of Māoridom, and salutations to you collectively and to us. Oh my King, I stand here somewhat embarrassed because of what I heard others say in this House in your presence. Oratory on the marae is noble. But as the fellow lady member commented, statements in this House can sometimes be quite demeaning. That aside, I stand before you, embarrassed that you heard such criticisms. My old people back home would say, do not honour the words of an idiot by responding. So if you heard those remarks, please bear with us.*

I stand to wholeheartedly support what the majority has stated. The day belongs to you and your people, and we commend, acknowledge, and salute you, and us as well. As for me, I will deliver an incantation to release me from my embarrassment, and it goes like this: "This is the path that I traverse—one that concerns this deity, this leader, this particular tribe, and the Father of the Heavens above and mother Earth stretched out before us; let the sanctity of Tāne gather together. This, then, is the night, but welcome enlightenment."

So come forth with the deaths of the moment, my leaders, and welcome to the House of Parliament. Here is the descendant of Ngāti Te Ata, of Tūhourangi and Pikiaorangi, even though I am in fact referring to my own connections. Greetings and salutations to you collectively, and to us as well. Enough, leave those who have passed on; rest, and sleep there. Our part today is to celebrate, and quite rightly too, the culmination of the work accomplished over the years. Without a doubt I must acknowledge the local tribe

of Te Āti Awa and the many callings here. Further to that, I must acknowledge the Ministers on that side and this side of the House, and the part they played in bringing this matter before the House. The Hon Dr Cullen, welcome back to your House, which you tested during your time here. I acknowledge and recognise your contributions to the House.

And indeed I acknowledge as well your fellow Ministers the Hon Mita Ririnui and the Hon Parekura Horomia. I turn to those Ministers as well on this side of the House, to the Hon Christopher Finlayson, who followed in your footsteps, and the Hon Dr Pita Sharples sitting over here—good man! He is a good one, the Hon Dr Pita Sharples. But that is another case. I also acknowledge my sister colleague; that was you in the House throughout those past years. You introduced the bill today and contributed to the debate. I commend the work of the Māori Affairs Committee in its deliberations and considerations.

I must acknowledge former members who are among visiting dignitaries—the Hon Koro Wētere, salutations to you, and welcome; Tukoroirangi, welcome back to this House, and greetings. Your negotiations with the Ministers must have been very persuasive. Why do I say that? Well, it is as David Bennett said, the Crown has been tied to every conceivable thing that has to do with the Waikato River. It is impossible for it to leave any problem behind for Māoridom to deal with. Oh yes, I have to doff my hat to you, Tuku. So I have to congratulate the tribe and the councils collectively on arriving at that arrangement. It is a good model for the rest of the country to follow.

Further to that, I took note of what the member the Hon Maryan Street had to say about a provision in the bill. That was clause 8 of the bill. I think it is better that I read it in English so that the meaning of what I am on about is clearly understood. It goes like this:]

"The Waikato River is our tupuna (ancestor) which has mana (spiritual authority and power) and in turn represents the mana and mauri (life force) of Waikato-Tainui. The Waikato River is a single indivisible being that flows from Te Taheke Hukahuka to Te Puuaha o Waikato (the mouth) and includes its waters, banks and beds (and minerals under them) and its streams, waterways, tributaries, lakes, aquatic fisheries, vegetation, flood plains, wetlands, islands, springs, water column airspace, and substratum as well as its metaphysical being."

E Tuku, ka rawe tēnā kōrero. Ka rawe tēnā kōrero. He aha ai, ka pātai au ki a au anō, hā, he aha te hē o Te Arawa? He aha te hē o Te Arawa, kāre mātau i paku kite i te wai o roto o ngā roto o Te Arawa? Ko koe tērā, ā, kei roto, ana kua pānuitia "waters", "streams". Whiwhi a Tainui i ngā wai, ha! He aha tā Te Arawa, karekau! Karekau he wai, ko te papa ō raro anake. Me mihi rā ki a koe kai taku rangatira, mō tērā wāhanga. Tērā pea e tika ana, kia hoki mai a Te Arawa ki te Whare Pāremata.

Kāti, hei kupu whakamutunga, e pēnei ana te kōrero a Raihā, i te wā i hainatia mai ai te kaupapa nei, i te tau kua hipa ake, i te Tīhema, i Hopuhopu. Anei tāna, anei tāna.

[*Tuku, what an excellent clause! Why, I say to myself, what was wrong with Te Arawa? Where did Te Arawa go wrong? We did not see a drop of water in the Rotorua lakes. But look at you, contained in the clause that I read out were the words "waters" and "streams". Tainui got the waters; well how about that! What did Te Arawa get? Nothing! Not a drop of water—just the bottom of the lake. I have got to hand it to you, my chief. Congratulations on that provision. It is only natural justice that Te Arawa must come back to Parliament.*

Enough. In conclusion, this is what Lady Raihā said when this settlement was signed last year in December at Hopuhopu. This is what she said:]

"Iwi leaders who hailed from the Whanganui River were interested in how the model would work, she said. 'I think Sir Archie [Taiaroa] is looking sideways at this. It can only be improved as it goes to other iwi.' "

Koinei taku mihi tuatoru ki a koe e Tuku, ki a kōrua ko tō hoa. Tēnei tauira, he tauira pai mō te motu. Nā Tainui tēnei kaupapa i ārahi, kua waitohungia i roto i te pire nei, ka whakatinanahia i ngā tau kei mua i te aroaro. Hei aha? Hei tauira pai mō te motu. Me mihi, me mihi, me mihi ka tika.

Nō reira kāti ake māku, he whakatakoto i ētahi kōrero i te taha o ētahi kua kōrerohia kētia. Ko tāku noa ake ko te tautoko i ngā kōrero katoa, me te kī atu me whakanui te rangi nei, ka tika i te mea, koi nei te rā o te whakatinanatanga mai o ngā moemoeā o rātau kua huri. Tēnā koutou, tēnā koutou, kia ora tātau. Hei whakamutu i taku kōrero, me pēnei ake ahau nā runga i te āhuatanga o te ngaronga o ētahi.

[*My third acknowledgment to you and your fellow negotiator, Tuku, is this. This model is a good one for the country. Tainui took the lead in this; it is written into this bill and will be implemented in the years ahead of us. Why? Because it will be a template for the country. Of course, you have to be congratulated, not once, but three times over.*

So all that is left for me to do is to add to what others have already contributed and to support it; and to say, of course we have to celebrate this day as one where the dreams of those who have passed on are realised. Greetings and salutations to you collectively, and to us. I end my address with this farewell lament as a tribute to those who have passed away, and in particular the two I mentioned at the start.]

