



*First Session, Forty-ninth Parliament, 2008-2009*

***Parliamentary Debates***  
***(HANSARD)***

**Wednesday, 1 July 2009**  
*(Week 17, Volume 655)*



**WEDNESDAY, 1 JULY 2009**

**TABLE OF CONTENTS**

VISITORS—	
Australia—President of the Senate, Commonwealth Parliament .....	4793
POINTS OF ORDER—	
Parliamentary Press Gallery—Access to Parliamentary Complex .....	4793
QUESTIONS FOR ORAL ANSWER—	
Questions to Ministers—	
Unemployment—Government Plan .....	4793
Question No. 2 to Minister .....	4797
Foreshore and Seabed Act—Review .....	4797
Ministers—Performance .....	4798
Recession—Supporting Employment and Managing Economy .....	4800
Economy—Reports .....	4802
School-level Assessment Information—Communicating with Communities .....	4804
Police—Resourcing .....	4804
Warm Up New Zealand: Heat Smart—Role of Councils .....	4805
Auckland, Local Government Reform—Minister’s Support .....	4807
Employment Scheme, McDonald’s—Government Subsidy .....	4808
Internal Affairs, Minister—Commitments .....	4809
KiwiSaver—Complaints to Banking Ombudsman Regarding ING New Zealand .....	4810
Questions to Members—	
Banking Practices—Inquiry .....	4811
Children, Young Persons, and Their Families (Youth Courts Jurisdiction and Orders) Amendment Bill—Report-back Date .....	4812
URGENT DEBATES—	
Ministry of Social Development—Job Cuts .....	4813
GENERAL DEBATE .....	4829
CLIMATE CHANGE (TRANSPORT FUNDING) BILL—	
First Reading .....	4843
MISUSE OF DRUGS (MEDICINAL CANNABIS) AMENDMENT BILL—	
First Reading .....	4850
LIQUOR ADVERTISING (TELEVISION AND RADIO) BILL—	
First Reading .....	4865
SITTINGS OF THE HOUSE .....	4873



**WEDNESDAY, 1 JULY 2009**

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

**Prayers.**

**VISITORS****Australia—President of the Senate, Commonwealth Parliament**

**Mr SPEAKER:** I have much pleasure in informing the House that Senator Hon John Hogg, President of the Senate of the Parliament of the Commonwealth of Australia, is within the precincts of this Chamber. I am sure that members would wish that he be welcomed and accorded a seat on the left of the Chair.

Senator Hon John Hogg, accompanied by the Deputy Speaker, entered the Chamber and took a seat on the left of the Chair.

**POINTS OF ORDER****Parliamentary Press Gallery—Access to Parliamentary Complex**

**Hon PETER DUNNE (Leader—United Future):** I raise a point of order, Mr Speaker. This matter has been raised from time to time, and I hesitate to raise it again. The daily journey from Bowen House to the parliamentary Chamber is becoming more and more impeded by the throng of journalists in the main foyer. Surely they can be corralled to one side, or even behind a barrier, to enable members to make their way freely and not have to scoot around the side or try and force their way through the ruck. It is a public thoroughfare; it is not a place for journalists to conduct their daily business.

**Mr SPEAKER:** I appreciate the point raised by the honourable member. I will look into it to make sure that members' progress is not impeded.

**QUESTIONS FOR ORAL ANSWER****QUESTIONS TO MINISTERS****Unemployment—Government Plan**

**1. Hon PHIL GOFF (Leader of the Opposition) to the Prime Minister:** What is the plan he said yesterday he has to mitigate rising unemployment and why, after 7 months, has he still not announced it?

**Hon JOHN KEY (Prime Minister):** I am glad that the member asked me that question, actually, because there is a wide-ranging plan on this side of the House to take the sharpest edges off the recession. Parts of those plans have already been outlined. There will be \$30 billion worth of borrowing to take the rough edges off the recession, \$500 million for infrastructure, \$500 million going to the small to medium sized enterprise sector—

**Hon Rodney Hide:** I raise a point of order, Mr Speaker. I do not like to interrupt, but this is the first question of the day, which has been put down on notice. Presumably, the House is interested in the answer. I have not heard anything from the first sentence on, given the barracking from the party that asked the question. I think those members are surprised that the Prime Minister does have a plan, and I am interested—

**Mr SPEAKER:** The member has gone quite far enough. I think the point he raises is relevant. I admit that my ears are not functioning properly at the moment, and I apologise to the House for that. I could not hear what the Prime Minister was saying, so I ask that interjections be a little more reasonable.

**Hon JOHN KEY:** Thank you very much, Mr Speaker. Of course, the \$323 million that went into the home insulation fund budget delivered a credit upgrade, not a downgrade, which is what we would have got from Labour. There have been changes to legislation and regulations that have seen 90-day probationary periods and a balanced response to climate change. The Resource Management Act will be changed under this Government. There is the 9-day working fortnight, the ReStart programme, lifting productivity—and there will be a lot more to come. This is a Government that is working hard for the people of New Zealand.

**Hon Phil Goff:** Is it part of the Government's plan to mitigate rising unemployment by sacking hundreds of workers in the public sector, including the sacking yesterday of 18 community social workers involved in early intervention, detection, and prevention of child abuse, which child advocates have said has put children's lives at risk?

**Hon JOHN KEY:** As is so often the case with the Leader of the Opposition, he was a day late in asking a question. His deputy asked that question yesterday. I will give him the same answer. The 18 people who were involved in awareness of child abuse will be replaced by 21 people who will act on prevention of child abuse. This party and this Government campaigned on moving resources from the back office to the front office. There has been widespread support for that move out there in the community.

**Hon Phil Goff:** How high is the Prime Minister prepared to allow the unemployment rate to go in the Māori and Pacific Island communities—it is currently running at 12 percent and 13 percent—before he is prepared to take targeted action to prevent the huge social and economic costs of unemployment in those particular communities?

**Hon JOHN KEY:** Firstly, I lament the loss when any New Zealander loses his or her job, not just Māori and Pacific Island New Zealanders. Secondly, we need to acknowledge that there are higher levels of unemployment with Māori and Pacific Island New Zealanders, and that has been the case for a very, very long period of time. Thirdly, there are targeted actions that we are taking around training, but I make just one point—

**Hon Darren Hughes:** Like what?

**Hon JOHN KEY:** There are actually a number of good things coming. But I make this one point: Mr Goff is being dishonest with the New Zealand public.

**Hon Darren Hughes:** I raise a point of order, Mr Speaker. That is grossly unparliamentary language from the Prime Minister and it does not help with the free flow of question time.

**Mr SPEAKER:** I ask the Prime Minister to withdraw that statement. He cannot allege that another member is being dishonest.

**Hon JOHN KEY:** I withdraw. The Leader of the Opposition is being quite economical with the truth when it comes to New Zealanders. No one can magic away a recession. It is not the case in the United States, where the unemployment rate is 9.4 percent, and it is not the case in the European Union, where the unemployment rate is 9.2 percent. So to believe and portray that anyone can magic away a recession like that is being quite economical with the truth. If that were the case—I make this one point—in 1986 the unemployment rate—[*Interruption*]

**Mr SPEAKER:** I hesitate to stand when the Prime Minister is on his feet but I want to hear the last of the Prime Minister's answer. I hope it will be relevant.

**Hon Peter Dunne:** I raise a point of order, Mr Speaker. The last thing I heard the Prime Minister say was “1986”; we have not heard anything since that. If he repeats the answer, I ask that he please repeat it from that point onwards.

**Mr SPEAKER:** I ask the members for a little decorum please.

**Hon David Cunliffe:** I raise a point of order, Mr Speaker. It might facilitate progress if the Prime Minister were able to restrict himself to the current century.

**Mr SPEAKER:** That is not a point of order.

**Hon JOHN KEY:** If I could just take members back to a time when Phil Goff was the new face of the Labour Party, back in 1986. Back then he was the Minister of Employment, and under his watch the unemployment rate went from 42,000 to 149,000 people. When he gets his magic wand out, he should go and give it to someone else, because it obviously did not work for him when he was the Minister of Employment.

**Chris Tremain:** Has the Prime Minister seen any reports of employment Ministers being able to reverse the trend of rising unemployment during a deep recession?

**Hon JOHN KEY:** No. Two of the least successful employment Ministers in that regard were Phil Goff and Annette King. I took a moment last night to read some of the Leader of the Opposition's memoirs.

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. I invite you to rule on whether the Prime Minister in his reply, which we can now hear, is answering in an area for which he is responsible.

**Mr SPEAKER:** I think it is a perfectly fair point the honourable member has made. I caution the Prime Minister not to wander too far out of areas of his responsibility.

**Hon Rodney Hide:** I raise a point of order, Mr Speaker. The Prime Minister was asked whether he had received any reports. If he has received a report, clearly—and he has received that report as the Prime Minister—it is within his responsibility. To suggest otherwise diminishes the Opposition's ability, or anyone's ability, to ask questions of Ministers.

**Hon Trevor Mallard:** Speaking to that point of order—

**Mr SPEAKER:** I do not need any further assistance on this matter. The Prime Minister was asked about reports. The honourable member is quite right. The Prime Minister identified those reports and gave the House some information from them. But then he started to comment on the people involved at the time. That is the bit that is outside his ministerial responsibility.

**Hon Gerry Brownlee:** I raise a point of order, Mr Speaker. The question accepted asked whether the Prime Minister has seen any reports of employment Ministers being able to reverse the trend of rising unemployment during a deep recession. Naturally, he would go back to the last deep recession, and would want to contrast the way the current Government is handling things with the successive employment Ministers in office at the time, who are, of course, the current Leader of the Opposition and the deputy leader of the Labour Party. That seems perfectly reasonable.

**Hon Trevor Mallard:** I remind you of two things, Mr Speaker. The first is that quite recently in this House, people who have relitigated your rulings have got into serious trouble. We have now had two Ministers who have done that, again without being stopped. The second point is that if one could take that sort of ruling and have things being within the area of the Prime Minister's responsibility, we would have had a lot more questions for the Prime Minister on the Worth affair than we have to date.

**Mr SPEAKER:** I thank the honourable member. The situation is very simple and straightforward. Where a Minister is asked about reports, of course the Minister can comment on those reports and provide information on them. But where it is not within the Minister's ministerial responsibility, the Minister cannot make comment about the quality or the policies of another party. I ask the Prime Minister to stay within the scope of his responsibility, otherwise I would, as Speaker, have to rule out answers that start to stray outside that territory. I would rather not do that.

**Hon JOHN KEY:** I have seen a report from Phil Goff when he was the Minister of Employment. The report made quite interesting reading when I read it last night. It said: "Easy answers and quick-fix solutions exist only in the imaginations of politicians running for election."

**Hon Phil Goff:** Why did the Budget cut funding to programmes like Career Services, which will lose \$12 million over 4 years, and axe funding to Enterprising Communities, when 32,000 15 to 19-year-old New Zealanders are out work—that is, one in five young people who are in the job market are out of work?

**Hon JOHN KEY:** The Budget made it quite clear that there is additional funding going into Youth Guarantee, which will provide a great bridge between secondary schools and polytechs, and I think will deliver fantastic results for New Zealanders in an area of tremendous need. I would reject the suggestions that the Leader of the Opposition made.

**Chris Tremain:** Has the Prime Minister seen any reports that take a realistic view about unemployment during a recession?

**Hon JOHN KEY:** Yes, I have seen a report from 1988 that says: “New jobs take time to emerge. ... We would all like recovery, growth and full employment to happen right now. Unfortunately the economy does not work like that.” That quote was from the then Minister of Employment, Phil Goff, or, as he was affectionately known back then, the “Minister of Unemployment”.

**Metiria Turei:** Will the Prime Minister finally adopt more of the Green Party’s Green New Deal stimulus package in light of the World Trade Organization’s statement today that states: “Investing stimulus funds in such sectors as energy efficient technologies, renewable energy, public transport, sustainable agriculture, ... ecosystems and biodiversity, reflects the conviction that a green economy can create dynamic new industries, quality jobs, and income growth while mitigating and adapting to climate change and arresting biodiversity decline.”?

**Hon JOHN KEY:** The Government is actually addressing many of those issues. We are putting \$1.6 billion into transport—including the railway electrification in Auckland starting today—and \$36 million into biofuels, and we have put \$323 million into home insulation. I think this is a Government that accepts that good environmental policy makes sense, and we are adopting that.

**Hon Phil Goff:** Is the Prime Minister so bereft of any ideas for the future because his officials have spent all of the last 24 hours dredging back 25 years to find out what was happening then?

**Hon JOHN KEY:** Well, the reason—[*Interruption*] Yes, this is the answer. The reason we look back is that it is very interesting what someone said when he was in control of the reins and completely failed to deliver on the results. But today, as Leader of the Opposition, he is quite happy to believe that we can magic away a recession—the worst recession since 1930.

**Hon Phil Goff:** What analysis did Treasury do on the cost-effectiveness of the national cycleway scheme in producing jobs, and is he prepared to provide the Treasury analysis, oral and written, to members of this Parliament; if not, why not?

**Hon JOHN KEY:** Rigorous analysis was done. We do not need to show the Leader of the Opposition the analysis; I can take him on the bike rides, because they are starting soon. They are going to be fantastic and there will be lots of jobs as a result of them.

**Hon Phil Goff:** Will the Prime Minister remove spousal income-testing, which prevents a person who is being made redundant from getting an unemployment benefit, in order to help families through the really difficult times they are experiencing at the present time; if not, why not?

**Hon JOHN KEY:** That is a complex issue that we need to consider. It is expensive, and the member will know that there is quite a difficult interaction between the tax system, which is based on individual income; and the welfare system, which for a large part is based on family income. That situation in some senses has been made worse by Working for Families because it is so broad ranging. The member knows that, and I just

say to the member that if it was such a great idea, so affordable and so easy, why did the member not do it when the Government had a lot more money hanging around over the last 10 years?

### **Question No. 2 to Minister**

**RAHUI KATENE (Māori Party—Te Tai Tonga):** My question is to the Attorney-General, the Hon Chris Finlayson—

**Hon TREVOR MALLARD (Labour—Hutt South):** I raise a point of order, Mr Speaker. It is just the matter of the method of asking the question including the name of the Minister, which we do not do. It is a practice that I hope we would not get into.

**Mr SPEAKER:** That is a fair point the member has made. The honourable member might note we do not normally name the Minister. The question is to the Attorney-General. I ask her to direct her question to the Attorney-General.

### **Foreshore and Seabed Act—Review**

**2. RAHUI KATENE (Māori Party—Te Tai Tonga) to the Attorney-General:** What progress has recently been made in the Government's review of the Foreshore and Seabed Act 2004?

**Hon CHRISTOPHER FINLAYSON (Attorney-General):** Late yesterday afternoon I met with the review panel and received its report. The report, together with the summary of submissions and the full submissions in their entirety, should now have been publicly released on both the Beehive and Ministry of Justice websites. I would like to express my gratitude to the panel for its work.

**Rahui Katene:** How does the Government intend to respond to the review panel's report?

**Hon CHRISTOPHER FINLAYSON:** The Government will carefully consider and analyse the panel's recommendations, and hopes to be in a position to make an initial response around the end of August. This Act has proven to be one of the most contentious pieces of legislation in New Zealand's recent history. If we are to move forward together as a nation, it is important that we take the time to consider all the issues carefully, and strike the appropriate balance between recognition of Māori customary interests and the right of the wider public to use our beaches.

**Hon Tau Henare:** Will the Foreshore and Seabed Act review lead to an ongoing negotiation or settlement process similar to the historic Treaty settlement process?

**Hon CHRISTOPHER FINLAYSON:** It is important we do not predetermine what the outcome of the review might be. The panel has made a number of recommendations, all of which will need to be very carefully considered before the Government is in a position to make an initial response. The Government is committed to the speedy and durable settlement of Treaty grievances, and will be guided by similar principles in considering its response to the panel's report.

**Hon Nanaia Mahuta:** In light of that response, was the Minister aware that the review panel's report on the foreshore and seabed was being released under embargo, in a low-key manner, by the Māori Party to a select group of media; if so, was that under his instructions, so as not to draw attention to the predetermined outcome of the panel's recommendations?

**Hon CHRISTOPHER FINLAYSON:** No, I am not aware of that. And I can assure that member that there is no predetermination of the issues, at all. We are taking, as I said, a good look at the report. I have had an opportunity to read only volume 1; I have not read volumes 2 and 3. As I have advised the House, the Government's initial response will be revealed toward the end of August.

**Hon Tau Henare:** What did the review panel say with regard to the public interest in the coastal marine area?

**Hon CHRISTOPHER FINLAYSON:** The panel noted that the non-legal public interest in the coastal marine area prior to the Ngāti Apa case was, and it still is today, in maintaining it as a natural environment—that is, a public recreation ground, the birthright of every New Zealander. The Prime Minister has previously made it clear that guaranteeing public use of our public beaches is a bottom line for this Government.

**Hon Nanaia Mahuta:** Can the Minister confirm that if the Foreshore and Seabed Act is repealed, as promoted by the Māori Party, it would result in hapū and iwi owning the foreshore and seabed, as claimed by that party?

**Hon CHRISTOPHER FINLAYSON:** I do not think it is helpful on such an important issue to indulge in speculation or “what ifs”. As I have said, and as I assure the member, we will look very closely at the panel’s report. We will come up with our initial response at the end of August, and then that member can ask as many questions as she likes on those and other issues.

**Te Ururoa Flavell:** What approach will the Government take in responding to the review panel’s report?

**Hon CHRISTOPHER FINLAYSON:** I note earlier comments by my opposite number in the Labour Party, David Parker, that “Labour will constructively engage with the Government over the review of the Foreshore and Seabed Act.”, and that “The last thing New Zealanders need is for this issue to be used to incite disharmony again and we won’t go there.” I endorse those comments, and I look forward to working with all political parties on this important issue. I acknowledge the very constructive engagement I have had with the Māori Party on the issue, and I look forward to working closely with its members in the coming months.

**Te Ururoa Flavell:** Supplementary—

**Mr SPEAKER:** I believe that the Māori Party has already had its two supplementary questions for today.

**Te Ururoa Flavell:** I raise a point of order, Mr Speaker. I spoke to my colleague the National Party whip about an additional supplementary question. I believe that that request was passed on to your office.