Waiata

He paku kōrero tērā mō te hunga kua ngaro atu i te tirohanga kanohi. Waiho rātau kia okioki, me whakanui, me whakanui, me whakanui te rangi nei, tēnā koutou, tēnā koutou, kia ora tātau, kei raro.

[*And by way of a brief explanation, that was a tribute to those who are lost for ever and will no longer be seen. Leave them there to rest, and let us celebrate and toast this day; so salutations and acknowledgments to you collectively, and to us. I end here*.]

Hon NANAIA MAHUTA (Labour—Hauraki-Waikato): E te Kīngi te Tumuaki, tō kōrua tira kua eke mai nei ki te tautoko i tēnei kaupapa, tēnā koutou. Tēnei anō e maumahara i a rātou i whakapau kaha ki te whakatutuki i ngā kaupapa mō te take raupatu, tēnā koutou, tēnā tātou katoa. Karangatia ngā mauri tūpuna, ngā mauri taniwha, ngā tumutumu o Rauwhitu, ē Ngeru, Tarakōkōmako, Karutahi, Paneiraira, Ruakaiwhare, Waiwaiā, Tuheitia ē. Waikato taniwharau, he piko, he taniwha!

E te iwi e mātai iho rā ki tō tātou Tupuna ā-Awa, he wai whakahono i ngā iwi o te motu mai te kuikuinga ki te pūaha puta atu ki Te Moana-nui-ā-Kiwa. E taku waiora e rere ē. Ko te ora o te awa kei te kapo o te ringa, kei te kokonga o tōku ngākau ē. E ora ana ia, e ora ana tātou. Tōku awa koiora, Waikato ē!

[*Oh King, your president, your entourage who have arrived to support this matter, salutations to you collectively. I pay homage to those who are no longer here, but toiled so hard to bring matters relating to the confiscation to its conclusion; salutations and acknowledgments to us all. Call upon the life-forces of the ancestor and deities; the pillars of Rauwhitu ē Ngeru, Tarakōkōmako, Karutahi, Paneiraira, Ruakaiwhare, Waiwaiā, and, indeed, Tuheitia. Waikato of a hundred chiefs, at every bend a chief. Oh, the people who look upon our ancestral river, whose waters flow from its source to its outlet into the Great Ocean of Kiwa, are the bonds that link the tribes of the land. Flow, my life-giving waters, flow. The well-being of the river is in your hand and in the corners of my heart. While she thrives, so will we. Waikato, my living river.*]

I am pleased to contribute to this, the third and final reading of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill. I acknowledge the many who have gone before us—those old people who carried the burden of raupatu until such time as history might be corrected, resolution reached, and redress made to the peoples of Waikato. In the time of Dame Te Ata and my father, certain old people provided a backbone of support during the hardest of times when all they had was a deep belief and hope. I carry around a picture of them as a reminder that a small team of committed people is worth gold: the likes of Hēnare Tūwhāngai, Pumi Taituha, Rua Cooper, Tawhi and Kare Kīngi, Dave Manihera, Hōri Rāwiri, Waea and Sue Mauriohooho, Ngāhina Te Uira, Pita Keremeta, Fred Kaa, Rewi Graham, Te Naere Hetet, Hati Toka, Piri Raihe, Tom Tauroa, Pop Herewini, and James Ritchie, to name a few. Yet there are so many more too numerous to mention. But these few were a small and steely backbone for Dame Te Ata and both my parents, and they will never be forgotten.

The settlement should be understood in conjunction with the Waikato Raupatu Claims Settlement Act 1995, which went some way to reconciling the confiscation of over 1.25 million acres of Waikato lands, including the Waikato River. The settlement should be understood against the backdrop of several outstanding claims yet to be resolved—namely Maioro, Wairoa, and the west coast harbours of Manukau, Whāingaroa, Aotea, and Kāwhia. Once the remainder of those claims have been settled, the Crown will have fulfilled a longstanding fiduciary obligation to Waikato for the unjust and illegal confiscations suffered by Waikato in the 1860s.

I particularly wanted to highlight some of the more difficult aspects that will test the ongoing commitment of the Crown and successive Governments to give effect to the intention of this settlement. Today is significant not only for Waikato but for the nation, and we will be able to track the transformational effect of this settlement only 10 or 20 years hence. Co-governance and co-management are entirely new approaches in so far as resource management is concerned but, as I have said in previous speeches, the sole beneficiary of this settlement is indeed the river. We want to see it cleaned up. It may take a generation, it may take two generations, but it requires a long-term commitment and sustained action to realise that vision. I hope that changes to the Resource Management Act do not dilute the intent of this legislation, particularly the creation of the Environmental Protection Authority. In any event, such matters would be considered in the 5 to 10-year review, alongside the practical implementation of the vision and strategy and the overall effectiveness of the river authority.

Old and young people from Waikato-Tainui are here today because they understand the enormity of this task. There are expectations that this settlement will contribute to tangible outcomes at a marae, community, and local level that could in time see employment opportunities grow, that could see sustainable business ventures emerge, that could see young environmental scientists and planners graduate, that could see ecotourism ventures flourish, and that could see critical alliances between iwi, local government, and the farming community forged. Several opportunities are contained in this settlement, but it will require people talking to people. I am saddened that the Minister of Local Government does not agree with this settlement, unlike his predecessor, but his position must not be a barrier to achieving the objectives envisaged. Local government and Tainui will need to work together, because we cannot afford patch protection and lengthy resource consent processes that are contrary to achieving a healthy river. Land-based activities need to take account of their impact on the river. Members of the farming community are key contributors to our economy in the Waikato—in fact, nationwide. Waikato-Tainui understand that, but there must be open dialogue to ensure that everyone’s interests are on the table, rather than a backdoor-deal approach to policy-making.

The river settlement will be a learn-by-doing approach, in both its co-governance protocols and its co-management practices. On the issue of water, specifically, I tell the House that Waikato-Tainui has indeed already shown a generosity of spirit, when in 1994 Auckland was suffering from drought conditions affecting the city's water supply. I was an undergraduate student working for the Tainui Māori Trust Board when a hui was held at Hopuhopu, and Sir Barry Curtis flew down by helicopter to make a request of the old people to tap into the water supply of the Waikato. There was robust debate, but the final response enabled a pipeline to extract water, as many Waikato-Tainui lived in Auckland. The old people said at the time that if people were thirsty they should be quenched, and that if they could help they would. There was a belief at the time that water belonged to us all. The Government's super-city plans might see the privatisation of water assets. If that is the case, then Waikato-Tainui interests should be remembered and preserved. We have an ongoing concern in Watercare Services, and a discussion should take place very quickly with Ministers and iwi leaders to protect those interests. The benefit of hindsight is a great thing. Treaty settlements that envisage a close and integrated relationship with local government may consider inviting its representatives to the table, alongside those of the Crown, at an earlier stage. The experience of Waikato-Tainui has shown that local body politics can be critical to achieving a successful outcome to one's settlement.