**Mr SPEAKER:** The procedures require the Speaker to be advised of such an arrangement. We have not been advised, but it seems that there might have been a slip-up. I will accept a further supplementary question from the honourable member.

**Te Ururoa Flavell:** Thank you, Mr Speaker; my apology for that. How many submissions did the panel receive; and can the Attorney-General advise the House how many of those favoured repeal of the current Act?

**Hon CHRISTOPHER FINLAYSON:** I can advise that, from my reading of volume 1, the review panel received 580 written and oral submissions. Eighty-five percent of those who expressed an opinion on what should happen to the Act favoured repeal. Of the remaining 15 percent, many favoured making substantial amendments but would be happy to see the Act repealed, and 5 percent favoured retaining the current Act unchanged. The panel believed that the Act severely discriminated against Māori, and said that it believed that the Act should be repealed.

### **Ministers—Performance**

**3. Hon ANNETTE KING (Deputy Leader—Labour) to the Prime Minister:** Is he satisfied with the performance of all his Ministers?

**Hon JOHN KEY (Prime Minister):** Yes.

**Hon Annette King:** Did he demote Paula Bennett by stripping away the disabilities portfolio because of her failure to develop relationships and work constructively with

organisations like the Disabled Persons Assembly, which offered to support Miss Bennett in her role and tried on numerous occasions to establish a formal relationship with her, but without success, or like Grey Power, which said the meeting it had with her “left a sour taste in our mouths as we felt we had received the old-fashioned ‘brush-off’ ” and it had wasted its time meeting with her?

**Hon JOHN KEY:** Firstly, the Hon Paula Bennett requested that the portfolio be transferred, and, secondly, we were grateful that Tariana Turia was happy to accept the portfolio. I know she will do a stunning job. I listened to *Morning Report* this morning; I thought Paula Bennett gave a stunning response to the challenges that are faced in the area of employment, and I think she is taking those responsibilities very seriously. I must say I think she is turning into quite a fine Minister.

**Hon Annette King:** When did he realise that Paula Bennett was struggling to grasp the social development portfolio; was it when she told the public earlier this year that she thought the rise in unemployment was just a blip, was it when she conceded in a *Listener* article that she did not like reading long reports, was it her decision to appoint Christine Rankin as a Families Commissioner—which has caused his Government great embarrassment—or was it something else?

**Hon JOHN KEY:** What I can say is that having sat on the other side of the fence, I have observed 9 years of the previous Labour Government reading reports, and now 8 to 9 months of the National Government actually taking action. That is the difference.

**Hon Annette King:** Did he demote Paula Bennett when he found out that many people had started referring to her as the “Minister for Slogan Development”, not as the Minister for Social Development and Employment, and is he hoping that with one less portfolio she might now be able to concentrate on solutions and not slogans, and on doing something to help the tens of thousands of Kiwis who are struggling to find work?

**Hon JOHN KEY:** Firstly, I assure the member that the Minister is working extremely hard on programmes to ensure that New Zealanders can either get into a job or have the support they need when they lose their job. I know that because I am working very closely with her on it. Secondly, if ever there was a political party that spent its time worrying about slogans, it was the Labour Party. The reason for saying that is that the previous Labour Government spent literally hundreds of millions of dollars of taxpayers’ money on rolling out an advertising campaign that in the final analysis did not save its bacon, anyway.

**Hon Annette King:** If New Zealand has one of the lowest rates of unemployment in the OECD, which the Prime Minister likes to proclaim as all his own work, and if the Ministry of Social Development can manage with at least 200 fewer people to do the job, why can the Minister for Social Development and Employment not cope with her portfolio load?

**Hon JOHN KEY:** Firstly, because the Minister asked to have the disabilities portfolio transferred to another Minister, so that she could concentrate on the social development and employment portfolio. The second point is that I do not think the Hon Annette King should be challenging me about whether New Zealand has a low level of unemployment relative to that of the OECD. She should go to the ministry’s website and look at it, because it will tell her in black and white that that is the case.

**Hon Annette King:** I seek leave to table the newsletter from the Disabled Persons Assembly, which points out it has tried to form a relationship with the Hon Paula Bennett, but without success.

**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 JOHN KEY:** I seek leave to table the election result in the seat of Waitakere, which shows how successful Paula Bennett is in all forms of politics.

**Mr SPEAKER:** I missed—

**Hon Member:** There's objection down here.

**Mr SPEAKER:** I beg the member's pardon.

**Hon Tariana Turia:** I raise a point of order, Mr Speaker. I said yes. I object to Mrs King tabling that document.

**Mr SPEAKER:** I apologise to members. My hearing let me down, and I ask members' forgiveness because it is very bad at the moment. Maybe if I go back and put that leave again—

**Hon Trevor Mallard:** It's already on the Table.

**Mr SPEAKER:** The document is already on the Table? I can only apologise to the honourable member. I did not hear her objection, and I said the document could be tabled. I apologise to the honourable member for that, because it was my error.

**Hon Tariana Turia:** I raise a point of order, Mr Speaker. I objected as soon as the question was asked, and I believe my objection should be sustained.

**Hon Darren Hughes:** In fairness to the Minister for Disability Issues, I heard her state her objection to the newsletter of the Disabled Persons Assembly being tabled in Parliament. It is a bit noisy in here today, and we have no objection if you want to put that question again so the Minister for Disability Issues can once again object to that newsletter being tabled.

**Mr SPEAKER:** I appreciate the honourable member's remarks. I apologise; it is my hearing that has caused this disruption to the House's business. I will take the course of action proposed by the Hon Darren Hughes, and I will put the seeking of leave again. Is there any objection to the Disabled Persons Assembly document being tabled? There is objection, and therefore it will be taken from the Table.

Did the honourable Prime Minister wish to table a document? No. OK.

Document removed from the Table by order of the Speaker.

### **Recession—Supporting Employment and Managing Economy**

**4. AMY ADAMS (National—Selwyn) to the Minister of Finance:** What are the Government's priorities to support jobs and manage the economy through the recession?

**Hon BILL ENGLISH (Minister of Finance):** As the Budget laid out, over the next 4 years the Government will borrow an additional \$30 billion to support the economy, and, particularly, to support jobs and help protect people from the sharpest edges of recession. Unfortunately, despite our having one of the more significant stimulus packages among developed countries, unemployment will still rise over the next year or so. The Government cannot turn back the tide of a global recession, but we can take off its sharpest edges and set out to fix the underlying economic problems, which arose from 10 years of economic mismanagement under the previous Government.

**Amy Adams:** How did Budget 2009 contribute to the Government's programme of supporting jobs and driving economic recovery?

**Hon BILL ENGLISH:** The Government delivered a balanced and responsible Budget that is setting New Zealand on the road to recovery by keeping our credit rating up, which helps to keep interest rates down; maintaining welfare entitlements; investing \$7.5 billion in productive infrastructure in the next 4 years; investing \$323 million in a very successful insulation and heating programme for 180,000 Kiwi homes; and providing record spending on front-line services in health, education, and law and order.

**Hon David Cunliffe:** If the Government is so concerned about protecting jobs and getting the economy moving, why did it today block the proposed banking inquiry, or does the Minister not care that thousands of businesses are paying way too much for their loans at a time when they can barely meet their payroll costs; and can the Minister confirm which of his big-banking mates got to him or to John Key to force him to roll over and drop National's own terms of reference?

**Mr SPEAKER:** I invite the honourable member to reflect on whether that question complied with the Standing Orders for supplementary questions. It went way outside them. What is more, it even impugned the integrity of a member by implying that he was influenced by outside forces; that is totally outside the Standing Orders.

**Hon David Cunliffe:** Speaking to the—

**Mr SPEAKER:** The member will resume his seat. So that the House does not waste further time, I will allow the Hon Bill English to answer the part of the question that was relevant.

**Hon Gerry Brownlee:** I raise a point of order, Mr Speaker. If the question is out of order, it is out of order, and that should be the end of the matter. Labour has used up one of its supplementary questions. The member has been here long enough, and he has been a Minister; he knows the rules. The question was completely gratuitous. At some point, a line in the sand has to be drawn and that sort of thing stopped.

**Mr SPEAKER:** I do not need further assistance on this matter. I accept the point the member has made, but part of the question was in order. I want to make it clear to the Hon David Cunliffe that in future I will rule out that sort of question, but on this occasion I think the Hon Bill English could answer the first part of the question.

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. This is a request that you listen really carefully to the answer and make sure that it too is entirely within order. I think we are—

**Mr SPEAKER:** That cannot be a matter of order, because the Minister has not even started to answer. The member is seeking to influence the Speaker, and that is not on.

**Hon BILL ENGLISH:** It is clearly taking some time for the Labour Party to understand that one reason it was—

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. I ask you now to rule whether the opening part of that answer was an "in order" response to the part of the supplementary question that you allowed.

**Mr SPEAKER:** The supplementary question was highly political. The bit that was totally out of order was to impugn the integrity of the Minister. It was a very political question and the House is hearing quite a political answer. If members ask political questions, they will get political answers. Do not appeal to me as Speaker to intervene when that is the case.

**Hon BILL ENGLISH:** The nature of the supplementary question illustrates that the Labour Party has not yet learnt that one of the reasons it was kicked out of office was that instead of dealing with real issues, it resorted to dirty tricks. Nothing has changed.

**Hon Pete Hodgson:** I raise a point of order, Mr Speaker. With respect, it seems to me that what has happened is that the Minister of Finance has answered specifically that part of the supplementary question that you ruled out of order, and, by implication, has failed to address that part of the question that you ruled in order. *[Interruption]*

**Mr SPEAKER:** The Hon Annette King should not interject when a point of order is on the floor of the House. I accept that the Minister's answer perhaps did stray into that part of the supplementary question, but I think there is a huge difference between referring to dirty tricks and actually impugning someone by saying he may have accepted bribes or been influenced by parties outside of this House. The issue of politicians getting up to all kinds of tricks is nothing new, and I do not see it as being

out of order. But if the supplementary question had been more straight, I would not have accepted that answer.

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. It does go to the ruling you have just made, and I ask you to reflect on it. There is nothing in the Standing Orders or Speakers' rulings that indicates that members, including Ministers, cannot be influenced by people outside the House. People are influenced; they are advised, they change their decisions, and that is part of being a good Government. You ruled that one cannot say that people have been influenced, but I think you meant to say "improperly influenced".

**Mr SPEAKER:** I accept the point the member has made. That is quite correct.

**Amy Adams:** What other approaches could the Government have taken to manage the economy through the recession?

**Hon BILL ENGLISH:** We could have taken the advice of members opposite when in Government, which was to spend on everything they could think of and borrow billions of dollars to do it—for instance, \$3 billion for the Waterview tunnel. We have not done that, because it would have put New Zealand's credit rating at risk, and it would have blown out the Government's books, blown business confidence, and cost thousands more jobs than are currently being lost.

**Amy Adams:** Has he seen any reports ruling out higher deficits and more borrowing to stimulate job growth?

**Hon BILL ENGLISH:** Yes, I have seen a report from 1989, when the then fresh face of the Labour Party, Phil Goff, said: "We will not end unemployment by borrowing to sustain an artificial level of consumption and demand." I agree with the comments of the fresh-faced Phil Goff, not the 26-years-later, retread Phil Goff.

### **Economy—Reports**

**5. Hon DAVID CUNLIFFE (Labour—New Lynn) to the Minister of Finance:** What reports has he received on the New Zealand economy?

**Hon BILL ENGLISH (Minister of Finance):** I have seen reports that before the global recession hit, New Zealand had a record current account deficit, ballooning fiscal deficits, and a business sector smothered in red tape, overseen by a Labour Government that is now reduced in Opposition to making ridiculous allegations of corruption in this House that Labour members should be ashamed of.

**Hon David Cunliffe:** I raise a point of order, Mr Speaker. I am afraid that I must take objection to the latter comments made by the Minister. Out of courtesy to you I did not interrupt your ruling when perhaps there may have been a mishearing. What I did allege was that—

**Mr SPEAKER:** No, we will not go back to the previous point of order. The member will resume his seat. I have heard his point of order. I say to the Minister of Finance that the question asked was a perfectly straight question. The question has no political overlay in it. I am cautioning the Minister of Finance that that kind of attack on the questioner is unacceptable. It is not in keeping with the dignity of this House. The question was a perfectly straight question. I invite the Minister of Finance to reflect on that as he answers further.

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. During the time you were on your feet there were two interjections, one from the Minister of Finance who replied to you with "So?", and before that there was an interjection from Mr Phil Heatley who indicated that you should sit down. If members on this side interjected directly to you while you were ruling they would be in serious trouble.

**Mr SPEAKER:** I did not hear the Hon Phil Heatley and I apologise for that. But I do caution the Minister of Finance that his final comment to me was totally unacceptable. He will watch out as he answers further questions.

**Hon David Cunliffe:** Has the Minister of Finance seen reports that the Manufacturers and Exporters Association has expressed real concern about the extreme volatility of the New Zealand dollar, and, to quote its chief executive officer, John Walley, people are putting away their cheque books and are not investing in the real economy and in jobs as a result?

**Hon BILL ENGLISH:** Yes, I have, and I share the concern of that organisation, because under the previous Government it suffered the longest period of a high real exchange rate since the Second World War because of Labour's economic mismanagement. The effect of that is that the export sector has been in recession for 5 years. In the whole decade that Labour was in charge there was no jobs growth in the export sector. That is a shameful record for what was meant to be one of the best periods of economic prosperity in decades.

**Aaron Gilmore:** What reports has the Minister seen about trends in building activity as a result of the Government's substantial investment in infrastructure?

**Hon BILL ENGLISH:** We have seen some reports that building activity is picking up. I am confident that as the \$7 billion infrastructure programme rolls out, by early next year there will be a very significant pick-up in building activity through a large investment in roads, a large investment in electricity transmission, and the biggest capital programme in schools that the country has ever seen.

**Hon David Cunliffe:** Does the Minister agree, in the post Woodstock era, with Employers and Manufacturers Association head Alasdair Thompson, who said: "The fluctuating dollar isn't helping manufacturers.", and with Brian Gaynor of Milford Asset Management, who said: "Our currency is one of the most volatile, and for businesses operating in an environment where you have a very volatile and speculative currency, it does make it difficult for companies."?

**Hon BILL ENGLISH:** Yes, I do agree with them, and I agree that Government policies can make that better or worse. Over the last few years, when Labour was in power, those exporters had to deal with an exchange rate at record high levels. The effect was that the export sector has been in recession for 5 years. In the last 10 years there has been no jobs growth in the export sector. The new Government is willing to take on the challenge of growing our export sector and growing sustainable jobs.

**Hon David Cunliffe:** Since the turn of the century, has he recognised the link between artificially high interest rates and high volatile exchange rates; if so, why did the Government use its majority to block the proposed banking inquiry today at the Finance and Expenditure Committee, and does that not make him look at best ridiculous, when he was calling for interest rate cuts to be passed through by the banks only 3 weeks ago?

**Hon BILL ENGLISH:** What happens with the inquiry is up to the committee. It has made a decision. If anyone thought that an inquiry by backbenchers would change the direction of the economy, then we would have done it months ago.

**Hon Trevor Mallard:** Is it the view of the Minister of Finance that the current level of the New Zealand dollar is too high, too low, or about right, and is it his view that it is appropriately stable, or too volatile?

**Hon BILL ENGLISH:** I do not take any particular views about the exchange rate, but I do know that I have seen reports that show that under the previous Government exporters struggled with the highest exchange rate episode in 50 years. The previous Government left the export sector flat on its back. The export sector has been in

recession for 5 years, and there has been no jobs growth in the export sector in the last decade. This Government will fix those problems.

### **School-level Assessment Information—Communicating with Communities**

**6. ALLAN PEACHEY (National—Tāmaki) to the Minister of Education:** What reports, if any, has she received on proposals to change the way schools provide information to their communities?

**Hon ANNE TOLLEY (Minister of Education):** I have received legislation from the Labour Party education spokesperson that proposes a new Labour Party policy to amend the Official Information Act so that “school-level assessment information must not be publicly released.” This legislation, if passed, would ban schools from releasing information about how they, as a whole, or some of their classes, were doing at raising achievement amongst their pupils. Schools could be prohibited from voluntarily providing any of this information to their own school community. That is how much the Labour Party respects school communities.

**Allan Peachey:** What reports has the Minister received on the effect this would have on schools’ day-to-day business?

**Hon ANNE TOLLEY:** The initial advice I have received is that the legislation drafted by the Labour Party education spokesman would mean the following bans placed on schools: firstly, schools would be banned from putting information about students’ achievement levels in their school newsletter because this would be publishing information to the public, and, secondly, school reports would no longer be able to have class averages in them, which means that parents would have no idea how their child was doing against the rest of the class. That is how Draconian and secretive the Labour Party wants to be. It wants to stop schools engaging with their local communities—

**Mr SPEAKER:** This answer is going on for a long time.

**Allan Peachey:** What reports has the Minister received on how the proposal will alter the ability of schools to engage with their school communities?

**Hon ANNE TOLLEY:** I have received initial advice that the legislation drafted by the Labour Party would mean that schools would be prohibited from providing information to their communities on how they achieved against their student achievement targets, just as many schools currently do. Parents around the country are crying out for more information from schools, and the Labour Party education spokesman has drafted legislation that not only slams the door in parents’ faces but also muzzles schools from voluntarily engaging with their communities.

**Hon Trevor Mallard:** Is the Minister prepared to work with the Labour Party to improve the draft in order to achieve her wish of a trouble-free implementation of a national standards approach?

**Hon ANNE TOLLEY:** I have said to the member before that if he puts something sensible in front of me, I am prepared to talk to him. I will not pre-empt the consultation process that finishes on Friday. I will not pre-empt that process, and I will not be drawn on hypotheticals. I will not support any mechanism or legislation that muzzles schools from having ongoing dialogue with their communities and with parents.

### **Police—Resourcing**

**7. Hon CLAYTON COSGROVE (Labour—Waimakariri) to the Minister of Police:** Does she stand by her statement that “it is essential that police have the resources and support they need to keep the public and themselves safe”?

**Hon JUDITH COLLINS (Minister of Police):** Yes. That is why Budget 2009 provided \$182.5 million of funding for extra police. The \$182.5 million includes \$20 million of capital funding for accommodation and vehicles to support the extra police.

The police also received \$10 million in Budget 2009 for Tasers to keep themselves and the public safe.

**Hon Clayton Cosgrove:** Why, then, are Counties-Manukau police forecasting only an extra 26 police vehicles in 2010 to go with their 300 additional police?

**Hon JUDITH COLLINS:** I think the member may have the wrong figures, because the Budget actually provided for 43 extra cars for Counties-Manukau police.

**Sandra Goudie:** What is the Government doing to make sure that the police have the resources and support they need to keep the public and themselves safe?

**Hon JUDITH COLLINS:** The Government has provided \$182.5 million for extra police, accommodation, and cars. As a result, the number of front-line police will increase from 8,307 on 30 November 2008 to 8,907 by 31 December 2011. That means 600 extra police on the streets of New Zealand.

**Hon Clayton Cosgrove:** I will take the Minister at her word. Why, then, are the Counties-Manukau police forecasting only an extra 43 police vehicles in 2010 to go with their 300 additional police?

**Hon JUDITH COLLINS:** An awful lot of police will be on the beat, doing what police should be doing—working hard. But they do not all need to have one car each, 24 hours a day, 7 days a week. One of the things that the police are doing is looking at how they can more efficiently use the great deal of resources that they have been given by this Government.

**Hon Clayton Cosgrove:** Are the cuts in police vehicle numbers linked to the Minister's view that certain people should not receive tickets if they break the law, and I quote: "When we see action being taken against generally law-abiding people—and you can talk about quotas or targets or tickets or whatever as an example—that actually ultimately undermines the respect that the public have for the police, and I do not think that works for police."; and, considering that attitude, did she also suggest to the Minister of Transport that he cut \$49 million out of the road transport policing budget?

**Hon JUDITH COLLINS:** The answer is no to all of those many questions. I would say to that member that I stand by my statement that New Zealand police can do the great job that they do because the vast majority of the public support them in doing that. And one of the reasons they can do that is that the public expect them to be fair, to be reasonable, and to enforce the law in that way, and I am very proud that New Zealand police actually do do that.

**Hon Clayton Cosgrove:** I seek leave to table a letter from the *Police News* of June 2009, from the Tasman Police District road policing manager, who states: "The 'generally law-abiding public' that the Minister refers to are those that feature far too often in fatalities and serious injury crashes that our frontline staff have to clean up after."

**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.

### **Warm Up New Zealand: Heat Smart—Role of Councils**

**8. NICKY WAGNER (National)** to the **Minister of Energy and Resources:** What role will councils play in the delivery of the Warm Up New Zealand: Heat Smart home insulation scheme announced in Budget 2009?

**Hon GERRY BROWNLEE (Minister of Energy and Resources):** Local councils can play an important role in delivering the scheme by allowing residents to pay off insulation and clean heat improvements on their rates bills. I announced today that the Hawke's Bay Regional Council has joined the scheme, and Environment Canterbury

and Nelson City Council intend to expand their current schemes to more suitably accommodate the programme Warm Up New Zealand: Heat Smart. This is just the start. I am advised that a number of other councils are in the process of working through their long-term plans and other administrative and technical details so that they, too, can implement plans that will be of use to their ratepayers and enable more people to take advantage of this extremely good Government scheme.

**Nicky Wagner:** How will the Warm Up New Zealand: Heat Smart scheme help the economy?

**Hon GERRY BROWNLEE:** I am advised that over the next 4 years the Warm Up New Zealand: Heat Smart scheme will create about 2,000 jobs. I will give an example of how that happens. I was out in the Hutt Valley today, accompanied by Metiria Turei from the Green Party, which has been very instrumental in putting this programme together, and we looked at the first house that is being insulated under this programme. The important thing is that the firm that is putting the insulation in place and installing the clean heat, which in this case is a heat pump appliance, has recently employed an additional 20 people and is in the market for even more. The most important thing is that nine of the people employed, from that group of 20, were previously unemployed. I was very impressed that when I spoke to one of the young men today who was doing that work, he said it was good to be doing something that is good for New Zealand. I agree with him.

**Charles Chauvel:** Has the Minister seen the comments from the chairperson of the Hawke's Bay Regional Council, the council that he announced was joining the scheme today, who said that as a result of the cuts in grants for clean heating under the new scheme, that council will have to reduce the size and scrap the interest-free component of its loans to ratepayers; and does he now understand that in his haste to replace Labour's previous scheme, he is making sure that some householders are actually worse off than they would have been?

**Hon GERRY BROWNLEE:** No, I do not agree with that. I inform that member that the Hawke's Bay gentleman who made the comment has been made aware of the situation that has led him to make what is, effectively, a comment in error. Formerly, ratepayers there could get a \$1,400 grant, but he had not factored in that the Government has added the \$500 heating appliance grant, which means that they can now get \$1,800 for actual improvements to their heating. Although that comment from the chair was in the early press statement, I think there will be ones to follow that make it very clear that the residents of Hawke's Bay are better off under the National Government scheme, which was put together in conjunction with the Green Party.

**Nicky Wagner:** What has been the response from the public to the Warm Up New Zealand: Heat Smart scheme?

**Hon GERRY BROWNLEE:** The response has been almost incredible. Before I came to the House I noted that there had been just over 1,200 calls today to the EnergyWise call centre. There have been 143 unique visitors to the Energy Efficiency and Conservation Authority website since the Budget announcement.

**Hon David Cunliffe:** 143? Ha, ha!

**Hon GERRY BROWNLEE:** I am pleased that the member has picked up on that number. I meant to say 143,000 unique visitors. That is 143,000 New Zealanders who have said what a great job the National Party and the Green Party have done in putting up this programme, how wonderful it is that they can finally heat their houses, and what a surprise it is that the politicians are doing something rather than just talking about it. For 9 years the previous Labour Government was just talking about it, and in 9 months or less the National Party has put this scheme in place.

**Hon Darren Hughes:** I raise a point of order, Mr Speaker. We were happy to help the Minister to correct his own answer, but I think subjecting us to a Wednesday speech half an hour ahead of time is a bit much.

**Mr SPEAKER:** I accept the honourable member's point, but the members on the opposite side of the House did interject and provoke a response. I take it the honourable Minister has finished his answer?

**Hon GERRY BROWNLEE:** My apologies, Mr Speaker. I always assume that there are people on the other side of the House who are prepared to learn. In essence, the answer to the question is that there has been a very positive response from the public.

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. It is a very simple point of order. The Minister commented on your ruling in a way that he is not allowed to do.

**Mr SPEAKER:** In fairness, I think that the whole exchange was in pretty good humour. I do not think that we should get too concerned about that.

### **Auckland, Local Government Reform—Minister's Support**

**9. PHIL TWYFORD (Labour) to the Minister of Local Government:** Does he stand by his proposed reforms for Auckland governance?

**Hon RODNEY HIDE (Minister of Local Government):** Yes. Auckland is to have, I am pleased to say, one mayor, one council, and one plan. We look forward to further refining the Government's proposals with the input of Aucklanders through the select committee process.

**Phil Twyford:** Does the Minister agree with his Associate Minister, John Carter, who said: "people would rather have 20 councillors elected from wards rather than any elected at large." for the new Auckland council?

**Hon RODNEY HIDE:** Labour members should take heart. They criticised me and the Government for not consulting with Aucklanders. Actually, we are consulting with them. Not only that, we are listening to them too. That will happen also through the select committee process. I am pleased to allow the select committee process to operate and to see what Aucklanders think.

**Hon Darren Hughes:** I raise a point of order, Mr Speaker. My colleague Phil Twyford asked a very straightforward question to the Minister as to whether he agrees; then Mr Twyford put a proposition to him. The Minister has not told us whether he agrees with the proposition put to him.

**Mr SPEAKER:** I think members well know that they cannot expect a yes or no answer from a Minister. The Minister made it very clear that he did not have a yes or no position on that question. In fact, he helped the House by advising how the issue will be handled as we look ahead, and I think that was probably a pretty helpful answer for the House.

**Phil Twyford:** Does the Minister agree with his Associate Minister, John Carter, that Aucklanders would be more "comfortable" with as few as 10 local boards, rather than the up to 30 local boards that the Minister is planning for?

**Hon RODNEY HIDE:** Thank you for the question. As I said in my primary answer, it is clear that Auckland is to have one mayor, one council, and one plan. We are happy to be working and consulting with Aucklanders. I would like to hear from Aucklanders through the select committee process. We have been hearing from them through meetings. I contrast what this Government is doing in terms of consulting with Aucklanders and what it has done for Auckland in the just under 9 months that it has been in Government with what was done by the previous Government in 9 years. It did nothing except fly Judith Tizard up and down to function after function.

**Phil Twyford:** Does the Minister stand by his recent comments on Dunedin's Forsyth Barr Stadium that it is "never too late" for a referendum, and his view that

significant and irreversible changes in local government should be put to a referendum; if so, will he hold a referendum on saddling Auckland ratepayers with \$84.3 million to fix up Queens Wharf?

**Hon RODNEY HIDE:** As I explained in my primary answer, I am committed to sorting out the sorry state of Auckland governance, where voters, mayors, and councillors have not been able to address the problems that have beset Auckland. That is my focus in Auckland—the very problems of governance that saw the previous Government spend \$4 million on the Royal Commission on Auckland Governance, and leave it up to this Government not just to do a report but to actually act on it.

**Sue Kedgley:** Is it not the case that the local boards under the Minister's Local Government (Auckland Council) Bill are toothless and impotent, have no statutory basis whatsoever, and are not even defined as local authorities but as unincorporated societies, whatever that means; and, given that they are so impotent and toothless, how on earth are they supposed to represent in any significant way their local communities?

**Hon RODNEY HIDE:** No, the member is quite wrong. Let us be clear about this: the Government wants the local boards to have a significant role and to be recognised in statute. We want them to have a significant role so that they have an important position in the community, and because we do not want the Auckland Council distracted from the regional issues and dragged into every local issue. However, we need considerable analysis and input from Aucklanders, because we also do not want the local boards to be making decisions that will undermine the regional decision making of the new Auckland Council.

#### **Employment Scheme, McDonald's—Government Subsidy**

**10. SUE BRADFORD (Green) to the Minister for Social Development and Employment:** By how much, if anything, is the Government subsidising McDonald's through assistance with recruitment and training of staff as part of Work and Income's 5-year deal with the company?

**Hon PAULA BENNETT (Minister for Social Development and Employment):** I can tell the member that, as with other industry and employer partnerships, the amount of funding depends entirely on which Work and Income job seekers the company employs. The funding follows the individual. For example, a long-term beneficiary may attract a job subsidy of up to \$16,800 over a 12-month period; that is, up to \$380 per week. Another person hired directly by accessing Work and Income's database may not be on a benefit and may attract no funding at all. To give the member an example, in Dannevirke we referred 54 people to McDonald's. Of those 54 people, 27 were hired and started work last weekend. Twelve of those 27 people who were hired had been on a benefit, and eight of those 12 beneficiaries attracted a skills investment wage subsidy, for a total cost of \$36,000 over 6 months.

**Sue Bradford:** Why does the Minister think it should be a priority use of Ministry of Social Development funds to subsidise a fast-food multinational whose net profit after tax in New Zealand in 2008 was over \$23 million?

**Hon PAULA BENNETT:** As I previously stated, the funding follows the individual, so that the individual can get a job with any employer. It is a job subsidy for long-term beneficiaries, and it has been around for years. The job subsidy that goes with the individual is not new. The partnership and the way that we access those employees are different, but the job funding is not different or exceptional.

**Sue Bradford:** Why on earth does the Government believe it is important or appropriate to put this kind of money into picking up the costs of McDonald's training, recruitment, and employment, when a company like that can well afford to pay its own wages, given that its employees are mostly on the minimum wage anyway?

**Hon PAULA BENNETT:** Let us be quite clear that in order for individuals to get that level of funding, they would have to meet certain criteria. They have to be long-term unemployed, and they have to need the assistance of Work and Income in getting a job. The funding follows the individual no matter who the employer is; that is what is happening with this scheme. There is nothing exceptional about it, there is nothing unusual, and there are no hidden agendas.

**Katrina Shanks:** Are there other industry and employer partnerships that have the potential to absorb increasing numbers of—

**Mr SPEAKER:** I apologise to the member. I ask members to bear with me; I just could not hear that supplementary question at all. It is my fault and I accept that; my ears are not functioning properly.

**Katrina Shanks:** Are there other industry and employer partnerships that have the potential to absorb increasing numbers of job seekers?

**Hon PAULA BENNETT:** Yes. We currently have 78 industry and employer partnerships; we will see people being placed in jobs over the coming year. One partnership that I would like to highlight is in the aged-care and disability support sector, which has huge potential. The Department of Labour estimates that the number of paid caregivers needs to more than double, to 48,200 by 2036. We are already working with employers, the industry training organisation, and unions in this sector to put Work and Income job seekers on to this career path.

**Sue Bradford:** Is the McDonald's deal not just an apprenticeship programme for a low-wage economy; and if the Government is serious about closing our wage gap with Australia, would it not be better to restore the Government's recent funding cuts to skilled job creation and apprenticeship programmes and to boost the minimum wage?

**Hon PAULA BENNETT:** I am sure there are a number of ideas around how we can help people, particularly young people, into employment. The job subsidy is one of them. As well as that, I am sure the member has other ideas that she is putting forward now and that are worth listening to.

**Sue Bradford:** Why are the Minister and her department so optimistic that there will be up to 7,000 jobs for the unemployed from McDonald's over the next 5 years, at a time when more and more people are hanging on to their jobs and when, for example, we just learnt that a new supermarket in New Plymouth is receiving 10 applications for every single job that is available?

**Hon PAULA BENNETT:** Because McDonald's is opening new restaurants throughout New Zealand rapidly; that is why there will be more jobs with the company. McDonald's is accessing our database, and we have a deal that by the end of the year it will be able to access our job bank, which will allow the company to search for candidates. So we are more or less work-brokering; we are putting people who are on the unemployment benefit at the moment forward for interviews with McDonald's. I will quote a man who wrote to me recently, a Māori gentleman who came from a large family and who left school at 15. He said: "At 22 I started working for McDonald's. During my time there I remember telling a young boy I was training: 'Listen, mate, if you work really hard you can be anything you want, maybe even own your own store. Last I heard, he owned three McDonald's.' "

### **Internal Affairs, Minister—Commitments**

**11. CHRIS HIPKINS (Labour—Rimutaka) to the Minister of Internal Affairs:** Will he honour all of the commitments made by the previous Minister of Internal Affairs?

**Hon NATHAN GUY (Minister of Internal Affairs):** I am currently considering my priorities for the internal affairs portfolio, having had just 15 days in my new role.

**Chris Hipkins:** Has he reviewed all of the appointments to boards and committees and other similar roles made by the previous Minister of Internal Affairs; if not, why not?

**Hon NATHAN GUY:** That member needs to know that these appointments went through a very thorough process. There was a nomination process, they went to the Cabinet appointments and honours committee, and they have been through the Cabinet process and the caucus process as well.

**Chris Hipkins:** I raise a point of order, Mr Speaker. I think you will find that the Minister did not address the question. I asked him whether—

**Mr SPEAKER:** There is a point of order on the floor and members will respect that.

**Chris Hipkins:** My question was very specific. It asked whether he would review the appointments and he did not address that.

**Mr SPEAKER:** The Minister pointed out that they had been through a process involving Cabinet and a range of mechanisms. Clearly, from what the Minister said, as they have been through that process, they are not about to go through that process again. I think that by implication that answers the question.

**Chris Hipkins:** Can he assure the House that all of the appointments made by the previous Minister of Internal Affairs followed the proper process and were made in accordance with the highest ethical standards—yes or no?

**Hon NATHAN GUY:** Yes.

### **KiwiSaver—Complaints to Banking Ombudsman Regarding ING New Zealand**

**12. JOHN BOSCAWEN (ACT) to the Minister of Finance:** Has he received any reports on the proportion of successful complaints to the Banking Ombudsman regarding ING Managed Funds DYF and RIF; if so, does he consider this to be an acceptable level for a Government-appointed default KiwiSaver provider?

**Hon BILL ENGLISH (Minister of Finance):** The Banking Ombudsman's office is continuing to investigate complaints made by members of the public who believe they were ill advised about these investments. I understand that some of the investors who were advised to make inappropriate investment decisions have been compensated, and that a number of claims are still being processed. In addition, the Commerce Commission is investigating the sale, promotion, and marketing of various funds under the Fair Trading Act. It should be noted that the funds in question are not KiwiSaver funds, and I have received no reports of similar complaints about any KiwiSaver fund.

**John Boscawen:** How can the Minister conclude anything other than that investors in ING have been ripped off, when the Banking Ombudsman has upheld two-thirds of the complaints processed?

**Hon BILL ENGLISH:** The fact that the Banking Ombudsman has upheld that proportion of complaints is a matter for people to draw their own judgment on. In respect of a KiwiSaver provider's role, that matter is subject to the terms of the 7-year—I think—contract signed by the previous Government, and I would have to investigate that arrangement to see whether any kind of change could be made on the basis of the behaviour of a provider. That may be a bit difficult; all KiwiSaver funds, as far as we are aware, have been properly supervised and looked after. I certainly have not had any advice that the arrangements for KiwiSaver could be questioned on the basis of other things that those institutions do.

**John Boscawen:** Does the Minister think it is acceptable behaviour for KiwiSaver provider ING to require that an 84-year-old frail investor who wishes to accept ING's paltry offer resubmit the claim to the Banking Ombudsman as a statutory declaration, if the investor is to benefit from her finding; and does the Minister not see this as ING simply making it harder for the elderly who have lost their life-savings?

**Hon BILL ENGLISH:** In these cases, my sympathy—particularly in my role as a constituent MP—is with those investors who have lost what is often their life-savings. However, it is a matter of legal interpretation as to whether the way in which ING is conducting business in respect to those depositors would affect its status as a KiwiSaver provider. It is unlikely, but I am happy to pursue the matter in the way that the member has raised it.