At this point, I acknowledge the Guardians Establishment Committee, co-chaired by Gordon Blake and Tuku Morgan, with Crown appointees Traci Houpapa and Jenni Vernon; local government representatives Andra Neely, Clint Baddeley, Alan Livingston, and Bob Simcock; industry representative Don Scarlet; iwi representatives Roger Pikia, Weo Maag, Dean Stebbing, and Stephanie O'Sullivan; and Waikato-Tainui representatives Linda Te Aho, Taipū Paki, and Rangi Māhuta. *Vision and Strategy for the Waikato River* is an overarching document that will guide regional plans and rules. I have made the point in earlier debates that if dropping the vision and strategy to the regional policy statement level has a limiting effect, then it should be a subject of the review.

I am sure that those people at Te Pūaha o Waikato will welcome better preservation and management of their local whitebait fisheries. The Government-sponsored enterprise was certainly a model to learn from, and I am sure the experience is one that bodes well for New Zealand, to forge mutual respect for resource management approaches, inclusive of te ao Māori. The Clean-Up Trust fund will be a welcome addition to local communities, alongside the river and its tributaries, that are committed to projects that make a difference. I am pleased that the scoping study is a good attempt at compiling a local picture of expectations in setting out priorities for projects that can restore the life of the river. A more realistic cost-projection will also be achieved.

The Sir Robert Mahuta Endowment Fund, set aside for the endowed college, was a welcome contribution that will be put to good use. I am told that the initial seeding grant for the University of New Zealand, which is now Auckland University, was from lands confiscated in the Waikato. The irony of this gesture is not lost, and will remain in the tribe's collective memory in the years ahead. The college will look towards getting a cadre of leading indigenous thinkers, in subject areas such as environmental studies, natural resource management, and water. It makes absolute sense that our spiritual, mental, and physical well-being will be nourished from this settlement.

Another unique component of this settlement is the Kīngitanga Accord. At the highest level it is important to maintain a strong relationship between the current and future Governments and the Kīngitanga. Raupatu occurred because Waikato-Tainui believed that unity under the Kīngitanga was a means of asserting absolute authority and dominion over our lands, our waterways, and our taonga. Our ancestors were

chastised for that belief, and history has shown that they suffered as a result. Today, the Kīngitanga remains a symbol of unity. Only time will tell and show how this relationship with the Crown is nurtured, but there must be an ongoing and deliberate attempt to build a better future.

I will draw attention to a related matter, in closing. The hope of achieving a healthy Waikato cannot be achieved if we have a dirty Waipā. The Waipā River is the largest tributary flowing into the Waikato River. Waikato and Maniapoto have historical and traditional links, which serve only to strengthen each other's interests on this front. To delay a settlement with Maniapoto would stifle progress for the Waikato River. I urge Ministers to expedite negotiations with Maniapoto to align objectives for both of these significant waterways.

My thanks go to former Labour Ministers Michael Cullen, Margaret Wilson, Mark Burton, and Parekura Horomia, for their efforts; they have made all the difference, alongside the personal commitment of former Prime Minister Helen Clark. Thanks must also go to Minister Chris Finlayson, because with the support of his Prime Minister progress has been made. I also give a personal thanks to local MPs from the Waikato, as I know that the tribe values its relationship with them all. For Waikato-Tainui this settlement has gone forward under the care and stewardship of my late mother, Raihā Māhuta, and Tuku Morgan. Their work has been supported by a young and committed technical team, with special expertise from Shane Solomon, and with the support of long-time friends of the tribe, Denese Hēnare and Ann Parsonson. A team of kaumātua and kuia travelled all around the place, with co-negotiators, to many hui. They offered whatever little support they could give, and they mattered when the support was needed most.

This is a unique settlement, and urges an entirely different relationship between iwi, central government, and local government. It can be a settlement that redefines what the future of this nation can look like, if we work hard at it. The restoration of the health and well-being of the river is critical to the settlement's success. Not many children get a chance to acknowledge the achievements of both their parents in this House. I have done so in the knowledge that their hard work and effort enable Waikato-Tainui and the Kīngitanga to stand humbly and proud, in the knowledge that we are in a better place because of their effort. But the compelling motivation for achieving this particular outcome is best summed up in my mother's own words, when she said: "I have committed myself so that my mokopuna, Huirama, Amaya, Tukaroto, Te Winiwini a Rongo, Kainuku Marquesas, and Waiwaiā Nukutawhiti, in their lifetime will be able to enjoy the river, take food from it, and have their spirits sustained by it. So from the lofty dreams of our old people, even the smallest child shall enjoy the benefits." I have much pleasure in confirming Labour's continued support for this settlement.

Nō reira e te Kīngi, māu anō e pupuru ēnei taonga ō rātou mā kia kore ai e ngaro. Kāti rā mō tēnei wā. Pai mārire ki a tātou.

[*So, my King, these treasures that belonged to those who have departed are now yours to hold so that they will never be lost. I leave it there for now. May goodness and peace prevail over us*.]

Bill read a third time.

ACT Party votes for the Noes ordered by the Speaker to be recorded in the *Journals of the House of Representatives*.

Waiata

DAVID GARRETT (ACT): I raise a point of order, Mr Speaker. Of course it is a foregone conclusion, but I believed you would have heard my clear call for a party vote.

I did not want to be rude and interrupt the waiata, but ACT wishes to have its vote recorded.

Hon TREVOR MALLARD (Labour—Hutt South): I was listening carefully and expected a call for a party vote. I am not surprised that you did not hear it, Mr Deputy Speaker, because I did not either. I thought the member was being polite and voting on the voices, as he has a right to do, and deciding not to divide the House. That has been the procedure of politeness in this House for many years, and I thought the ACT Party might have been following that tradition, by voting No on the voices but not calling for a division. We did not hear a division called for.

Mr DEPUTY SPEAKER: I thank the member. I certainly did not hear the member call for a party vote. I also listened very carefully, knowing that the ACT Party had voted against the bill, but I did not hear a call for a party vote. I made the decision that we proceed, and that was at my discretion. The vote stands as recorded.