## QUESTIONS TO MEMBERS

### Banking Practices—Inquiry

**1. Hon DAVID CUNLIFFE (Labour—New Lynn) to the Chairperson of the Finance and Expenditure Committee:** Has the Finance and Expenditure Committee made a decision on the proposed banking inquiry today?

**CRAIG FOSS (Chairperson of the Finance and Expenditure Committee):** Yes.

**Hon David Cunliffe:** Why did he, and the National, ACT, and Māori Party members vote against—

**Mr SPEAKER:** That question is out of order, because that is not a matter of the process of the committee. The chair of the committee cannot be expected to answer that kind of question. I will give the member a chance to ask a supplementary question that is in order, though.

**Hon David Cunliffe:** I am not questioning your ruling, Mr Speaker, but I seek your guidance. The process of taking a vote, I had been under the impression, was a matter of process, and the way in which the vote was conducted and the results of that vote are now matters of the public record, so there is no question of that being confidential to the committee. Do you, Mr Speaker, have any advice as to how I might go to those matters of process in a way that is within the Standing Orders?

**Mr SPEAKER:** The part of the question, as I heard it—and forgive me if I heard it wrongly—that was out of order was the part that asked the chair of the committee why parties had done certain things. The chair of the committee is not responsible for that, so I invite the honourable member to ask a supplementary that is in order, should he wish.

**Hon David Cunliffe:** Thank you, Mr Speaker; that helps. Is it the case that the chairperson, and the National, ACT, and Māori Party members voted against the inquiry topic that the chairperson himself had earlier proposed, after the Reserve Bank had confirmed that there was still a problem on short-term interest rates, and after the Prime Minister and the Minister of Finance had indicated they did not have a problem with the inquiry proceeding; or was it a case of saying one thing to the public's face and the opposite in the committee, after a loving chat with a few old bankers?

**Hon Gerry Brownlee:** I raise a point of order, Mr Speaker. That is a political question; it is not a procedural question.

**Mr SPEAKER:** Well, I accept the point the honourable member is making, to some extent. I mean, the first part of the question did relate to the record of the committee, and the chair would have information on whether it was correct that certain parties voted in a certain way. The first part was not about why they did that; it was about whether they had done so. But then the member proceeded to add allegations to his question; members tend to do that. I did not stop the honourable member, and I therefore feel that the question was not totally out of order. I was listening quite carefully to it. But I suggest that in the future, questions to committee chairs should not contain quite so much political material.

**Hon Gerry Brownlee:** I raise a point of order, Mr Speaker. I ask you to reconsider that, because the question asks the chairperson of the select committee to explain why he and others voted in a particular way. That is the essence of the question. Members on the other side can say no, or whatever else, but when we start to ask questions about

whether it was for this reason or for another reason, or whether this was something that someone said at one time and not at another, that is not to do with the procedure of the committee. Those are personal decisions of the members at that committee. How they cast their vote is a matter of public record; it should not then be able to be questioned through the question time process in the House like this.

**Mr SPEAKER:** I accept the point the honourable member has made, and perhaps I should have stopped the member, because the latter part of his question did go outside the Standing Orders. But the first part was in order. He was not asking why; he was asking for the record of what actually happened, and I believe that that is in order. So the first part of the question, I think, is in order to be answered.

**CRAIG FOSS:** The member should be aware that the voting on this matter has been recorded in the committee minutes, and these will need to be confirmed at the next committee meeting. All other matters are within the committee, and I urge the member not to go outside those rules.

### **Children, Young Persons, and Their Families (Youth Courts Jurisdiction and Orders) Amendment Bill—Report-back Date**

**2. Hon ANNETTE KING (Deputy Leader—Labour) to the Chairperson of the Social Services Committee:** Will the Children, Young Persons, and Their Families (Youth Courts Jurisdiction and Orders) Amendment Bill be reported back on 8 July 2009?

**KATRINA SHANKS (Chairperson of the Social Services Committee):** The report-back date for the bill is 18 August 2009.

**Hon Annette King:** Has she, as the chair of the committee, been advised by the Minister for Social Development and Employment—

**Chris Tremain:** I raise a point of order, Mr Speaker. I seek your guidance, Mr Speaker. The Hon Annette King in asking the substantive question said “8 July”. The question sheet I have here has the date 18 August, so the Hon Annette King did not ask the question that is on the question sheet.

**Hon Annette King:** Mr Speaker, my apologies if I misread it; I will read it again.

**Mr SPEAKER:** If it assists the good order of the House, let us go back to the start. Again, I apologise for not picking that up.

**Hon Annette King:** Will the Children, Young Persons, and Their Families (Youth Courts Jurisdiction and Orders) Amendment Bill be reported back on 8 August 2009?

**Mr SPEAKER:** I would ask the member to read the question that is on the Order Paper.

**Chris Tremain:** I raise a point of order, Mr Speaker. This side of the House is fed up with this question. There have been two chances to ask the question correctly, and the former Minister has not asked it correctly. We think that is probably enough of this question. [*Interruption*]

**Mr SPEAKER:** There will be order in the House! I accept the point the member is making, but I think that in the interests of democracy the member should be invited to get the question correct. The Hon Annette King. [*Interruption*] I want to hear her!

**Hon Annette King:** My question is to the chairperson of the Social Services Select Committee. Will the Children, Young Persons, and Their Families (Youth Courts Jurisdiction and Orders) Amendment Bill be reported back on 18 August 2009?

**KATRINA SHANKS:** The report-back date for the bill is 18 August 2009.

**Hon Annette King:** Has she, as the chair of the committee, been advised by the Minister for Social Development and Employment that the bill may be delayed; if so, what are the reasons for the delay?

**KATRINA SHANKS:** All discussions on this bill remain confidential to the committee until it makes its report back to the House.

**Hon Gerry Brownlee:** I raise a point of order, Mr Speaker. I know that that question took a long time to come, but in fact there was another mistake. The question should have been addressed to the chairperson of the Social Services Committee. I am sure the member will correct it when she gets her *Hansard*.

**Mr SPEAKER:** I thank the honourable member.

## URGENT DEBATES

### Ministry of Social Development—Job Cuts

**Mr SPEAKER:** I have received a letter from the Hon Annette King seeking to debate under Standing Order 380 the Government announcement yesterday that the Ministry of Social Development is cutting up to 200 jobs, including a team of social workers dedicated to child abuse education. This is a case of recent occurrence involving ministerial responsibility, and I consider that it does deserve the immediate attention of the House. I call on the member to move the motion.

**Hon ANNETTE KING (Deputy Leader—Labour):** I move, *That the House take note of a matter of urgent public importance.* Yesterday the chief executive officer of the Ministry of Social Development announced cuts of up to 200 jobs as part of restructuring demanded by the Government and Miss Bennett. We have been told that the cuts will save around \$22 million a year. At the same time the Prime Minister announced that tens of millions of dollars will be spent on a venue for “party central” for a knees-up for the Rugby World Cup. Millions of dollars will be spent on a party at the same time as \$22 million is to be cut from the social development budget. Those cuts will affect children and families, and they come at a time when unemployment is rising rapidly.

Only a few months ago the Minister for Social Development and Employment said unemployment was just a blip. Today on National Radio the Minister said—I think she has changed her mind—that we would be dreaming if we did not think unemployment was going to increase. The Minister is the one who has been dreaming. She has been dreaming for month after month. It is time she opened her eyes and looked around. It is time she stopped being the “Minister for Slogan Development”. It is time she stopped the photo shoots and the media stand-ups and started to stand up for families, young people, and children in our country.

She knows that the number of people on the unemployment benefit over the next year will increase by 164 percent. There will be a 164 percent increase in the number of people who will be thrown on the dole over the next year. Miss Bennett should stand up for the young people in this country. It is no good having a photo shoot and making a speech. That is no substitute for real policy. Unemployment for young people in this country has already reached 19 percent for those aged between 15 and 19 years, and 11 percent for those who are between the ages of 20 and 24 years. Those figures are well above the rate for other joblessness.

The Minister should wake up and look at what is happening to our young people. Young people had a chance a few weeks ago under a programme called Enterprising Communities, but it was dumped by Miss Bennett. The programme was scrapped by Miss Bennett. She said no research had been done on it, she did not believe that it worked, and it did not lead to jobs. I can tell Miss Bennett that 3,000 jobs would have come out of that programme if there had been continued investment in it. Let me put that into perspective.

**Hon Paula Bennett:** Rubbish!

**Hon ANNETTE KING:** The member says that is rubbish. Those are the figures that would have been given to her. Those 3,000 jobs are more than we will get from constructing a bicycle lane and more than we will get out of a 9-day working fortnight. The number of jobs resulting from those initiatives will not come to 3,000, even if we add them together.

Enterprising Communities is one programme that could have given an opportunity to young people, and with the swipe of a pen Miss Bennett got rid of it. That is despite the Mayor of Ōtorohanga telling her that it works, and despite the fact that she signed a memorandum of understanding with that mayor and with other mayors in the Mayors Task Force for Jobs, saying that young people were her priority and focus. That is balderdash! If young people were her priority and focus, why would she wipe out a scheme that in Ōtorohanga alone saw unemployment for young people drop to zero? The programme saw a 75 percent reduction in youth crime, and she said it does not work. Miss Bennett managed to find \$30 million for boot camps for around 80 recidivist young offenders, but she chopped the funding for keen young people who want a job and who want to get on with their lives and to have an opportunity.

At this stage, 1,100 people a week are being thrown out of work in this country. I read a news report in March this year from TV3. It stated that in one month alone 2,000 people had lost their jobs. The number of people who lost their jobs was 2,000 a month in March, but 1,100 people are now losing their jobs every week in this country.

I ask Miss Bennett to stand up for our children. The closure of 12 Child, Youth and Family centres around New Zealand is nothing but short-sighted, foolhardy, and shameful. The Government can spend \$50 million on a bicycle lane around New Zealand, but it cannot spend a few miserable dollars to keep open service centres that provide services to children, young people, and their families in this country. The termination of social workers, who are dedicated to preventing child abuse, educating people on detecting child abuse, and working on the front line in the area of child abuse, is bizarre. We are now told that all social workers will do that job. We now know that in addition to social workers' case management they will also have to go out and educate, go to schools, meet with Plunket, and do a whole range of other activities because they have plenty of time to do them.

Who has it right? The Prime Minister said yesterday that he agreed with Christine Rankin—the person he has described as somebody who knows an incredible amount about abused children in New Zealand—when she said that social workers in Child, Youth and Family are already too busy and that people are having to wait 6 weeks for service. He said he agreed with that statement, but Miss Bennett is saying that social workers have plenty of time to pick up more roles and that it does not matter if they are already busy. In fact, she does not believe that social workers are already busy. I am very concerned about the impact this change will have on children and young people in New Zealand.

Last week in this Chamber John Key said that members on this side of the House do not care about abused children. I was nursing my new grandson when I heard that gratuitous comment. I do not believe there is a single member in this House, no matter which party he or she is in, who does not care about child abuse in this country. We do care; we care deeply about child abuse.

In my view the Prime Minister sunk to a new low in defence of the appointment of Christine Rankin. It was in that context that he made his gratuitous comment. He could have said that we need to do more in the area of child abuse. He could have said that we should work together on this complex issue. He could have said that child abuse is a priority area and the Government is committed to addressing it. But to stand in this Chamber and attempt to make cheap political points at the expense of decent members

of Parliament who care about child abuse is shameful, and the Prime Minister should apologise to all members in this House.

All of us in this House know that child abuse has been a deep, dark secret in families for generations, and it is only now that we are seeing the light of day being shone upon it. It is only now that people are prepared to come forward and report child abuse because they are aware of it, they know it is wrong, and they are prepared to step forward. I was with Pita Sharples on Māngere Mountain with a candle when we were trying to promote awareness of child abuse and taking a leading part as members of Parliament to show the effects of child abuse.

In my view, child abuse is a complex issue and one we need to work together on. It means we have to work with non-governmental organisations, the police, neighbours, family members, and social workers—the very social workers who have been cut from their jobs in the changes the Minister made in Budget 2009. The social workers are there to raise awareness about child abuse and to put child abuse at the top of the agenda, because last year 12,116 children were abused in this country. John Key said yesterday that raising awareness of child abuse is no longer necessary. I was staggered when I heard him say that. He said we do not have to make people aware of child abuse, because they are reporting the cases. What naivety! Does the Prime Minister not understand that people report child abuse because they are aware of child abuse? Of course we want to prevent child abuse, but we have to make people aware of it.

Let us discuss the issue of family violence alongside child abuse. In the last decade or so we have seen huge increases in the reporting of such terrible crimes. Why? Because people are aware of family violence. They have been educated about it and they feel confident that they can report it. We cannot cut the area of awareness, but that is what Miss Bennett and her Government have done. They have cut social workers out of a very important role. We need greater awareness, more reporting, and more prevention.

Mr Key said he was going to do something about abused kids. That is great. We will work with the Government on it. But we also need to do something about stopping the abuse—not after the kids have been abused but actually to stop the abuse. We need to make sure we do not cut parenting programmes such as has been done in this Budget. We should not cut budgeting services such as has happened in this Budget. We support stressed families because we know that if we do not then there will be an increase in child abuse and family violence in this country.

Why can the Government not see that the short-sighted approach it is taking will lead to more violence in our homes and more child abuse? I believe that the reason for the Government's approach is that it is a greater priority for it to spend millions of dollars on one-off projects for the benefit of the Prime Minister, the Minister for Social Development and Employment, or any other Minister who has a pet project rather than to concentrate on the bread and butter issues that face our country here in New Zealand.

Cuts to services for unemployed people and our most vulnerable at this time are unfair and unjustified. The social development and employment portfolio needs a strong Minister, a Minister up to the task, but, sadly, we know that John Key does not have confidence in the Minister. She has already lost one portfolio. The Prime Minister said she asked to lose it. When the Prime Minister stands up and says "Didn't she do a good job on *Morning Report*?", and everybody rolls their eyes and laughs, if I were that Minister I would be very worried about what the Prime Minister thinks about my performance.

I believe that Miss Bennett has not shown that she is capable of taking New Zealand forward in terms of employment policy. She has not shown to be capable of giving the leadership that is needed at this time. No one says it is easy, but all we have had in the

last 6 to 7 months has been slogans and comments about how she is a foot stamper and how she can make things happen. I ask the Minister when things will start happening. When will she do something for children and young people in New Zealand? When will she do something for unemployed people in New Zealand? When will she get over the photo shoots in magazines and get on with the hard work? That is what is expected of a Minister in charge of such a big portfolio.

We are very sorry to see cuts in the area of social development that will have an impact on families and children. Spending 22 million miserable dollars on them would have a great effect. The Minister has not shown that she is capable of standing up to the Minister of Finance and fighting for children, young people, and their families. We will reap the rewards of that sort of lack of care.

I am delighted we have the opportunity to debate this issue today. We feel strongly about it, and I know that members of this House feel strongly about child abuse in this country. I just wish that the Government would be a little less arrogant and would listen to what people are saying about the needs of unemployed and vulnerable people in this country.

**Hon PAULA BENNETT (Minister for Social Development and Employment):** I thank you for allowing this debate today, Mr Speaker, because it is vitally important that the House debates child abuse and neglect, not just when there is a high-profile case, the issue is in the media, and the public are talking about it because one of our children has been absolutely, horrifically hurt. We have heard a lot of rhetoric, we have heard a lot of personal insults against me, but we need to speak about the actual issues.

New Zealand has the third-highest rate of child abuse and neglect in the OECD. That is a horrific statistic in any terms. Last year there were 87,709 care and protection notifications. That is 22 percent more than in the previous year. Many of those notifications came about because of changes in the notification process. When police visit family violence incidents where children are present, a notification must be made. We just heard the statistic that 12,116 children and young people were neglected or abused last year. When the notifications that we had were investigated, it was found that 12,116 children and young people had been neglected or abused. The most horrific statistic of all is that 1,356 of those children and young people had been abused again within 6 months. That is where this Government's focus lies.

I can guarantee the public of New Zealand that due to the changes that have taken place in the last few months, more front-line social workers will be working with those children and with our children in New Zealand. I repeat that guarantee, because it is vitally important. I guarantee the public of New Zealand that because of the changes that have been introduced under this Government, more front-line social workers will be working in New Zealand. That is what we need.

We talk about unallocated cases, but let us talk about what is really important. The rate of unallocated cases continues to decrease. As I said at the estimates hearing last week, we have around 200 unallocated cases compared with 5,000 just 5 years ago. All of those notifications of abuse and neglect have met the deadline for action. That is what this Government and I expect the Ministry of Social Development to be truly focused on.

We have some horrific abuse in New Zealand and it is time we fronted up to it. Let us talk about who abuses children and young people. Unfortunately, young infants are most likely to be seriously abused, or even killed, by their own mother. The next group most likely to be abused will be abused by their father, or by their mother's partner or boyfriend. Unfortunately, 47 percent of those children who are hospitalised are Māori. The rate is much lower among Pasifika and European children. We need to start to look at some of those demographics and start to look at the big picture. We need to actually

recognise what that means and how to deal with it. [*Interruption*] There are catty calls from the other side of the House, but I take this issue really seriously. I think the New Zealand public does as well and is ready to see—

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. The word that I object to is “catty”. That is an inappropriate description. It is one that is quite pejorative, aimed at women MPs, and just because the member who uses it is herself a woman, it does not mean that it is acceptable to use it or acceptable to describe members on this side as “catty”. Although it might not be on the proscribed list of unparliamentary terms yet, it is one I would like you to consider.

**Chris Tremain:** This is a robust debating chamber. If we start outlawing, or ruling out of order, words like “catty”, we are going down a bad and precious path.

**Mr SPEAKER:** At this stage I have to say to the honourable member that it is a term in fairly common usage, and we do have to be careful not to rule out every critical expression that exists. I just ask the Minister to be reasonable in her use of the language.

**Hon Annette King:** I raise a point of order, Mr Speaker. I take exception to the comment the Minister then made that we do not take this issue seriously. We take this issue very seriously.

**Mr SPEAKER:** The member cannot debate the matter under a point of order. It is a difficult call for the Speaker to make. Allegations of whether the other side takes an issue seriously are made all the time, and I think the next speaker for Labour can readily make the case for how seriously Labour takes it. I do not see how I can rule out that kind of comment.

**Hon Trevor Mallard:** There has been quite a lot of precedent where members have taken exception. This is a very serious issue, and to accuse members of being uncaring about child abuse is about as objectionable as one can get. It is a horrible, horrible thing. As members all around the country, we had responses after the Prime Minister’s similar comment last week. I regret that I did not take a point of order when he made it last week. I should have, but I was taking some particular care at the time. To suggest that members do not care about this issue is offensive.

**Mr SPEAKER:** The member has made his point.

**Hon PAULA BENNETT:** I raise a point of order, Mr Speaker. The previous speaker in the debate made many accusations that I did not take this issue seriously and was not stepping up to the mark. I let those comments go because, after all, it is a robust debate and at the end of the day I would have my chance to speak. I can understand that members opposite are a bit disgruntled—

**Mr SPEAKER:** The Minister will sit down. The Minister had a perfectly good ground for a point of order until that point, but she cannot attack members on the other side of the House under a point of order. I accept exactly what the Minister has said, because, despite my poor ears today, I heard interjections and accusations across the House that the Minister did not take this matter seriously. However, in respect of the allegation that has been made by the Minister, personal objection by the mover of the motion has been taken. All I would ask the honourable Minister to do maybe is to withdraw the allegation that the Opposition does not take the matter seriously. That is what I ask the Minister to do, and I think it is in the interests of good order in the House for both sides not to make that kind of allegation on a serious issue such as this. I ask the Minister to withdraw.

**Hon PAULA BENNETT:** I withdraw.

**Mr SPEAKER:** Thank you.

**Hon PAULA BENNETT:** Let us just get back to some of the facts. Last year the chief executive of the Ministry of Social Development signalled in the briefing to the incoming Minister that there would be changes and a reduction in staff. Let us make it

clear that the value-for-money process within the ministry started in 2005 under the previous Labour Government, and, as such, those changes were happening when I became the Minister. So that was not new. The process was detailed on 12 May, as I pointed out at the estimates hearing last week, and it is part of the ministry's ongoing value-for-money programme that was started under Labour.

Let us make it really clear that more social workers will be on the front line. National campaigned on that promise last year, and that is what we are delivering. We are delivering more front-line staff and we are proud to do that. Already we have 60 new front-line staff in Work and Income. Already we have 104 new front-line staff in Work and Income being recruited. What we are seeing at the moment, which has come out of the review that has happened since 12 May, is that in the care and protection part of social welfare there will be more social workers in front-line roles. That is what National campaigned on and that is what we are delivering.

This is a serious issue; this is about our children. It is time we got the profile right, so that right at the start we can do the programmes that need to be done. When we look at the profile of who is abusing their children, we need to ask ourselves who they are and why they are doing it. They are isolated, they are urbanised Māori in big numbers, unfortunately, and they do not have the support networks around them that they need to make a difference. Having more front-line social workers will make a difference.

A lot has been made of the 18 community liaison social worker positions that are being disestablished. The key role of these people was to raise community awareness of child abuse. Their day-to-day activities included attending community meetings, visiting schools, working with health professionals, and developing policies about responding to and reporting child abuse. Eighteen people nationwide can do only so much. For example, they cannot reach all 7,000 schools in New Zealand. Let us move the responsibility of public education to everyone in the organisation. The deputy chief executive has been very clear that he expects all 3,000 Child, Youth and Family workers to be working in this area. Eighteen people nationwide were not making a huge difference, but we believe that every social worker being focused on it will. Over 100 Child, Youth and Family managers will lead this work.

Child, Youth and Family currently has 300 vacancies, 90 of which are for social workers. The chief executive informs me that he is very hopeful that these 18 social workers will apply for those front-line roles.

The savings from the restructure come mostly from reductions in administrative roles. That will fund extra front-line social workers. We campaigned on this, we promised it, and we are delivering it. That is what this debate is about, it is what the other side was asking, and it is what is happening. There will be an immediate increase of 12 caregiver social workers and 12 care services managers, and a further increase of around 30 to 40 social workers by the end of the year. That is the crux of the debate; it is what is happening. Let me just repeat that because of the changes that have been implemented in the last couple of months, there will be an immediate increase of 12 caregiver social workers, an increase of another 12 care services managers, and a further increase of around 30 to 40 social workers by the end of the year. That is this Government's focus and it is where we are putting our priorities.

We can hear the rhetoric. We had years of change, but that change did not happen. Let me give the House an example. I think it is fair not to count notifications because they have changed drastically over the last few years due to some of those changes. Let us talk about substantiated cases of child abuse. In the 2004-05 year there were 11,441 substantiated cases of abuse and neglect. In 2007-08 there were 16,290 cases—

**Hon Steve Chadwick:** We know this.

**Hon PAULA BENNETT:** Well why did the member not do something about it if she knows? If Labour members say that they know these statistics, then why did they not do something when they were in Government and could actually make a difference? Why were more social workers not moved to the front line to work with these people? Why was the matter not taken seriously enough so that there is a proper profile of these people? Why has there not been an actual service that talks about how those parents need support? Where is the profile around the isolation and urbanisation of these parents and what leads them to abusing their children? Why, for 9 long years, did we have report after report, but no meaningful action taken, and what is New Zealand's ticking time bomb and most serious issue? There can be rhetoric, there can be talk, and there can be personal insults, but it does not focus on what is most important—

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. This might seem slightly unusual, but I am listening to the Minister and I am having a little bit of trouble hearing, especially a comment that I thought the Minister said about urbanisation causing child abuse in Māori.

**Mr SPEAKER:** The member will resume his seat. It is unacceptable to interrupt the Minister's speech on a spurious point of order to try to make a political point. That is not acceptable. I invite the Minister to continue. If the member is struggling to hear, he can speak to his own colleagues who are interjecting loudly.

**Hon PAULA BENNETT:** Those members do not like it when National is focusing on what truly matters. This Government is focusing on what truly matters. The time for awareness is over. We need to make actual changes, and that is what this Government is stepping up to do. We need to know what works and we need to know why. We need to have the sorts of programmes that will be getting into people's homes and fundamentally making a difference. We cannot sit back and hand-wring and ask for report after report without there being actual and real action.

Recently there has been a little bit of talk about unemployment numbers going up. Quite frankly, it is time that Labour woke up to unemployment numbers going up. Unemployment went up for three consecutive quarters under Labour's watch, and when we came in there was no plan and there had been no action. After three consecutive quarters of unemployment going up there was no plan and no action from the Labour Government. Within a few weeks we had introduced the ReStart package, which identified those people who had been made redundant and who needed some targeted assistance to help them through that time. We then introduced the Job Support Scheme through my own office. We have certainly seen success with that, and it is going better each week as more companies make contact with us and ask what they can do.

If for one moment we thought that in a global recession unemployment would not be increasing then, yes, that would be dreaming. When we talk about a blip—just so we can correct some of the debate from time gone by—we see those numbers changing week by week. We see the people who come into the Work and Income office change week by week. I said that we cannot take one week in isolation because it could be a blip, and the next week it could be more. One week it could be less, the following week it could be more. We do not take one week in isolation, which is what was said within that quote, and the reason that no one else is picking it up is that it actually is not right.

More than 30 percent of those people who walk into Work and Income do not go on a benefit; they walk out with a job. That is because the focus has gone more and more on getting jobs into Work and Income. Last week alone we had 824 new jobs come into Work and Income for us to place unemployed people into. It is an increase from 616 in the same week of the year before. In the same week the year before 616 new jobs came in, whereas 824 new jobs came in last week. That is because the focus is on jobs, jobs, and more jobs when it comes to people walking into Work and Income.

We heard today in question time about job matching and the relationship with McDonald's. We have put forward 54 people for jobs at McDonald's, 27 of whom got a job. Twelve of those people were on a benefit. The others were not on a benefit because we placed them in work so quickly. That is what we are talking about. I have absolutely no doubt that there would be more people on the unemployment benefit if Work and Income was not focused on jobs and work brokering as much as it is, and that is thanks to this Government and its priorities. Let us make no mistake that it is thanks to this Government and its priorities of jobs and focusing our workforce into jobs, into the way we get them, and into the way we place the right people into them, and I will stand by that every time.

I will end by thanking you again, Mr Speaker, for the opportunity to debate child abuse and neglect, to talk about front-line services and what is needed within the ministry to address those very, very serious statistics we see in relation to children that are being hurt. We will stand up for those children every time. A series of policies will be introduced that will make a fundamental difference, but right now it is about getting the right people in the right jobs within our ministry. I support my chief executive in that role.

**JOHN BOSCAWEN (ACT):** Mr Speaker, I also thank you for allowing this debate on child abuse and social welfare, because I have had a chance to see the Hon Paula Bennett in action this afternoon. I have to say that I could not be more impressed by a Minister. She shows compassion, she is so passionate about this issue, she is articulate, and she has a very clear view on what she wants to do. I congratulate her and I congratulate her Government. She has a very clear vision and she gave a very strong and impassioned speech.

What I took from the Minister is that she is reorganising the Ministry of Social Development. She is reorganising it, she is looking to save costs on administration, and she is looking to put more front-line staff in there.

**Paul Quinn:** That's right.

**JOHN BOSCAWEN:** I thank Mr Quinn. That is right; I have understood correctly what the Minister said. She said she will immediately have 12 more front-line social workers or caregivers. That is what she referred to—12 more social workers or caregivers immediately.

Annette King is upset about the restructuring. She is upset that there will be 12 more front-line staff immediately. The Minister went on to say that we will have a further 12 caregivers or social workers a short time later, and that by the end of the year we will have a further 30 to 40 front-line caregivers or social workers. The Minister is focusing on what truly matters. I congratulate her because we need to look at the causes of child abuse and we need to put resources into front-line staff.

I heard Annette King talking about having to stop the violence and saying that the Minister's action is short-sighted. She said we have to stop violence and that if we do not move immediately, then we will be going backwards. She talked about a paltry \$22 million. If I heard her correctly, she talked about a paltry saving of \$22 million. I remind Annette King that the previous Labour Government, which she was a member of, spent close to \$1 billion on purchasing the railways. That is right—\$1 billion. It cost \$700 million to buy the railways, \$300 million to upgrade them, and then annual subsidies of \$100 million a year, and she has the audacity to stand up and criticise a restructuring.

So much money was wasted in the last 9 years by the previous Labour Government. It was a period of lost opportunity. Labour members are very happy to suggest that the solution to problems is to spend more money; that is right—spend more money. The more money we spend the better, and the more likely the problem will go away. We

have had a massive increase in health spending—a 50 percent increase in health spending, adjusted for inflation. What do we see? We see a drop in productivity. It is not a question of spending more money; it is a question of how we spend it.

We also need to look at the causes of child abuse. What are the causes? How do we address the root problem? The solution is not just to spend more money; it is actually to look at the root causes of the problem. New Zealand, sadly, has become a two-class society. We are a society of two classes of citizens. We have the privileged and unprivileged. We have the haves and the have-nots. We have the people who have a choice in the quality of the education they get. We have children who are born to parents who can afford to move into areas with quality State schooling or can afford to buy private school education. We have those children who are denied that choice because their parents cannot afford to live in areas that offer a higher quality of State schooling. We have those who can afford the protection of private medical insurance, and those who cannot. We are a society of haves and have-nots, of privileged and unprivileged. We need to look at the real causes of child abuse when we look at what causes New Zealand society to have two classes of citizens.

I will conclude my comments by reasserting what I said earlier. Paula Bennett is clearly a passionate and articulate Minister. She is focusing on what truly matters. She knows what she wants to achieve. She is putting more resources on the front line. I congratulate her. Thank you, Mr Assistant Speaker.

**RAHUI KATENE (Māori Party—Te Tai Tonga):** Earlier this month the 2009 Global Peace Index results were released, which measured 23 indicators of peacefulness. To our amazement, Aotearoa was named as the most peaceful nation in the world. That is amazing, because we recall that not too long ago the Unicef report ranked New Zealand as being 23<sup>rd</sup> out of 25 OECD countries for child deaths, and as being 25<sup>th</sup> out of 25 for child injuries.

No one in this House would deny that our international status in confronting the crime of child abuse is deplorable. Also, no one in this House would deny the horrendous and harrowing impacts of child abuse. The short-term and long-term outcomes of child abuse have been revealed in a tragic list of consequences, which span physical aggression, antisocial behaviour, mental health issues, sexually inappropriate behaviour, violent offending, suicide, and a host of emotional and behavioural problems. The challenge, I believe, is one that all parties are united on: the challenge, indeed the responsibility, to ensure that all our tamariki are loved and grow to their full potential. The debate is not about the why; it is all about the how.

The previous Labour Government put considerable focus on social marketing and communications campaigns. The Campaign for Action on Family Violence, with the primary focus on the concept It's Not OK, has been a very effective strategy for raising awareness about what family violence is and who is affected by it. Recent research, tracking surveys, and media audits have revealed some fairly staggering results. In November 2008 tracking revealed that there was a 95 percent awareness of the campaign. The highest recall of the campaign was by Māori females and Māori males, at 99 percent and 98 percent respectively. One would not think there could be better evidence of a successful campaign than those statistics, but the key sticking point to progress is in the fact that only 22 percent of the people who were surveyed said they had taken some action as a result of the campaign. If only one in five people reported taking action as a result of having seen the advertisement, clearly we still have work to do in order to translate words into action.

If we were to look over to the education sector, we would see that there are many awareness campaigns, such as Keeping Ourselves Safe, Eliminating Violence - Managing Anger, He Whānau Piripono He Iwi Pakari, and the buddy programmes, to

name a few campaigns. Although the evaluations are fairly consistent in recording the success of child abuse prevention programmes in equipping children with skills and knowledge, what is not known is exactly how effective this new knowledge is in real life, in actually helping children to draw upon those skills to address real-life situations. The evidence is lacking as to whether children, even when equipped with an impressive knowledge base, can carry the new behaviour over into high-risk situations.

The complex nature of child abuse cannot possibly be responded to by any one fix or solution. There is no one answer, no right response, that fits every situation. The announcement yesterday to disestablish the administrative service centres is part of an approach by Child, Youth and Family to put more investment where it counts: at the front line. The 18 community liaison social workers have done an excellent job of promoting greater awareness of child abuse, but it is time now to look for another strategy, and to move from the awareness campaign towards making a difference in behaviour. As a first point, the challenge now is to mainstream the awareness so that, in effect, every social worker in Child, Youth and Family, every front-line worker, and every member of the family knows exactly what to do when child abuse is suspected.

The New Zealand Family Violence Clearing House has been a key proponent in advocating for a focus on preventing violence and abuse that demands wide-scale ownership and cooperation. It talks about a need for multi-agency coordination, with a consistent and comprehensive response to services for individuals, families, and whānau. The impact of the recession has made it even more critical that we take a responsible look at all of the strategies and interventions that are being promoted in the name of preventing child abuse. Paramount in our considerations must be how whānau ora is maintained so that, collectively, families are able to meet their responsibilities to create positive futures for our children. I mihi to the amazing organisations out there that do the mahi every day in terms of protecting the well-being of our whānau: groups like Amokura with its family violence prevention strategy, the National Network of Stopping Violence Services, Project Mauriora, the Stop services, the Safe Network, WellStop, Te Kahui Mana Ririki, and others. They do an incredible job of supporting families to take ownership of these critical issues that face our nation. We must mobilise all of our energy towards ensuring that our whānau can find their own solutions to addressing the horrific issues of abuse and violence. It is about everybody taking responsibility and acting now.

I want to make it quite clear that there will still be key advocates for children caught up in the storm of family violence. Although today's debate has a focus on the 18 community liaison social workers based in the administrative service centres, I do not think we should overlook the vital and continuing presence of some 45 fulltime-equivalent advocates who sit within community agencies, and who have a single focus on children who are affected by family violence. These advocates provide independent advice and support, and are determined to ensure that children and young people who are exposed to family violence are protected from witnessing or experiencing further abuse, and to minimise the risk of poor outcomes later in life.

Probably the most significant strategy that any State could employ is to realise that the key advocates for protecting and investing in children are the cause champions whom we can find in every family. An Auckland study of women's attempts to be free from abuse showed that many Māori women continue to look first to their whānau for help. Our investment must be focused on families taking action and on families being empowered to make the difference that counts. We have done well in raising awareness and encouraging the recognition that violence and abuse is not OK. But, clearly, we are not achieving the progress we need via awareness campaigns alone. We must be bold and take action.

In the whānau summit held last year, entitled E tu! Taking Action, Moana Jackson, in his inimitable way, laid out the steps towards building a strong whānau and hapū base in order to address the issues that afflict too many whānau, especially the issue of violence. He issued the challenge: “Stop the hurt; explore the reason; deny the presumption; and address the causes”. We must all rise up to the opportunity for leadership, whether within our families or across our communities, in knowing that we can make a difference in addressing all aspects of violence. We must not leave it to community liaison workers to take on the task of achieving well-being. We must not sit nohopuku in front of the TV and ignore issues that are bringing our families down. We must take action that shows it is not OK to sexually abuse children, to destroy their futures, and to damage their life chances. We need to start from families up—transforming our homes into sites of safety, encouraging the family champions to stand up against abuse—and to invest in the protection of our precious children. If the restructuring of the Ministry of Social Development helps to make that happen, then surely all parties across the House would extend unanimous support to taking the action required to put a stop to the horrendous levels of abuse that shame us all. Kia ora.

**SUE BRADFORD (Green):** The Green Party shares the concern of colleagues in the House that the Ministry of Social Development is cutting a total of 558 positions in the very ministry that is responsible for dealing, above all, with the effects both of unemployment and of child neglect and abuse. It is a deeply ironic situation. I am aware that the chief executive officer, Mr Peter Hughes, has gone to great efforts in terms of identifying where the job cuts can most effectively and with the least damage come from, and in terms of providing support to staff who are, sadly, in that position. But, at the same time, the Green Party believes that the Ministry of Social Development is the last department where there should be a net cut in jobs.