ELECTORAL (FINANCE REFORM AND ADVANCE VOTING) AMENDMENT BILL

First Reading

Debate resumed from 4 May.

A party vote was called for on the question, *That the Electoral (Finance Reform and Advance Voting) Amendment Bill be now read a first time.*

Ayes 112

New Zealand National 58; New Zealand Labour 43; ACT New Zealand 5; Māori Party 5; United Future 1.

Noes 9

Green Party 9.

Bill read a first time.

Bill referred to the Electoral Legislation Committee.

EDUCATION AMENDMENT BILL

Third Reading

Hon ANNE TOLLEY (Minister of Education): I move, *That the Education Amendment Bill be now read a third time*. The Education Amendment Bill amends the Education Act 1989. The changes in the bill will improve efficiency in the schooling system, reduce compliance costs for schools and early childhood education services, and improve the quality and effectiveness of education legislation.

The first significant amendment, relating to police vetting, will reduce compliance costs and streamline administration for schools. The changes will minimise the risk that some non-teaching staff and contractors may have unsupervised access to children in early childhood centres and schools before they are vetted by the police. Schools and early childhood education services will continue to be required to obtain a police vet for all non-teaching staff. The police vet must be requested within at least 2 weeks of the person concerned starting work, and it must be obtained before that person can have any unsupervised access to children and young people. Only contractors who have, or who are likely to have, unsupervised access to children must be vetted by the police.

The bill makes police vetting of household members mandatory when children enrolled in a home-based service are being cared for in a home other than their own. This provision applies to all household members who are 17 years of age or older. During the Committee stage, there were some fond reminiscences from members

opposite of the previous education amendment bill, which was brought into the House by Labour. Those members conveniently forgot that that bill contained some Draconian vetting requirements that, according to the primary teachers union, "could seriously impact on community and family involvement in schools and centres". It went on to state that it could include parents, grandparents, or any adult who helped with sports teams at lunchtime, who came in to listen to an individual child's reading, or who helped out during a gardening or a clean-up project. No one talked about that in the Committee stage with any fond reminiscences. The bill also removes the New Zealand Teachers Council as the conduit for the police vetting of all non-teaching staff and contractors. Schools and early childhood education services will now apply directly to the New Zealand Police for that service. Again, in the Committee stage, it was interesting that an Opposition member, who clearly had not read the bill or had forgotten what the bill did, talked about the extra costs for early childhood centres, in particular, of the police vetting that is proposed in this bill. That service is, of course, currently provided by the police at no expense.

The second significant amendment to the Education Act 1989 allows for information matching between the New Zealand Teachers Council's register of teachers and the Ministry of Education's payroll database, to identify those who are teaching in schools without registration. That will provide a more reliable and efficient method of monitoring teacher registration and tracking the employment of teachers, to ensure that they are meeting current teaching and safety standards.

The bill makes a range of other amendments to the Education Act 1989. It clarifies that when a person is appointed as a limited statutory manager or commissioner for a school, he or she can be appointed as being from a named body corporate. My original proposal was changed at the Education and Science Committee in a bit of déjà vu from the Hon Trevor Mallard and Sir Roger Douglas. I have gone with the change, and I am prepared to try it. But I will just point out in this House that the hysteria from some members, both in the Education and Science Committee and in this House, about the possible privatisation of schools as a result of this measure comes from sheer ignorance—there is no other explanation for it—of the complex issues involved when the Minister of Education or the Secretary for Education has to put in place a statutory intervention. My desire was to enable the Minister of Education or the Secretary for Education to appoint a number of people with differing skills, because we need a wide range of skills—employment skills, education skills, and skills relating to communicating with communities—and sometimes it just not possible to get one individual who is capable of carrying out that task. So my desire was to have the ability to appoint a number of people who might have differing skills. However, I am willing to work with what we have, and to make sure that we can be of assistance to schools. Of course, any appointments of limited statutory managers or commissioners will continue to be made on a case-by-case basis to ensure that we get the best fit of skills and expertise, and we strive at all times to keep those interventions to as short a time as possible.

The bill allows for the retrospective validation of Crown payments following changes of proprietors in integrated schools when those changes did not follow current processes. The Minister of Education can change the timing of elections for school boards of trustees so that the elections can be held later in the school year. That will reduce the pressures that schools face at the beginning of the year, and will make the election process more efficient and manageable. For schools that are about to close, school boards will be exempt from triennial board elections, which would be a waste of money, time, and resources.

The Minister of Education can establish a combined board to set up two or more new schools, and will be able to stagger the opening of the new schools. We have wished we had the ability to do that with the two schools in Papamoa that are currently under construction. We had to establish two separate boards to manage the establishment of those schools. Special schools can apply to the New Zealand Qualifications Authority for accreditation in their own right to assess against the standards on the national qualifications framework. The bill provides the Education Review Office with discretion over the frequency of its review of private schools, to give it the same flexibility to review less frequently private schools that are doing well, as they are doing with the State system.

The bill streamlines functions relating to the independent disciplinary bodies overseen by the New Zealand Teachers Council, enhances the efficient administration of student loans and allowances, and introduces a small number of minor remedial amendments to clarify certain definitions and to correct some drafting errors in the Education Act 1989. We have not forced schools to keep students in school by repealing the ability of the Secretary for Education to provide the enrolment exemptions that the previous Labour bill required.

I must conclude by saying how disappointed I am that during the Committee stage, the Opposition spokesperson on education, the Hon Trevor Mallard, admitted to the House that Labour had conducted a filibuster to try to force the hand of the Minister of Education to make a change for a particular school that two previous Ministers of Education in his own previous Government had refused to make. The filibuster held up the passage of legislation through the House, a major purpose of which was to ensure the protection and safety of young children in education. At long last, this bill is now proceeding, and I commend it to the House.

Hon TREVOR MALLARD (Labour—Hutt South): There are a few points I want to make. It is a pity that the Minister of Education did not acknowledge in her speech the ceremony she went to this morning. Today within the precincts of the House we have seen New Zealand's top scholars of 2009. They are a truly wonderful group of young people, who are evidence of an education system that is working well for the very best kids. I say that I am especially proud of Wellington's disproportionate number of top scholars. They have done well. I am particularly proud of the way the State schools have gone. Some State schools, though slightly less prestigious than others, have had some very good results, and even Invercargill was represented amongst the top scholars—it was a pity that Dunedin was represented, but Invercargill did proportionately very well! I acknowledge the Governor-General and the fact that he made a very generous speech on that occasion. The only other thing I would say is that the Minister's speech on that occasion matched her speech on this one.