On the question of child abuse, particularly, the Minister Paula Bennett was at the Social Services Committee just the other day telling us that over the past year there has been a big increase in terms of reporting child abuse and neglect, from 9,000 to 12,000. It is good that this is being picked up, but surely at this time, with this sort of increase, this is the very point at which skilled people should be right there not only on the front line but also backing the people on the front line. Child abuse specialists should be out in the community working with the people in the schools, working with the social workers, and working with the health professionals. This problem has not gone away, sadly. It is continuing in communities around the country, and this is not the moment for cutting back on the people who are doing this very difficult, sensitive, and highly skilled work. I sincerely hope that the Minister and the chief executive officer might think again about where exactly they are making the cuts in this area. There is also the issue that the towns where these jobs are being stripped out of include places like Whangarei, Tauranga, Hamilton, Napier, New Plymouth, and other places where often these skilled people who are being made redundant will have a difficult time getting a job again. Often they are women—often older women—who, despite their skills and experience, will have difficulty securing alternative employment. So, again, we have the Ministry of Social Development putting some particularly vulnerable women workers into the dole queue.

Looking at the bigger picture, of course we see that unemployment is going up. As of last week the Minister informed us that a net 1,100 people a week are going into the dole queue. We are seeing more lay-offs daily in retail, manufacturing, the clothing sector—as we have seen with Line 7 going under—plus, of course, what is happening in the Public Service, and this will just continue to deepen. The Minister and Treasury give us various predictions about what is going to happen with unemployment. The other day the Minister said she expected that by 2010 up to 80,000 people would be on the

unemployment benefit, and that will go up to 90,000 by 2011. I think these figures are likely to be an extreme underestimation of the reality. Of course, as more and more people who are finding themselves without work at the moment are realising, just being unemployed does not mean that you are counted in the unemployment benefit figures, because so many people today who are losing their jobs are actually those who have partners who are still in work; therefore, they cannot register as unemployed. So although the Government boasts about how low the numbers on the unemployment benefit are in New Zealand compared, for example, with Australia, a huge number of our newly redundant and newly unemployed people are those who have no eligibility for the benefit, because their partners are in work.

As I said yesterday, I believe that the Government and this very ministry should be looking closely at the regulations around the income limits above which people cannot get any unemployment benefit when they are in a relationship. Our level at around \$534 a week is way too low—the Australian level is much higher—and the Government should be looking closely at that right now, because a lot of families are finding themselves in extreme stress. In fact, the continuation of this very low limit is only going to lead to more and more couples coming under such pressure that they will find themselves breaking up, either deliberately or by default, putting even more strain on our welfare system and more strain, in the end, on their children, leading to poor educational, housing, health, and employment outcomes in the long run and actually costing the Government a lot more than it would if it dealt with this problem now. There are many, many jobs that could be created with and through the Ministry of Social Development that could be usefully done. For example, the Green Party would really like to see the Government look closely at our proposals for a green new deal. We have many ideas about how jobs could be created through things like energy efficiency programmes, investment in public transport, investment in protecting rural waterways, increasing the rate of housing construction—both in the State sector and in the community sector—and waste and recycling programmes.

We would love to see a community economic development function restored to the Ministry of Social Development. With the loss of the Enterprising Communities scheme, we have seen the last vestiges of community economic development gone from the Government. This is very sad. Although that was, in the end, a comparatively small programme, at least it existed, and groups like the Mayors Task Force for Jobs apprenticeship scheme, and many other programmes around the country, are very focused on helping the vulnerable unemployed—helping them to upskill, and helping young people working in places like Ōtorohanga, Dargaville, and other rural and provincial communities where jobs are hard to come by. That scheme is gone, and I do not know that the Minister and her Government quite understand the roll-on impact of that loss. Although they may prop up one or two of those programmes, because they have been lobbied and they understand that a particular scheme is really good, they forget that a whole lot of other programmes will go down the tubes. That is tragic for those communities where the good work has been done, and it is tragic for the vulnerable unemployed people and the people who have been helped through those programmes who will lose their jobs, or for whom the opportunities will no longer exist.

I doubt that the Ministry of Social Development or the Minister for Social Development and Employment understand the point of community economic development. I heard the Minister talking in the select committee the other day and tried to talk about it with her. She said that the main reason that the Government is cancelling the Enterprising Communities scheme is that after 3 years its programmes are not fully self-sustaining. Anyone who has worked in the community economic sector—as I did for 16 years before I came to Parliament—knows that it is impossible to get this kind of

scheme to be totally self-sustaining. It is simply not possible. The fault lies with the Government not understanding the realities of the community economic sector and the efficient way in which these programmes can create and promote jobs. I would love to talk to the Government if it would like a few lessons about this. I can talk from years of raw experience. Without any outside help, these kinds of programmes are almost doomed to fail, yet we have only to look at a very current example—the Clean Stream Waiheke Ltd waste programme. This created 23 jobs on Waiheke Island, and many of those jobs with the vulnerable unemployed. This is not an Enterprising Communities programme, but it is a scheme that is sadly going under because of the Auckland City Council decision to transfer out that contract.

But these sorts of community programmes that do really good work, in this case with waste and recycling and with job creation, are where the Government should be investing, and not withdrawing money. The Ministry of Social Development should be employing people who understand community economic development and about working with communities to create jobs. The Government should not be getting rid of jobs; it should be putting more effort into changing our benefit system so that it works for people in a time of recession. The Government should not be leaving it in the kind of mess that it is in right now. It needs to have a greater focus on helping unemployed people into work. It should be looking at real job creation, rather than the kind of job creation we were talking about earlier this afternoon: 7,000 jobs in McDonald's over the next 5 years. Is that the kind of future that National wants to prioritise? Is this the kind of place that it wants to put Ministry of Social Development money into, propping up a multinational company that made \$23 million profit in this country last year? Why are we subsidising McDonald's when we are cutting Enterprising Communities? We should be putting the money that we are putting into McDonald's into groups like Clean Stream Waiheke Ltd, and like all those programmes that have been funded by Enterprising Communities. We should be creating jobs for the long-term unemployed and do really useful environmental and social work. We should not be funding a multinational company.

**Dr RAJEN PRASAD (Labour):** Thank you, Mr Assistant Speaker, for the opportunity to debate this particularly important issue. It has been important for a long time and is even more important today. I accept, without reservation, the sincere concern of the Minister for Social Development and Employment, Paula Bennett, about child abuse and her efforts to understand the issue and do something about it. However, I do not understand why the Minister is saying that for 9 long years the Labour Government did nothing about this issue. How does the Minister think that Child, Youth and Family became more effective? It was an institution that for years took the brunt of criticism from up and down the country. Who gave it the resources—not once, not twice, but time and time again—so that it could get its act together and provide the quality of service that it is currently providing? Child, Youth and Family was enabled through those resources to focus its work on specialist teams, because the generic teams were not working. The resources were provided, so it began to do well. Voluntary agencies were supported, time and time again, so they could support the work of Child, Youth and Family, and the Taskforce for Action on Violence within Families was created. I could go on.

It is quite instructive that the first action the Minister has taken on Child, Youth and Family has resulted in it becoming the biggest net loser in the ministry's restructuring. That is a fact. How did that happen? A decent society demands that Ministers are responsible for ministries that provide sensitive services to those who are most vulnerable, and that people are fully informed about how those services will be provided. I am seriously concerned about whether this Minister has the level of

analytical skill that is required to decide for herself that the kinds of recommendations that have been made ought to be accepted.

I refer, in particular, to the closing of the 12 Child, Youth and Family service centres and the closing down of specialist positions. I question sincerely whether the Minister understands why those units were set up in the first place. It was because of the very failure of years of generic front-line work, which is the very model that this Minister now wants to take us back to, aided and abetted by those who are providing advice on Child, Youth and Family. This was the very model that led to New Zealand having the worst breakdown rates in foster-care placements in the Western World. I have done the research; it is certainly true. Why is it that our children were drifting into foster care year after year? They were the real people who missed out on the kinds of services that were provided. I have done the research and examined the international literature—and I have written about it as well—that addresses those kinds of issues. The international literature shows very clearly that we need to focus our skills on specialist units. The performance of Child, Youth and Family has been exemplary, and it has done particularly well in terms of its specialist units. Why are we now trying to disband those specialist units? We are trying to disband them because somebody wants to take this agency back to the future. We will pay for this down the track. It is an old and failed model.

Does anyone really believe that we have turned the corner on child abuse? If so, why is it that we are getting rid of the people who go up and down the country encouraging us to think about, and be sensitive towards, child abuse issues? As it was reported today, those people would be more effective if they were put in different positions. We are told they would be more effective if they worked in front-line services.

Finally, I do not know why we live in a society where we want to cut back all our services at a time of scarce resources. Children who are vulnerable ought to be protected more than those from many other parts of our society, but the Minister is not advocating that. If she was, then she would put a stop to the stupid metaphor that this new model will return our social workers to the front line. Those social workers always were at the front line. Our front-line workers could not function previously, because they did not have the support systems around them. It is like people being out in the field and fighting a war without anything behind them. This is stupid logic. It is a stupid metaphor and the Minister ought not to follow that, even if that is the advice she has been getting. However, we know what the facts are: Government members have internalised this notion of reducing the bureaucracy—

**The ASSISTANT SPEAKER (Hon Rick Barker):** I regret to advise the member that his time has expired.

**KATRINA SHANKS (National):** I would like to talk about the Ministry of Social Development staff changes. Staff changes in a department are operational, and normally it is the chief executive who makes the overall decisions as to how the organisation is managed, where it is going, and how it will get there with its staff. This was signalled by the chief executive in the briefing to the incoming Minister last year. That means the process was begun under the previous Labour Government. In fact, we know that the Ministry of Social Development had been going through a value-for-money process for the last 2 years under the previous Labour Government. It is part of the organisation's strategy for directing resources where they are most needed. Although this review was not a new initiative from the National Government, we will continue it.

In these tough economic times the Government must also tighten its belt, in the same way that everyone else has to. We believe that all taxpayers will support our drive to ensure that departments are delivering value for money, and that the Government is delivering value for money to the taxpayers and to the people of New Zealand. This is

one of the biggest sectors in New Zealand, so we have to ensure that every dollar counts.

The National Party campaigned on moving resources from the back offices to the front line. We are delivering that, and we make absolutely no apologies for delivering on our campaign policies. The Ministry of Social Development stated that many areas needed to be improved in terms of their efficiency and effectiveness. It has moved slowly through this process, and this is one last place it is moving to now. The ministry has already stated that it is moving through this process. It will keep on looking at value for money within the organisation, as all good organisations should do to stay current with the issues they face.

The concentration of these changes ensures that the ministry moves people into roles that will achieve the overall goal of boosting the front line and streamlining all its operations. This change process, as the select committee was informed, is part of the ministry's ongoing value-for-money programme. Through the value-for-money programme, the ministry seeks to save \$440 million. What will these changes mean? There will be more front-line social services within Child, Youth and Family immediately, with more to come later in the year. These changes are going where the need is—104 extra Work and Income front-line staff have already been recruited. These changes are going where the need is.

This process will generate savings of around \$22 million per annum, of which \$10 million is additional savings. The Ministry of Social Development baseline is over \$900 million. The changes being initiated by the Ministry of Social Development are designed to reposition the ministry to deliver better front-line services for those people feeling the effects of the recession, and to put more social workers on the front line. This is in contrast to the 9 years under Labour when numbers and costs of backroom staff rose substantially.

Let us talk about departmental extravagance. In November 1999 Helen Clark said that Labour wanted to look ordinary, hard-working taxpayers in the eye and say that their tax dollars were being spent on the things that mattered. She promised that a new era of moderation and integrity would develop throughout the public sector. Expenditure on salaries has increased from \$240 million in 2002-03 to \$566 million in 2006-07. Expenditure on recruitment advertising has increased by 255 percent. Recruitment costs have trebled, from \$604,000 to \$1.8 million. The number of communications, public relations, and media staff has increased by 150 percent. That helps those children getting abused, does it not? That is 150 percent of spin. The number of policy analysts increased from 202 to 351. The number of staff earning more than \$100,000 per annum increased from 54 to 397. Even allowing for mergers with other departments, there has been a 28 percent increase in staff in just over 5 years, despite there being fewer beneficiaries. How does that work? How can the number of staff increase by 28 percent when there are fewer beneficiaries? How does that work?

**Hon RUTH DYSON (Labour—Port Hills):** Only one thing, in my mind, is worse than reported child abuse, and that is unreported child abuse. That happens when we have a situation where a baby, a little toddler, or a kid at primary school is beaten and abused, left cold and in pain, and no one does anything about it. That is worse than reported child abuse, and that is why, despite the agony I am sure it causes every single member in this Parliament to know about the horrific record of the child abuse we have in New Zealand, we have said that it is better to have that abuse reported, than to know that those kids are being left in pain and on their own, and in a home where all they should expect—but do not get—is love and security.

In the Budget cuts that the Minister for Social Development and Employment, Paula Bennett, signed off, we have made that situation worse for those children. The very

people who worked in our community—with our families, with our nurses and doctors, and with our teachers—and who taught all of those people how to recognise child abuse, how to stand up and take what for many is a big step, and how to ask for help, have now been sacked. I heard some members opposite say there were only 18 of those people to cover the whole country, so we should just get rid of them. We could have increased the number, because we have a disgraceful record of child abuse in our nation. We know that every day there are children who are living in fear in their own homes and who do not have anyone to help them. The role of the community social workers was to get out in the community—amongst those families, and amongst their preschool education teachers, their primary school teachers, and the general practitioners and nurses who treat them—and to tell us to recognise that these kids need help because no one else will put a hand up to help them if we do not.

This Parliament should be ashamed of some of the contributions in the debate today. We have said we are going to turn our backs on those children, even though we know they are being hurt and we should instead be doing everything we can to stop them being hurt. Most people in our country—thank goodness—do not understand child abuse. We do not understand it; it is literally beyond our comprehension, and thank goodness for that. We certainly do not understand how anyone can know that a baby or a child is being abused or hurt, and just stand by and watch that. We do not understand it, because if we did I am sure that every single one of us in this Parliament would do something about it.

But as a Government, there is an additional responsibility on top of the responsibility we have as individual members of our families and communities. It is the role of leading, of putting money where our mouths are, of putting resources where our families need them, and of putting the Budget behind the biggest need. In my view, there is no bigger need than the need of kids who are hurt in their own homes. It beggars belief that that is the very area Paula Bennett has signed off for a cut. It was not the only cut; she let a whole lot of other cuts go through. But I ask how on earth a Minister could allow the department to put that proposal to her. Maybe she said that it was “so last year”, maybe she said that we need to “step up”, or maybe she said that it was too long a report and that she would just sign it because she did not want to read it. I do not know what she said, but it beggars belief that any Minister could sign off what could be for many families their only lifeline to getting help. I think we need to do more, not less, to protect our kids. I really urge the Minister to reconsider these tragic cuts, which will affect the very people who have been working in our communities to give our babies and our children the protection that as New Zealand citizens they deserve, however little they are. Those workers should have been better supported and not sacked.

We have heard a lot about the recession, the worst recession in 30 years—that we are going through tough times, that we have to tighten our belts, and that we have to make tough decisions. Well, we do. We do have to make tough decisions, and that is all about priorities. Now is the worst time to be cutting jobs. There could not be a worse time for the Government to be cutting back on Public Service jobs and adding to the list of unemployed people. This is the hardest time for families. When the mums or dads in the family, or maybe even both parents, lose their jobs, then suddenly the money is gone, but the bills do not disappear; people still have to pay their rent and power. People still have to buy food and buy clothes for their kids. A huge amount of stress is put on families, because the benefit is not much to live on. Not too many people in this Parliament would know that, but I say to members that the benefit is not much to live on. It takes a lot of hard work to support a family on a benefit, yet that is what over 1,000 more families every week are having to do. So we have the Government adding to unemployment.

We have families that we know are facing increased stress, and we know that during times of increased stress people resort to behaviour that we would find unacceptable, including abusing their kids and abusing each other. The husband cannot cope with not being able to support his family, the mother is under huge stress, so they start fighting and often end up in a violent situation. That is the time when we should all be working together to help those families, and support and protect the children, but “No, no—let us cut some more of the social development jobs.”, we hear from the Government. I heard Paul Quinn, a one-term National list MP, saying that Government members were getting rid of the pen-pushers. But these are community social workers, who are working in the homes of families that are finding it hardest to get by every week. Community social workers are not pen-pushers; they are men and women throughout the country who have worked very, very hard to support the families that need that help most. So I say “Shame on Mr Quinn for talking about our community social workers in that way!”; I think that that is a disgrace.

Going back to the “tough times, tough decisions, tighten our belts” words that we are hearing from Government members, I say that when a Government puts together a Budget it has to look at different priorities. It has to ask what is important for the Government and what is important for the country. Well, I think that families are more important than cycle lanes and bike lanes. I think that families who need help are more important than boot camps that do not work. We could have saved every single dollar of cuts in the social development area if the Minister had not decided to go ahead with her boot camp proposals, which will fail. We could have had \$8 million left over to pay for a few more social workers in schools, and we could have—heaven forbid—canned the knees-up at the Rugby World Cup if social welfare had been a priority for a Government. There was the choice of social workers to help our families or a party at the Rugby World Cup. National has made its choice to go partying in Auckland, while our wee babies will get hurt and no one will be there to help them.

The final point I make on behalf of the children who are abused in New Zealand is about the offer I made under the previous administration to the National Party. Every single party but National committed itself not just to attend but to work on a cross-party family violence task force. I pay tribute—and this is a rare occasion—to Heather Roy. She would not have felt comfortable in the grouping she was in; maybe Tariana Turia and Pita Sharples did not always feel comfortable, either. But every single party except National attended and contributed, so we put in every good idea. We reviewed the domestic violence legislation together, and we made agreed suggestions to the Minister. The whole of Parliament except the National Party did that, because we thought that not only could we make a contribution—we all have good ideas; why do we not all put them in—but also the message that family violence is not OK would be a very strong message for Parliament to send.

The debate having concluded, the motion lapsed.