There are number of points I will make about the Education Amendment Bill. The first point is that I sit somewhere between the bill that Labour introduced when it was in Government and the bill that the Minister introduced. I think Mr Peachey chaired the Education and Science Committee well to a midpoint. We took on board some of the criticisms, and we managed to distinctly improve the legislation as it went through the committee. There was an unusual combination of ACT, Labour, and Green members on the committee ensuring that the accountability mechanisms as part of the commissioner and statutory manager arrangements were brought properly into law. I acknowledge the role of Sir Roger Douglas and the work that he did on that issue in the committee. I think we now have legislation that makes a positive improvement to the Education Act.

One of the things that I thought we might have heard about from the Minister was how progress is going on the rewrite of the Act. I would have thought that it would be ready for introduction now. It is a major piece of work. It is fair to say that the

education legislation is a dog's breakfast. During my time as the Minister of Education in the first part of the last decade, a lot of work was done towards rewriting the Act, and I would have thought that it be just about ready now. When that legislation hits the House, it will be a major job for the select committee to make sure that the various pieces of legislation knit together properly in the new Education Act. I hope the title of that Education Act will have a date at the end of it that starts with the digits"20", rather than it being any later than that.

The bill validates some payments in respect of the change of proprietors of integrated schools. I think that is a very good example of how a validation that does not cost the Crown any money works. As the Minister of Education has pointed out, there was another proposal. That proposal was to relieve King's High School in Dunedin of some obligations that it currently has to Westpac bank. Again, it would be at no disadvantage to Westpac bank and at no disadvantage to the Crown to use money that is otherwise available to King's High School in order to pay off some debt. I think it is fair to say that a previous principal and a previous board had entered into an arrangement by way of a misunderstanding of the way forward. The Minister has indicated that she will not support that. I have indicated that that is something that the Labour Party, and, I am assured, the Greens, will pursue going forward.

There are a number of finance bills—and I know that Mr Tremain knows there are a number of finance bills—that generally go through the House without debate and without amendment during the Committee stage. There will be numerous opportunities to introduce validating clauses that will be within the scope of those bills. All I invite the Minister to do is to look at the three or four schools that are involved and make the policy change. Then I am sure debate in the House will go more smoothly. I am not inviting her to spend any money at all; I am asking her to look at the schools.

I went to the Minister's office and she told me she would fix that up—I went to the Minister's office and she told me she would fix it up. If she does fix it up, the problem will go away, but until she fixes it up the House will debate amendments on what otherwise could have been uncontroversial validating legislation. This is one of the things that members of Parliament in the Opposition can do, and it is one of the things that Ministers can do: when there is something wrong, it is the putting right that counts.

I know that two of my colleagues made a mistake. The original mistake happened in my time. It was not advice from the Ministry of Education, and it was not advice from me, but the principal and the board got it wrong. We accept that. A couple of my colleagues considered the issue, and I do not think they considered it well. I have accepted that. That is something that I will take on—

Hon Darren Hughes: Most loyal of characters.

Hon TREVOR MALLARD: No, my arguments were clearly not persuasive enough.

But I know that eventually we will get there. It is like water on a stone: eventually we will get there, and the right thing will be done for King's High School. I do not know about the other three schools. I will visit them, I will talk to them, and I will find out their circumstances. The Minister has been kind enough to give me a list of those schools. We will work to see whether they do fit in to the same category or whether there is a try-on. If it is a try-on, we will not support them, but if they do—

Hon Anne Tolley: If you want to be the Minister, get elected.

Hon TREVOR MALLARD: That is the classic comment of that Minister, who says it all over the place. She said it three times at public meetings around the country. When she runs out of logic, and when she does not have an argument, she says: I'm not doing it for any reason, at all; I'm doing it because I'm the Minister." She said that on three separate occasions, and she just said it again—"If you want a change, then become the

Minister." She is saying that she is allowed to do stupid things because she is the Minister. I tell her that she is not allowed. She will be held to account.

She will have to discuss with the Prime Minister, the Minister of Finance, the whips, and the Leader of the House why she will not let King's High School spend money, which is allocated to it in the Crown accounts and will cost the Crown nothing, on paying off an old debt rather than having $5,000 a month in interest going to Westpac bank. It should be there for teaching staff. It should be there for computers. It should be there for the special education of the students. But she would rather that money was paid as interest to Westpac bank. Of course it was a mistake, it was wrong, and we have it in our power to fix it.

One of the things that that member will do when she has been around here for a bit longer will be to say that sometimes people make mistakes and that they should admit to them. I admit that I made a mistake in that area. I should have convinced my colleagues to fix it; I was reminded of it by the new principal. I have taken up that advice, and I will continue to do it.

Having said all of that, the Education Amendment Bill is pretty good. It is not perfect, and there are a few things that could have been improved, but it is pretty good. The Labour Party will support it notwithstanding the bad grace of the Minister throughout the passage of the bill.

ALLAN PEACHEY (National—Tāmaki): I also would like to take a few minutes to echo the words of the Opposition spokesperson on education, Trevor Mallard, and offer my congratulations and those of the National Government to the top scholars who were honoured today. I had the privilege over a number of years of attending that function.

Hon Trevor Mallard: There was one there from Rangitoto College, wasn't there?

ALLAN PEACHEY: I believe there was, I say to Mr Mallard; I would be surprised if there was not. On occasions I had the privilege of leading the school that had the most top scholars in New Zealand. I pay my respect to those students.

Hon Trevor Mallard: Grace Abbott, for German.

ALLAN PEACHEY: I thank the member.

I also pay my respects to their teachers. I used to say to the youngsters who were competing for scholarships—and it is a competition; there is no sense in beating round the bush—that the edge they would have, nine times out of 10, would be in the quality of their teachers. Great teaching is what gives a youngster that little bit of edge that enables them to compete against other youngsters of equal ability who benefit from that quality of teaching.

I have a couple of comments on the Education Amendment Bill. I recall the Education and Science Committee hearings well. We operated under quite a bit of time pressure. We operated under quite a bit of time pressure, and we got through and had the bill reported back. I appreciated the assistance and the cooperation of all the members of the committee and the officials.

I will make reference to one part of the bill that I think is particularly important, and that is the provision on the governance of schools. For far too long, schools have been allowed to fail. Plenty of reasons, excuses, and explanations have been given. One of the greatest ones, which was brought back to me by thinking about the top scholars today, was that New Zealand has a world-class schooling system. In many ways it does, but that cannot be an excuse for the long tail of failure that is occurring. One of the things that we have learnt over recent times is that good governance and good principals can turn round a failing school very, very quickly. I need look no further than my own electorate of Tāmaki, where two examples in particular stand out: Point England Primary School and Tamaki College. With changes of leadership and enlightened

governance, things suddenly began to move. I have also had the frustration of trying to get action where a school has been failing and it has taken too long. The only people who suffer from that are the students. I am delighted that this bill is providing the mechanism to give far quicker and far more effective intervention when it needs to be occurring, before the problem gets so bad that the community votes in large numbers with its feet.

We must also remember—and this will be my final point—that the easiest way to fix a failing school is to replace the principal. Great principals will run great schools regardless of the calibre of the board, but with a great board and a weak principal the school will not flourish. That is the easiest and most straightforward way to fix failing schools. This House cannot do that, and legislation cannot do it; it has to be a decision of whoever is governing the school at the time. Now, as a result of this legislation, the Government will have much greater flexibility in dealing with those failures and dealing with them in a timely and effective manner. I certainly welcome that part of the bill. I commend the bill to the House.

SUE MORONEY (Labour): There is a long-held saying that timing is everything. I think the Education Amendment Bill is a case in point that timing really is everything. I mention that because when the Education and Science Committee considered this bill, it did not know what we know today about what will be happening to the early childhood sector and its funding. I do not know whether many speakers have alluded to this yet, but much of the bill—not all of it, but much of it—applies to early childhood education as well as compulsory education.

I say at the outset that Labour supports the bill at the third reading, because the police-vetting procedures in the bill are the right thing to do, particularly in respect of early childhood education. Parents entrust their very young children to that system. It is important that Parliament makes sure that the system has all the safety checks that need to be in place. So Labour supports the bill from that perspective.

But, now that we know that the Government plans budget cuts for early childhood education, it is hard to know how the sector will afford to resource the extra requirements that this bill puts on it. The extra—

Hon Anne Tolley: They're free. That is how.

SUE MORONEY: The Minister seems to think that those requirements are free. She does not understand that administrative requirements take time and cost the sector.

Hon Anne Tolley: Well, they pay for them now. They don't have to.

SUE MORONEY: OK, the Minister of Education says she will pay for them now, but she has already allowed her colleagues to take $57 million from the sector. Earlier this week we learnt that the childcare allowance has been changed so that $57 million can come out of that sector. Government funding will be cut to the tune of $57 million over 4 years. That will affect 11,000 families. The Minister for Social Development and Employment had official advice given to her in a Cabinet paper that that measure would reduce the amount of funding that providers in the sector would receive. So, before we even get to the cuts that Anne Tolley has signalled for early childhood education, we see cuts to the tune of $57 million, which is money that providers will not be able to use to implement the types of procedures in this bill.

So we already know that funding for that sector is in trouble. But it is about to get worse. I would feel much more comfortable supporting this bill in the third reading if the Government would come clean on what its plans are for budget cuts to early childhood education.

Hon Anne Tolley: Be patient.

SUE MORONEY: The Minister is saying "Be patient." That is a terrible message for the families of this country. They know that they now face some cost increases in

early childhood education, but they do not know what they are. I am not sure whether the Minister understands the pressure that families are under. Families have been speaking to me about their concerns about cuts to the 20 hours of free early childhood education, or whatever the changes might be, and they have told me that they budget carefully every week.

Hon Anne Tolley: 3 weeks.

SUE MORONEY: I tell the Minister that they budget going forward, as well, and I think the Minister needs to understand. I know of families that tell me they have a 2-year-old turning 3 during the course of this year, and they have already budgeted for what they will do when the 2-year-old turns 3, because that child's childcare arrangements and early childhood education reduce when he or she turns 3.

Hon Anne Tolley: They'll just have to wait and see.

SUE MORONEY: I say to the Minister that that is not good enough. It really is not good enough, because families are budgeting on a week-by-week basis for what they will spend on food, mortgage repayments or rent, clothing, and childcare and early childhood education. However, all the Minister can say is that "They'll just have to wait." Well, I say to the Minister that that is not good enough. And what are they waiting for? They are waiting to be told how this Government will increase the costs to those families. That is what they are waiting for. I say to the Minister that I am sure that they are holding their breath with glee!

When Anne Tolley was National's spokesperson on education and was on the campaign trail, she promised that there would be no increase in fees, that the fee controls would stay the same.

Hon Anne Tolley: That's right—for 20 hours.

SUE MORONEY: She also said that there would be no change to the subsidies for early childhood education.

Hon Anne Tolley: Absolutely. For 20 hours.

SUE MORONEY: So she is now giving a guarantee again in this House that there will be no cut to the subsidies for that sector, and that there will be no change to the fee controls. We look forward to that being honoured in the Budget.

The promise has already been broken by her colleague Paula Bennett, the Minister for Social Development and Employment. The subsidy levels for the childcare allowance have already been changed. That will increase the costs of families receiving that allowance. The Minister of Education can use all the weasel words she wants, but she gave the impression to the constituency, and to those parents and families, that a National Government would not tamper with early childhood education. That is the impression they were given. Many of those parents voted for National because they believed it. They trusted National and took it at its word, and those parents will feel betrayed if their costs increase as a result. They will feel betrayed—and justifiably feel betrayed—if their early childhood education costs increase, because that certainly was not the impression that she gave prior to the election. It was certainly not the impression that the current Prime Minister, John Key, gave prior to the election. We look forward to those members honouring that commitment when the Budget comes on 20 May.

It is very difficult to support this bill at its third reading, because Labour members know that it adds costs on to the early childhood education sector, but we do not know what cuts will be made to its funding. It is hard for Labour to be clear that this legislation is doable, practical, and something that the sector can afford.

I was at a conference for early childhood educators earlier today in Christchurch, and already the sector is concerned about its ability to deal with children with special needs and disabilities, because of the lack of resources that already hampers that issue. Representatives of the sector are already saying that, even as things stand now, without

any of the National Government's cuts having been made, they are struggling to resource and to look after children with disabilities and special needs. I heard many troubling stories that, in order to make the resources fit, centres were quite illegally and unlawfully turning away children with special needs and disabilities. That is the situation that the sector already faces. If the Government reduces the sector's income even further by cutting its funding, not only children with special needs and disabilities will be turned away but also many other children. We are inflicting costs on that sector through the very bill that is before us.