#### GENERAL DEBATE

**Hon MAURICE WILLIAMSON (Minister for Building and Construction):** I move, *That the House take note of miscellaneous business.* Today I want to take my time in this House to try to get a message to Labour members. The message is not going to be too career enhancing for me as a member on this side of the House, because it will get me into some trouble. The message is “Please listen to what your leader has been saying because in many cases he has been right and you should support what he has been saying.” I know Darren Hughes is looking aghast that a National Minister should be telling Labour members to listen to what the Hon Phil Goff has been saying, but I am

going to take members for a little jaunt through some of what Phil Goff has said along the way—

**Hon Darren Hughes:** Because you were there!

**Hon MAURICE WILLIAMSON:** Yes, I was there, I say to Darren Hughes and I thoroughly agree with these statements. My plea to the Labour members of this House is to start taking their leader seriously and to start listening to what he says, because Phil Goff is right in so many respects. I will cover three portfolios. Actually Phil Goff is arriving; he will be able to listen to some of these statements because they are wonderful.

I want to cover three headings: housing, education, and unemployment and job creation. The Hon Phil Heatley, our fantastic Minister of Housing, recently announced a policy in housing. National is going to sell some State houses to the tenants. The people who have been living in State houses for some time will be allowed to buy them. With the money that is freed up we can buy more appropriate houses. In some cases there may be an elderly person living in a four-bedroom home, which is grossly inappropriate for that person's circumstances, and the demand is for one or two-bedroom homes elsewhere, so we will let that person buy the house that he or she has lived in for a long time and does not want to give up.

I tell members that Moana Mackey, the Labour spokesperson on housing, immediately attacked National for that. She said it was an outrageous policy. Well, we would have to say that is the Opposition doing its job. But, honestly, Moana Mackey must start listening to her leader; she must start listening to some of the things that Phil Goff has said along the way. Some of the announcements from Phil Goff are just amazing. Let me give members an example from the Hon Phil Goff in October 1986. He said: "The sale of those houses and the purchase of replacement properties will assist the Housing Corporation to house more applicants off the waiting list in appropriate accommodation." He was absolutely right. Well done, I say to Phil Goff. He should go to the head of the class. He deserves the leadership of the Labour Party. It is a shame that its members do not support what he had to say.

But wait, just like at the Warehouse, there is more. He said: "Lifting the ban is designed to give longstanding tenants whose houses have become their homes the opportunity to buy those properties." Again, well done, I say to him. It is exactly what National's policy is, and it is exactly what Moana Mackey is attacking, even though Phil Goff thought it was a great idea. He goes on—as I said, there is more: "Because they are unlikely to vacate their homes, the sale of those houses and the purchase of replacement properties will assist the Housing Corporation to house more applicants off the waiting list." I think that is just spectacular. I thank Phil Goff for the endorsement and for supporting National's policy. We totally agree with him, and we totally disagree with Moana Mackey who has been rabbiting on about how the sale of State housing stock is not the answer, it will not work, and it potentially erodes the stock of those unsold.

We now come to the next item I want to cover—education—and I know that in my last 40 seconds I will not be able to cover much. But, again, Phil Goff was the Minister and I have quotes from him from many times in the past. In the *Hansard* of October 1989, Phil Goff said that he recognised the need for the country to live within its means. He talked about the need to maintain and improve national standards in education. Again, I ask Labour members to please get to Trevor Mallard and ask him to start listening to some of the things that the Hon Phil Goff has said along the way. He was absolutely right.

**Hon PHIL GOFF (Leader of the Opposition):** I should be flattered that the National research unit is working full-time finding out what I said 25 years ago in

Parliament when the members on the opposite benches were mere novices. Unfortunately, most of them are still in that category. I am particularly flattered to be quoted by Maurice Williamson. Maurice Williamson has the hat trick: he is the only National Minister who has been sacked by three different National leaders. It is much safer for Maurice Williamson to quote words of wisdom that I spoke as a callow 28-year-old in Parliament 25 years ago than it is to quote any people on the same side of the House as him.

I want now to address in a more serious fashion what I think is the most critical issue facing New Zealand at the moment. We are 7 months into this National Government, and each week 1,200 New Zealand men and women are joining the dole queues—1,200. We know that for every person who joins the dole queue another three people are losing their jobs, so 3,000 people a week are likely to be losing their jobs in this country. Those people are losing their livelihood. They are breadwinners who can no longer support their families. Schoolkids are leaving school without hope and without a job. Twenty percent of our teenagers are on the job market at the moment, unable to find work in New Zealand. What worries New Zealanders is that there is no plan, and there are no ideas to address this situation. That is why the Prime Minister spent the entire question time quoting me from 25 years ago rather than come up with a single idea himself.

He made a statement yesterday that he was going to come out with a plan and some fresh ideas. After 7 months in Government, he will have a plan and some fresh ideas. Well, we had the Job Summit. Do members remember the Prime Minister's words? It was going to be a "do-fest", not a talkfest. But all we got was rhetoric. There were three big ideas. There have been no jobs from the credit provision facility that was going to create thousands of jobs and save firms. There have been no jobs from cycleways, which Treasury told the Prime Minister was an inefficient way of creating jobs. And the Government got so desperate that last week it came up with the claim that 32 new jobs have been created under the 9-day working fortnight—32 jobs. Do members know what is tragic about that? It represents about 10 percent of the jobs that have been lost in any one day each and every day that National has been in office. Yet all National can do is come into this House and through the Prime Minister claim that 32 jobs have been saved by the 9-day working fortnight. Well, with 60,000 New Zealanders likely to be thrown out of their jobs in the next year, that simply is not good enough.

We are not asking for a miracle solution. We are not saying that we can be exempt from the impact of international recession. But we are saying that it is incumbent on a Government to set priorities. The priority here and now is to stop those tens of thousands of New Zealanders from losing their jobs. But all we have seen from the Government are steps that take us in the opposite direction. The December tax legislation gave a third of the income tax cuts to the top 3 percent of income earners—the very people who would save the money because they would not need to spend it. The economy would not be stimulated, nor a single job created, by a third of those tax cuts going to the income-earning elite of this country. The Prime Minister can twist and distort things all he likes, but that is the fact of that stimulus package. It was not a stimulus package; the Government could have used that money to save tens of thousands of jobs.

What is it doing about the one in five teenagers who is out of work? The Government has cut Enterprising Communities, the scheme that everybody agreed was doing something in practical terms to help our school leavers and to give them a fair go. We found in the Budget papers today that \$12 million over 3 years has been cut out of Career Services. The Government would rather 32,000 young people rot on unemployment queues than spend that money trying to help them find jobs. Then there

is the matter of training. We know that it takes 4 years to train an apprentice, but do we have a countercyclical policy to help employers take on apprentices? No.

**NICKY WAGNER (National):** We are hearing a lot about, and from, Phil Goff today, and I want to focus on the real mismatch between Labour rhetoric and the beliefs of its current leader. The Hon Phil Goff has been around Parliament for a long time. It has been a long haul from 1981 to 2009. It has been a long time of standing behind Clark and Cullen, and a long time of being on the wrong philosophical side of the powerbrokers.

All Labour members know that Phil Goff has always been to the right of the party, and way back in the mid-1980s whenever the party was in dispute, he generally positioned himself on the side of Roger Douglas, which was in support of deregulation and free trade. I am sure that is very pleased to see Roger Douglas back in the House these days. When we read his quotes from the 1980s, we know that deep down he absolutely does not support the things his party is saying. And now, as the country is facing a global recession, it must be particularly difficult for him to support the, frankly, simplistic and fiscally naive prattle that we have been hearing from that side of the House in the last few weeks.

Phil Goff is a Clark clone, but that will not do now. The prosperous economic times that buoyed up her administration have been kicked into touch, and after 9 years of loose fiscal control and irresponsible spending by the Labour Government, New Zealanders are now paying the price. It is all very well for Phil Goff to cry crocodile tears, but why did he not take notice of the situation to be fiscally responsible in the last 9 years? To go forward, we need a whole new, responsible, value-for-money attitude to Government spending. We need a positive focus on jobs, we need to increase productivity, and we need to prepare our nation to seize opportunities when this recession is over. Phil Goff understands that. He has said that low inflation and high productivity are essential means of creating new jobs. Well done, Phil! National certainly would not argue with that. He also knows and understands how difficult it is to create jobs. He says that there is always, in some quarters, a temptation to address the problem of unemployment with simplistic answers—and we have heard those today.

In reality, there are no quick-fix solutions with easy answers. National agrees with that. We are not about sitting around and bleating about the problem or asking irrelevant questions in the House; we are all about getting on with the job of keeping people in work, helping people to hold on to the jobs they have now, and creating new ones. That is our first focus; that is the most important thing for all New Zealanders. If we as a community, instead of scaremongering, can hold our nerve, can keep our businesses and organisations functioning, then we will get through this recession. We will come out of it stronger and better prepared to meet the challenges of the future.

National is absolutely committed to honouring all present entitlements and to looking after our elderly in the future. In the short term, we may have to make some decisions that are not ideal, as in postponing the transference of funds into our long-term Superannuation Fund. But, of course, it is the right thing to do. The fund was set up as a means to park surpluses in the good times, which were to be used in the future—perhaps in 2020. That is a great idea when there is money to spare. But in the face of really tough economic times, nobody with any financial acumen would suggest that anybody should borrow to pay our money overseas to play the stock market. Yet that was the main criticism by Phil Goff of the Budget. He contended that we should keep on borrowing and keep on borrowing, to invest overseas, even though he must have known that that does not make sense.

**Hon NANAIA MAHUTA (Labour—Hauraki-Waikato):** If only that member, Nicky Wagner, spoke with conviction. In fact, she sounded as if she were rehearsing for

a community meeting at which she had to convince people that the direction of this Government was the right way to go. Sadly, not once did she outline the Government's plan to create more jobs in small communities throughout our country—not once.

Phil Goff put his finger on a very important issue for many, many New Zealanders, and for all our communities throughout New Zealand—that is, how we create jobs, not lose them. How do we ensure that Kiwis stay in their jobs and not get sacked? How do we ensure that the Government shows leadership on this front and stops its slash-and-burn approach to the whole sustainability of the public sector? This is a really important issue. I know that in small communities 12 jobs make a difference. In small communities, having 12 families unemployed will make a difference to the livelihood of those towns. Anyone who is listening to this debate will be very concerned that the Government cannot demonstrate its plan to ensure that jobs are protected, that Kiwis stay in their jobs, and that we will do more to create jobs.

What do we hear from members on the other side? What is the great solution? It is \$51 million for a national cycleway. The Government should tell the people in Huntly, Te Aroha, Paeroa, Ngātea, Tuakau, Kāwhia, and Te Kūiti how many jobs that will create in their small communities. It just does not resonate. What have those towns seen? They have seen cuts to adult and community education, they have seen cuts to the Enterprising Communities initiative, they have seen a retraction from investment in training—when we need it most—and they have also seen, at a very local level, what the critical impact will be of a small number of people, and of small to medium sized enterprises, losing jobs. What they want to hear from a Government that is even remotely interested is what it will do to ensure that employment in our small communities will be sustainable.

The National Government should tell the community of Ōtorohanga what it will do, in relation to Ōtorohanga's pre-trades training course. A lot of energy has gone into that community, and a lot of local leadership, to ensure that its young people can train in their own community, with their own business people, to be able to pursue a pathway in trades training. The investment that Ōtorohanga has put into pre-trades training, with the support of Enterprising Communities, has been shown to have very good outcomes. There has been strong local leadership from the mayor, strong support from the previous Labour Government, and strong support, also, from the students themselves and their parents. They have known that for any solution to be sustainable in a community, it needs everybody working together and everybody being committed to the long-term development of their skilled workforce.

But what have we seen? We have seen the Minister for Social Development and Employment pull Enterprising Communities—

**Hon Member:** Shame.

**Hon NANAIA MAHUTA:** —shame on them—which, again, makes an impact in small communities where those types of decisions reverberate. Let us take Te Whangai Trust in my own electorate, near Kaiawa. Only 12 people are employed by the trust, through the initiative of Enterprising Communities, but a family has made some land available to be used for a nursery, to enable sustainable planting. The trust has contracts with Environment Waikato. The 12 people who are employed there will be affected, because their third year of funding has not been guaranteed by the Government. Why is the Government pulling Enterprising Communities funding in that way? Because it says there is no sustainable employment outcome. Let me say something about that. If Government members bothered to look at some of the backgrounds of those 12 people, they would see that many of them have had difficulty in getting full-time employment. But that programme in itself has lifted self-esteem. It has enabled some of those people to take on further training, and for some of them—a very small number—there are a

couple of employment outcomes. In its totality the programme has made a difference, not only to those 12 people but to their families. Those people are finding now that they do not need to access the range of mental health support services they needed because they were at home and feeling depressed. Families are finding now that their family members are getting up in the morning and going to do something that is worthwhile.

These are the types of outcomes that cannot be measured strictly by an employment outcome. It is far better to have people in initiatives supported by programmes and funding like *Enterprising Communities*, and actively doing something, than being in the dole queue. But what did we hear from the Government? Well, the Government said that the scheme did not have an employment outcome so it chose to get rid of the funding. What the Government does not know, though, is that the unemployment numbers will go up.

**LOUISE UPSTON (National—Taupō):** I am delighted to enter this debate this afternoon, and to speak about the confused Opposition and the mixed messages that are coming from the current Leader of the Opposition. I want to examine some of the statements that reinforce the delusion and the confusion of the Opposition. I will look at three areas: the economy, education, and programmes for young people. Firstly, let us take a reality check. We are in the worst global recession since the 1930s. Unfortunately, that does mean unemployment will rise, and anyone who says that this will not happen is dishonest, deluded, and living in la-la land.

Let us take a little trip through history. The four highest years of growth in the unemployment benefit in New Zealand were 1987, 1988, 1989, and 1990—goodness me—and the Ministers of Employment were Phil Goff and Annette King; surprise, surprise! They had a challenge to deal with, back then. In 1988, when unemployment was rising rapidly, the Minister of Employment, Phil Goff, said: “New jobs take time to emerge. ... We would all like recovery, growth and full employment to happen right now. Unfortunately the economy does not work like that.” We agree. There is no quick fix. The National Government is responding responsibly and recognises that there is no silver bullet.

Let us have a look at what National is doing in running a responsible Budget in these tough economic times. It is keeping our credit rating up and interest rates down, maintaining welfare entitlements, investing \$7.5 billion in productive infrastructure over the next 4 years, and a billion dollars on roads. The people of my electorate appreciate the Waikato Expressway that has been funded as part of that infrastructure. It is also investing \$323 million to provide insulation and heating for Kiwis who live in cold houses. The Government is providing record spending on front-line services in health, in education, and in law and order, and as well it is providing \$500 million in assistance to small to medium sized enterprises.

Let us look at education. National is focusing its spending in education on improving literacy and numeracy. In tight economic times we cannot afford every programme, but we are committed to spending on quality. Let us have another walk back into the dark ages. Phil Goff recognised that “The need for New Zealand to live within its means, and competition from other priorities within education spending, set a limit on the extent to which the Government is able to keep pace with expanding demand ...”. That was from 1989. Well, New Zealand has to live within its means, and New Zealanders understand that. New Zealanders understand that this Government has to make tough decisions around where the money is spent.

This Government is not deluded, as the Opposition is. Those members seem to think that the Government’s coffers are a bottomless pit, and that everything and anything that could be spent should be spent, plus a little bit more on top. The Opposition is in la-

la land. The Government is dealing with reality, and focusing on literacy and numeracy, and is ensuring that we have skilled young people who are ready for work.

The final thing I want to comment on is the youth camps. Phil Goff said this week that youth camps have a proven track record of failure. Yet—as I say, the mixed message and the confusion—he is on record as saying that Labour would also encourage young offenders into the armed services to gain discipline, self-esteem, and trade qualifications. There is a programme in the Taupō electorate that is working with youth at risk, and it is getting great results. Funnily enough, the programme is based on armed services thinking. Participants gain discipline and self-esteem; surprise, surprise! This Government is working hard for New Zealand. It is working on the economy, it is working on education, and it is making sure that young people get the breaks they need. Guess what? New Zealanders know it. Take a look at the polls and we will realise that New Zealanders know that this Government is working hard for them. It is working on the areas that matter to them, as hard-working New Zealanders.

**KEVIN HAGUE (Green):** I have previously spoken in this House about the Government's ideological daftness in reducing investment in programmes to keep people well. We know that health services are facing a floodtide of need in the coming years, with an increasingly elderly population, a constant increase in the availability of new technologies—mostly expensive ones—and epidemics of chronic disease such as diabetes and cardiovascular disease. Yet the Government's Budget is projecting, after a one-off significant increase in funding for the current year, a decline in health spending in out-years.

The only rational response to this growing gap between need and health service provision is investment in public health, which is designed to keep people well in the first place. Yet as the Public Health Association has pointed out this week, and as I have spoken about in the House previously, this is the very area where funding cuts are already being felt. This strongly suggests short-term rather than long-term thinking. When I asked the Minister of Health at the Health Committee about the evidence base for reducing investment in the Healthy Eating - Health Action programme, he confirmed that there was no evidence base, and that essentially that had been a political decision.

Another matter I asked the Minister about was the one area of significant new investment in health for this year: extra spending on building new elective surgery theatres, and now on contracting out services to the private sector. I asked what evidence he had about the utilisation of our current theatres, and he confirmed that there was none. Once again, that was an ideologically driven decision. The private surgical hospitals, at their request, recently presented to the select committee, seeking essentially two things. They wanted the Government to increase district health board - funded surgery contracted out to the private sector, and they wanted Government action to encourage people to take out private health insurance. Well, the Government has just delivered on the first of those. I wonder how long it will be before it starts on the second. I would guess not long, judging by the Government's Budget intention to give the public system less resource, and therefore less capacity, in the future. Of course, there is an interaction between the public and private sectors on elective surgery, and the Government intervenes in that at its peril. I would have thought that a better message for New Zealanders to hear is that our health services are generally very good, and that the Government is committed to funding the health services people need as of right.

The Association of Salaried Medical Specialists, essentially the senior doctors working in our hospitals, has criticised the Government's announcement of this new contracting to the private sector, on a number of grounds. Firstly, that association was

not consulted, which I say is a damning indictment. But it is worse than that, because the Government has also removed the requirement for district health boards to consult their workforces when they are contemplating the contracting out of services. Secondly, the initiative is being implemented in a cavalier manner. Thirdly, the Government seems blind to the workforce issues involved. A likely consequence of the decision is that surgeons, anaesthetists, and other theatre teams will move from the public sector to the private sector, thus further undermining the capacity of the public sector. Oh, but of course that is right—that is what the Government is trying to achieve. That is why it has budgeted less.