Finally, I want to move briefly from the early childhood education sector to the compulsory education sector. This bill does many things that improve the Government's ability to make choices to help failing schools. I visited Fraser High School in Hamilton last week. It has been subject to statutory management for just under a year. I was really pleased to hear the school report that it is now about to plan its board of trustees election process so that it can move out of statutory management and back into a situation where the community has control of the school. I congratulate Fraser High School. I know that it will have a tough year, but as a local member of Parliament I am right behind the school to support it in the very tough year that it faces. I wish Fraser High School all the best. I hope that Fairfield College and St Andrews Middle School—it was announced just this week that it is moving to statutory management—which are also in Hamilton, can follow in the footsteps of Fraser High School and work their way towards getting back boards of trustees. Thank you.

CATHERINE DELAHUNTY (Green): Tēnā koe, Mr Assistant Speaker Roy. Tēnā koutou. The issues in the Education Amendment Bill have been thoroughly covered in the debate on its previous stages, so I will speak on the context and why the Greens are voting against the bill.

The changes to vetting procedures for people involved in home care, and for tradespeople and others working in schools, are an effort to make the process less onerous. Underneath that is a need to be fair to adults while protecting children. We have only to look at the track record of some institutions, from the churches to some schools, to see that children under so-called care and protection are vulnerable, and that people have taken the opportunity to exploit them. Thus, the Green Party welcomes the measured approach in this bill, but also would like to address this deeper question: why are the vulnerable so often attacked by people with greater power? This phenomenon is greater than a few individuals with sick behaviour. In the 1950s these issues had no names, but we all knew they happened. These days the issues are named, and that is healthy. However, some social attitudes towards children and sexuality and power remain incredibly toxic, as Internet child pornography has comprehensively demonstrated. This bill is fair enough on these issues, and a review of procedures to provide fairness for all is important. We support it.

In terms of data matching, the bill appears to be playing a role of coherent modernisation, and we support that, as well. However, on the matters of corporatisation around statutory managers for failing schools, the term "body corporate", and the issue of combined boards, the bill is unsatisfactory. Again, the context has to be analysed. The Minister of Education took pains in the Committee stage to explain that the word "corporate" had no sinister intent, and I appreciate that. However, one person's progressive is somebody else's Trojan Horse. The Green Party is opposed to the language in clause 22 of Part 1, which confirms the legitimacy of the body corporate governance role. Everything that has happened in this House since the second reading has made us even stronger on this issue, given the direction this Government is taking towards privatisation across the board. This is the major theme I will talk about. It is

related to Part 1, and links the Government's overall educational platform, particularly with reference to its agreement with the ACT Party.

We do not support board combining, because it erodes local community power. We do not support the term "body corporate", because it is a red light; it is a warning that a Government has an interest in facilitating public-private partnerships—or, as we call them, publicly palatable privatisation—in education as well as in prisons, and who knows in what else. Public-private partnerships are useful to a Government that made a public promise not to privatise State assets but wants to advance by stealth a privatisation agenda. The terms used in clause 22 of this bill have alerted us to the underlying issue, and, given what has happened to prisons, not to mention the axing of public bodies such as Environment Canterbury and the latest Local Government Act amendment bill, it cannot be said that we are being alarmist or extreme in wanting to defend, at every point, public assets in education.

The issue for us is a quality public education system and the gradual encroachment of the private sector. The proposal to allow a private contractor to build a school and thus have a lease is not a new idea. In other countries public-private partnerships have been trialled and have resulted in very mixed outcomes for schools and communities. I met with United Kingdom researcher Dexter Whitfield recently when he was touring with his book *Global Auction of Public Assets*, in which he talks specifically about the education sector and the effects of public-private partnerships on infrastructure, which relates to the wording in this bill in terms of bodies corporate. Meeting him reminded me of the extent to which this bill is not so much softening up the electorate as much as it is confirming a trend towards a corporate model of education, starting with the confused nightmare of school bus contracting and the experts surrounding teachers who are contractors, instead of teachers themselves, in terms of professional development and educational support. The assumption is that the corporate contractors are more efficient, but as Dexter Whitfield documented, this is not remotely or necessarily true. A corporate organisation has a primary duty to its shareholders. A school in Northern Ireland that sat empty for more than a year because of a dispute with a contractor is a good example of this. Who benefited? It was not the children.

So although the Greens support the improvements made by Labour MPs Trevor Mallard and Grant Robertson, we do not support this bill. We are disappointed that no other party in this House can join the dots and see the links between public-private models, which are being shoehorned into schools, and this bill, as well as what is being force-fed into water management and into prisons. There is a coherent agenda here, and we do not support it. We do not want to be buying back our schools, their buildings, and their governance in the future, like the rail-tracks we have had to buy back as a country. It is a failed model that costs citizens across the board over time. It has been done once; let us not do it again.

We stand by our record of opposing this and we know that somebody will read *Hansard* in the future and see that the Green Party was signalling the direction that education was going in at every stage, with every bill. We alone have stood up and challenged the erosion of public schools, which is being facilitated by this bill. We reject it. We support the public school system, including kōhanga and kura, for the benefit of all children, to be governed and owned by the public of this country so that Tomorrow's Schools does not become about corporate schools and a corporate tomorrow, but about the governance of parents, teachers, and kids for the benefit of all students.

Inequity and privatisation are not private matters. They require our critique, as does this bill, and hence our opposition to it. It pains me to vote against the bill, because we thought that many parts of it were sensible. We thought that the select committee

process was useful and that the negotiation was useful. We wanted to make amendments that would be practical and we supported the amendments Labour put up, but we have come to the point now where, having seen what happened in the House with water management this week, and having seen what happened to Environment Canterbury under urgency, we refuse to close our eyes and pretend there is not an agenda here that affects education.

Anyone who read the subtext in the *Education Forum* this week will have seen that public-private partnerships are the agenda.

Hon Trevor Mallard: I never dirtied my mind with that.

CATHERINE DELAHUNTY: I read it because it referred to public-private partnerships and I wanted to see what it said. Then I saw what Bill English said. It is clear what Bill English is thinking. He has made it really clear that he wants to try an experiment; he wants to privatise and see what can be done through that model. It is privatisation by stealth. It means that the Government can keep an election promise and can hoodwink the people of this country that, with bills such as this, nothing is really changing. Actually, things are changing really, really fast, and every little bit of softening up is of concern to us. We stand on the principle that public means public and private means private, and that the middle ground is being co-opted for the benefit of the few and the powerful. In education there is nothing more damaging than the few and the powerful having more rights and resources than children across this country, who deserve the best at all levels.

As it was said in the movie *Boy*: "Every child"—and that child came from one of the poorest homes—"has potential." In order to keep that potential we absolutely need our schools not to be governed by corporates, not to be fixed by corporate agendas, but to be governed and fixed by our own initiative as communities and our own educational ethos in the public school system. So the Green Party is proud to be standing up and putting on the record our opposition to this bill. Kia ora koutou.

Hon Sir ROGER DOUGLAS (ACT): I want to make just one or two points on the Education Amendment Bill, and I will certainly not speak for more than 2 or 3 minutes.

I want to make it clear that the ACT Party will be voting for this bill at its third reading. But I want to make it clear, as a member of the Education and Science Committee, where I stand on the issue that Trevor Mallard raised in reference to the validation of some expenditure that King's High School, in Dunedin, had incurred, and its desire to pay that debt off out of its future capital grants. I believe, irrespective of what the situation is or what the rules are, that the school should be allowed to do this. I think that for three basic reasons: firstly, it will not cost the Government one extra dollar in terms of expenditure; secondly, the Government does not need to spend one dollar earlier than it would otherwise spend it; thirdly, I believe that the board of governors is better equipped, because it is closer to the action, to determine how that money should be spent than some bureaucrat in Wellington. I for one simply cannot understand the attitude that the Ministry of Education takes and why the Minister does not simply tell the ministry to pull its head in.

Debate interrupted.

VOTING

Waikato-Tainui Raupatu Claims (Waikato River) Settlement Bill—ACT Party Votes

DAVID GARRETT (Whip—ACT): I seek the leave of the House for the ACT Party's votes on the third reading of the Waikato-Tainui Raupatu Claims (Waikato

River) Settlement Bill to be cast as Noes, and for the vote to be recorded in the *Journals of the House of Representatives*.

The ASSISTANT SPEAKER (Eric Roy): The provision is set out in *Parliamentary Practice in New Zealand* by McGee, at page 204. Leave is sought for that purpose. Is there anyone opposed to that course of action? It appears not; the *Journals* will therefore record that.

EDUCATION AMENDMENT BILL

Third Reading

Debate resumed.

RAHUI KATENE (Māori Party—Te Tai Tonga): I am pleased to take a call on the third reading of the Education Amendment Bill. In many respects this is a catch-up bill, which addresses some legislative loopholes and policy glitches that have arisen from a host of issues raised in the last few years. It is also an opportunity to update certain outdated provisions. In its scope, the bill provides the means to deal with unregistered teachers, incompetent boards, or issues impacting on the safety and well-being of students.

The Māori Party has a keen interest in addressing educational participation and performance, and, as such, supports any initiatives that seek to raise a school's expectations about the achievements of all of its students. Our focus has been on a range of other measures, such as promoting whānau engagement, reducing teacher-student ratios, increasing professional development for teachers—particularly in cultural competency—and in giving the opportunity to incentivise and reward schools that reduce underachievement and disengagement. In that context, the chance both to improve the safety of children, and to reduce compliance costs for schools, is something that we fully support. We also support any initiatives that create improvements in respect of the well-being and education of students.

The focus of this bill, with regard to the suitability of teachers or other staff for employment in a school, is an important one. We are also pleased that increased scrutiny has been introduced to ensure that non-teaching staff will be vetted before they have unsupervised access to children. These are important safeguards to keep our children safe.

But I want to digress and share with this House a wonderful initiative, as a way of providing a broader context in which to consider this bill. This year a Māori immersion class is being piloted at Dunedin North Intermediate, at the southern end of the Te Tai Tonga electorate. The class, Ka Puanani o te Reo, meets on Tuesdays with one teacher and a resource teacher of Māori to provide an integrated programme around language development, reading, writing, art activities, and music. The distinctive feature of this class is that it is a unique initiative in partnership with whānau, schools, Ngāi Tahu, and the Ministry of Education. But the spirit of cooperation extends even further, reaching out to welcome students from schools right across the Dunedin community.

I wanted to share that initiative because it is an example of schools with a deep commitment to the best interests of their students. It is a model of schools working together. It is a model where success and achievement are intimately linked in the effective participation of all students. So often in this House we focus on failure and flaws rather than on breeding success. It is perhaps timely to consider that in the context of this bill, which tidies up areas of neglect in the current legislation.

Notwithstanding that, I acknowledge that the changes made in this bill are made in response to concerns raised by schools, early childhood education services, contractors, and commentators such as the Children's Commissioner. We welcome the moves to

improve the safety of children, and to reduce compliance costs for schools. We understand that the amendments specifically to do with police vetting have been tested internationally in the United States, England, Canada, and Australia, and have been found to provide an effective safeguard for child safety. It is, however, disappointing to note that although the amendments were discussed with a wide range of education sector organisations—such as the School Trustees Association, the Principals Federation, the Secondary Principals' Association, the Post Primary Teachers Association, the New Zealand Educational Institute, and the early childhood advisory committee—there were two notable omissions from the consultation process: Te Kōhanga Reo National Trust and Te Rūnanganui o ngā Kura Kaupapa Māori o Aotearoa. Legislative changes that impact positively on the well-being and education of students, including those about the suitability of teachers or other staff for employment at a school, are of utmost importance to all schools, and that includes schools in Māori immersion settings.

Finally, I support the intention of the bill to promote an expectation that registered teachers will be teaching, and that responsible people will be working in close proximity to children. The Māori Party is happy to support this bill.

NIKKI KAYE (National—Auckland Central): I rise to speak on the Education Amendment Bill. I acknowledge the Minister of Education for bringing this bill to the House. I will briefly mention that I support this bill because it ensures that the children of New Zealand are safer, and it reduces compliance costs. I commend this bill to the House.

Hon MARYAN STREET (Labour): I rise to speak to the third reading of the Education Amendment Bill. I note three points, of which two are in the bill and one is missing. The two items in the bill that I wish to draw attention to, which Labour supports completely, relate to the provisions on police vetting and the provision relating to information matching between the New Zealand Teachers Council and the Ministry of Education to identify individuals teaching in schools without registration. Both items go to the heart of the quality of teaching in schools and the safety of the students who receive that teaching. So both items are critical.

The third item, however, is absent from the bill. I am sorry for that. The Labour Government had proposed an Education Amendment Bill (No 3).

Debate interrupted.

The House adjourned at 6 p.m.

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EXPLANATION OF ABBREVIATIONS

1R—First Reading
2R—Second Reading
3R—Third Reading
CWH—Committee of the whole House
S.O.P.—Supplementary Order Paper

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