What instead needs to happen is proper logistics planning in the public sector. Rather than planning out the logistics of surgery 21 different times with 21 different queues, let us instead plan that in a coordinated, collaborative way, matching patients who are waiting for surgery with theatre teams and theatres that are underutilised. The Minister talks all the time about the importance of collaboration, and I support him in that, but here is an actual opportunity to make that happen. Instead of policy driven by ideology, populism, and the short term, let us instead see a commitment to system-wide planning that shows some responsibility for the future, that is based on the best evidence available, and that makes the best possible use of the resources we already have.

**Dr JACKIE BLUE (National):** Phil Goff is yesterday's man. He is hardly the new face of Labour. He might have been in 1982 when he was a new MP in the House, but—let us face it—he is yesterday's man; he is last century's man.

This country has been left with a nosediving economy, falling economic growth, rising unemployment, high inflation, a rising current account deficit, annual productivity growth of only 1.1 percent between 2000 and 2008, deteriorating fiscal deficits, and sharply rising Crown debt. This country needs sound economic management going forward, and not the spend-it-up, “Visa-nomics”, “whack-it-on-the-bill” approach that is so loved by the Opposition. The “whack-it-on-the-bill” approach will not work in the worst global recession since 1930.

This Government is focused on what matters. This Government is focused on creating jobs and reducing employment. Let us refresh members as to what Mr Goff has said about unemployment and job creation: “There is in some quarters a temptation to address the problem of unemployment with simplistic answers. In reality, there are no quick-fix solutions. Unemployment has to be addressed at a number of levels. By far the most important are macroeconomic policies aimed at achieving sustainable economic and employment growth.” We agree with that. What about: “The first responsibility of a Government in spending money on improving employment was to run the economy competently. Inefficient structures with high levels of staffing had fed costs downstream, inhibiting other enterprises that could have created jobs.”? We could not agree more. These quotes are ringing endorsements of National's policy to create jobs through improving the economy. I thank Mr Goff.

This Government has maintained benefits, student support, and Working for Families, and has locked in national superannuation at 66 percent of the after-tax average wage. Members may ask what Mr Goff would say regarding benefits. In a past Government that was confronting high debt and rising unemployment, astonishingly Phil Goff supported the decision to impose a surtax on older New Zealanders. Phil Goff said: “It is true that the Labour Party said that a Labour Government would not cut superannuation. Frankly, to sustain that point of view against all the evidence would have been totally irresponsible.” Well, we are facing tough times, but, unlike Mr Goff and his Labour Party, John Key's Government has moved to protect entitlements.

This Government is focused on what matters. We have delivered jobs and support schemes to soften the blow for those who lose their jobs, and introduced a package to

make life easier for small to medium sized businesses. We have got unions, businesses, and the Government together to agree on a 9-day working fortnight that has set the scene for good-faith dialogue between all three sectors. We have moved to ensure that interest rates do not rise because of a credit downgrade. Higher interest rates would have removed money from the pockets of every New Zealander who has a mortgage, a credit card, or an overdraft, or who pays rent.

We are being very careful in the way we spend public money. Labour would sacrifice interest rates and borrow even more heavily—

**Colin King:** Recklessly!

**Dr JACKIE BLUE:** —recklessly—against our children's future. We are delighted Phil Goff supports National's policy to create jobs through improving the economy.

This Government is focused on what matters. Our eyes are firmly on the present and the future of New Zealand. I am pleased to report that despite the worst economic times for 70 years, business confidence remains positive, our unemployment rate is still much lower than countries we are compared with, interest rates remain low, and the threat of a credit downgrade has eased. I know we will get through this recession.

Labour has left us with a litany of poor decisions too numerous to talk about today, but I want to take a bit of time to talk about the transport area. What about the \$3 billion unbudgeted promise for the Waterview Connection, when \$1 billion is the entire budget of the Counties Manukau District Health Board? That is plain reckless. What about the \$8.5 million bill for the Civil Aviation Authority to move from Pētone to downtown Wellington? That is just extravagant.

**DARIEN FENTON (Labour):** I say this to the previous speaker, Dr Jackie Blue: what about the lowest unemployment in the OECD that New Zealand had for 9 years under a Labour Government? What about that? It is a bit desperate when members have to go digging around back in the 1980s in order to find someone who will agree with the National Party. My goodness!

**Iain Lees-Galloway:** That's so last century!

**DARIEN FENTON:** It is so last century!

The Government is failing hard-working New Zealanders. Every day the news gets worse and worse. Every day there are more job lay-offs, and more than 1,200 people a week are going on to the dole queue. We hear nothing from the Government about it—nothing! There has been a deathly silence since the Job Summit, which was held way back in February—a long time ago. There has been nothing but bad news. It is bad news for the 110 Line 7 workers who are facing redundancy; bad news for the 186 Lane Walker Rudkin workers; bad news for the 200 Child, Youth and Family and Ministry of Social Development workers; bad news for Summit Wool Spinners workers who are facing redundancy, even though they participated in the 9-day working fortnight; bad news for the 900 workers facing uncertainty under Telecom's change of contract to Visionstream; and bad news for the more than 1,700 Public Service workers. The Government is doing nothing to secure the jobs of New Zealanders and to secure their living standards. John Key is failing to protect Kiwi jobs.

The Government claims that it is trying to cushion the hardest-hit New Zealanders from the effects of the recession by helping businesses to protect jobs and by doing a range of other things that I will talk about. I would like to know how the Government will do this, because in this debate all we have heard is some talk about the 1980s. We have heard no plans and no ideas. The only idea of any substance that survived the hot air of the Job Summit was the 9-day working fortnight. How many jobs has that saved? It has saved 345. Of course, all good jobs are worth saving—there is no argument about that—but it has saved so few. I do not understand why the Public Service is exempt from this drive to save jobs. Thousands of people in the Public Service are losing their

jobs. Somehow public sector workers are not real workers, so they are less deserving. The Minister is not even sure that Public Service workers qualify for ReStart, a scheme that is the Government's only contribution to workers who have been made redundant.

The Government says it is giving New Zealanders who lose their job the best possible chance to find a new one. Well, how? I cannot see any ideas, and I think John Key has realised he has no ideas, because he has said he will come up with some new ones. That is very, very funny. We are waiting; we will be interested in that.

It is not just job losses that are hurting New Zealanders; it is also cuts to pay, cuts to hours of work and conditions, and no pay increases, especially to the lowest paid, who need them most in order to keep up with the cost of living. School support staff took part in a pay equity rally outside Parliament yesterday. Labour and Green members were at the rally. School support staff start on the basic wage of \$12.94 an hour, yet the Government has offered them nothing in their pay round. Not only are hospital cleaners, kitchen workers, and orderlies being offered nothing by the Government in their pay talks at the moment but also the Government is trying to take back the pay rise it gave those workers last year. That is a zero percent pay increase that is backdated! I think that is how that is being touted.

It is very, very disappointing, but not surprising, to see a National Government responding with its usual ideology when it comes to facing an economic crisis. It usually attacks workers' rights, and have we not seen that? There is the 90-day bill, and now we are looking at a scaling back of the Holidays Act and the Employment Relations Act. There will also be cuts in terms of equity in paid employment, so women, once again, will have to bear the burden of the downturn.

As more than 1,000 Kiwis lose their jobs and income every week because of the recession, John Key does nothing to help them and their families. I have to say that the ReStart package just does not cut it, nor does the Minister's grand plan for "McJobs" and minimum wage jobs in the aged-care sector. That is not acceptable; that is not good enough. Even traditionally better-off areas such as Devonport are now having to open food banks. The North Shore area is beset with redundancies, not least in John Key's own area of Kumeu, where this week 41 workers at Fletcher Building learnt that their jobs would be lost. That is a lot of jobs lost in a small town. Mr Key could do something about that. One of the major beneficiaries of the Government's home insulation scheme could be Fletcher Building. He could encourage that company to provide that work and keep jobs.

**CRAIG FOSS (National—Tukituki):** I note that the chief Opposition whip has been taking very good notes, because of the challenging and undermining of the leadership of the Hon Phil Goff by the previous speaker. That member was challenging his ideas, his principles, and the whakapapa of his ideas, and tracing them back to the 1980s, a time the Opposition constantly criticises. I find that very interesting, because that time saw the genesis of their current leader's ideas and thoughts. So it will be very interesting to see where Labour goes. Phil Goff has been talked about as yesterday's man, I understand, but perhaps he has been undermined somewhat by today's woman, tomorrow's woman, or tomorrow's man. Of the various MPs who sit alongside him, perhaps one or two tower over him as they get themselves in the media, talking about various financial issues. This is the new face of Labour; back 25-odd years ago Labour had some good ideas at the time, I guess.

But we recently had a glimpse of the true Phil Goff coming through, I suppose, with his "encouragement", shall we say, in the selection and now election of the gentleman yet to be sworn in, Mr Shearer, who has ideas about privatisation and efficiencies in the Ministry of Defence. Perhaps that is the true sign of the old Phil Goff coming through, or re-emerging; I am not too sure. I wait, not quite with bated breath, but we shall see

anyway. Yes, the true colours are coming through occasionally, as under that example, but the contradictions are being seen all over the place now that the gentleman is in Opposition. Perhaps it is the reverse of a “Mahareyism”—the thing one says in Government is not necessarily the thing one says in Opposition. I think Mr Maharey had it around the other way when challenged. At the same time, at least he was quite upfront about the positions he took.

Normally I sit beside my benchmate on the cross benches, Sir Roger Douglas. It is very interesting to hear some of the comments he makes, because he sat in the same caucus and the same Cabinet as many of the members on the Opposition side, including its current leader. Some of the things that he tells me are quite admirable, because we talk about some of the ideas he originally had when he came into the House as a fresh face, and perhaps as a bit of a reformist. So what has happened now? Where are we now? Suddenly the idea of the home-owning democracy does not seem to work any more. Mickey Savage would be turning in his grave, because what was previously agreed to and endorsed by the current Leader of the Opposition—which would give families the ability to buy their State houses, their homes—is suddenly not a good idea. Why? The other day we heard the now legendary Hon Phil Heatley answer questions from Moana Mackey about housing, but that member constantly and totally undermined her leader. Mr Goff’s statements had been right on the money, and Mr Heatley had offered further advice, jointly with Mr Goff at the time, about the rights this National-led Government was giving families to enter into homeownership. Yet that member Moana Mackey started to buy into what is currently in vogue on the other side of the House, and therefore undermined the Opposition leader. If anybody wants to have a look at the exchange, I tell them it is quite a legendary YouTube; I know the member opposite watches that a fair bit.

Regarding comments made post-Budget, because the previous speaker was talking about there being no jobs, and things like that, I tell members there is no magic wand. If we look at some of the statements made in the past, in the previous recession, by the current Leader of the Opposition, we see there is no magic wand. All we can do is try to stop the depth of the recession hitting New Zealand families and businesses as hard as it is hitting offshore. There is nothing we can do to stand in the way of a global recession. Even the previous Minister of Finance, the Hon Michael Cullen, was making that point as late as the middle of last year.

Finally, in relation to rail, I say that unfortunately the member who raised that has not spoken about it any more since then, but the day after the Budget he scoffed at the credit upgrade that New Zealand had been given. Actually, the importance of that upgrade for jobs, for families, for working capital, and for New Zealand cannot be overstated. It is so important; 150 points on people’s mortgages have been saved because of the robustness and the pragmatism of the recent Budget. Hard decisions were made, which actually adhered to some of the principles that the current Labour leader once held in the 1980s, as some of his statements show. He has secretly held those principles all the way through; I am quite sure he holds them now. We will be very interested to see the new defence policy come out, once the new Labour member is sworn in. Perhaps the true colours of the current Leader of the Opposition will then come through.

**JACINDA ARDERN (Labour):** It is telling that Government members, at a time like this when we see 1,100 Kiwis lining up in the dole queue, seem to have spent their entire week googling. After they looked for ideas on saving jobs on Google, probably they then, in desperation, typed in “Phil Goff 1980s” and hit “try my luck”, and they have been working on the outcome of that trawl ever since.

I think that this issue is a lot more important than a couple of pithy quotes that the National research unit has managed to draw up. We are talking about 1,100 Kiwis per week joining the dole queue. We are talking about 32,000 15 to 19-year-olds being unemployed. That is our future generation and it represents 10 percent of that entire age cohort. We are talking about 12 percent of 20 to 24-year-olds being unemployed, which is a 5 percent increase on the last quarter. Those numbers are big; they are relevant. They are the reason this Government needs to act, and it needs to act now.

We have given the Government time to respond. We have put these questions to it in a constructive manner in question time. What was the response? One response was for the Prime Minister to wave around his latest popularity graphs, as if that somehow would console the hundreds of people who were facing redundancy or joining the dole queue. I say to the Prime Minister that if he would not do that to one individual person who has lost his or her job, why would he do it to the thousands who have lost their jobs?

The second reason put forward by the Government in response to the massive job losses we have seen is to claim that it is a recession and that the response in a recession is to tough it out. The recession may be a problem. Indeed, we acknowledge that it is, but it is a problem that requires an answer. A recession in itself is not an answer. It is merely the cause and the call to act. It is not an excuse; it is a reason. The Government will be measured on this, and so far it would be marked poorly.

I want to delve a little further into the question of youth unemployment. It is a question that is dear to my heart and it is something I have grave concerns over. I have already said that 32,000 youth are not in work, education, or training. If we take out of that group those who are supported by the Government in some form, whether it be Government support as some form of benefit for those who are eligible or the independent living allowance, we are left with 15,000 15 to 19-year-olds who not in work, not in training, and not supported by the Government. We cannot account for these 15,000 young people. We have no idea how they are even supporting themselves, let alone what they are doing with their time. In a sense, they are an abandoned generation. Therefore, because it is such a young age group—15 to 19-year-olds—one could assume that they have left school with no plan and no support.

That then begs the question: what can we do? The Opposition is arguing, as we are, that in a time of recession we must act, not simply wait it out. Well, what can we do? We can certainly tell members, based on the Budget, what they should not do. In fact, in many ways the Budget was a blueprint for what not to do. When we have 32,000 young unemployed people we do not cut \$3.3 million out of careers advice and training for young people as they transition out of school into work. If we do that, the result will be that we will increase from 15,000 the number of totally unsupported young people who are not in work or in education or in anything. I say to the Government that it cannot cut \$98 million in scholarships for low-income students who require support if they are to further their education. The Government should not have cut adult and community education. Neither should it have cut industry training. Allowing 2,000 apprentices to lose their placement without any form of ongoing support or back-up industry training, which has happened as a result of real cuts, would also be on our list of things not to do in a recession.

In fact, the one thing I would say is that we could perhaps assume that there is only one thing worse than a recession. The one thing worse than a recession is not having a plan for a recession. It is probably the only thing that is worse, yet it is exactly what we have seen from this Government. It does not have an ounce of a plan to respond to the recession and high unemployment.

**Hon STEVEN JOYCE (Minister of Transport):** It is pretty sad to hear the Labour members spend most of their time in the House this afternoon talking this country down. This is a country that is currently surviving the global recession better than just about any other country in the world, yet Labour members persist in talking it down.

**Hon Darren Hughes:** Except Australia.

**Hon STEVEN JOYCE:** I say to Mr Hughes that we can compare our unemployment rate with Australia's. Labour members are talking the country down but we know that their leader does not believe it. We know that Phil Goff does not believe it. We have heard all the stuff that Phil Goff used to say when he was in Government, so we can probably excuse the way he behaves now as cynical politicking. We can probably excuse him for that sort of behaviour, but it is hard to excuse the rest of them because they show no understanding of economics, which I would have thought was reasonably unforgivable in a recession. Labour members do not understand interest rates, and they do not understand the importance of keeping up our credit rating. Instead they say that we should put up the wage rates for, I think, pretty much everybody, except, of course, that would be making them a lot higher than they managed to do in the last 9 years—in the teeth of a global recession.

Let us look at the Labour Party guide to politically spinning the current recession. The first point is to pretend there is no global recession. It is a very important first step. We have to pretend that there is no global recession. If we are able to do that then we can pretend that we should have full employment, which, of course, we should have because there is no global recession and it is outrageous that the Government should act as if there is a global recession just because there is one. So that is the first thing. The second point in the Labour Party guide to politically spinning the recession is to pretend that money is limitless. The important second point is to pretend that money is absolutely limitless. We should pretend that money is absolutely limitless when it comes to the Superannuation Fund, and we should be building the \$3 billion tunnel for the Waterview Connection and all of those things because, let us remember, money is limitless. That is the second point in the Labour Party guide to spinning the recession. The third point is to pretend that we can create jobs—that we can magic jobs out of thin air. The third point in the political spin guide from Labour in a recession is that we should just say “we should have jobs” and they will happen; we should pretend that jobs will just happen.

The fourth point in the Labour Party guide to political spin is to pretend that we worry about interest rates, and that we should pretend to do so by calling for a select inquiry as that would sort out interest rates, no trouble at all. There would be no problems then, because the select committee is coming, and that will sort out interest rates. Of course, we would be arguing for lots of spending, which would cause a credit downgrade, and which would push up interest rates. So on one hand we are pretending that a committee of parliamentarians can solve the problem, but on the other hand we are saying that we should just spend away and forget interest rates. That is the fourth point. The fifth point is to pretend that the Government is not doing anything. We should pretend that the Government is not investing in productive infrastructure, that it is not providing \$323 million for insulation and heating for 180,000 Kiwi homes. We should pretend that the Government is not undertaking record spending on front-line services in health, education, and law and order. We should pretend that the Government is not providing nearly half a billion dollars in assistance to small and medium enterprises. We should pretend that it is not keeping up our credit rating and keeping down interest rates. And we should pretend that it is not maintaining welfare entitlements. So the fifth point is that we should pretend the Government is not doing anything.

The sixth point is to pretend that we do not have to prioritise Government spending. We can pretend that it is possible just to keep spending more and more money. We can pretend that if we have a programme but we want to add another programme, we do not have to trim a programme, we can just go out there and add another programme, then another programme again. They are all good programmes so we can then add another spending programme again. Actually, that is how Labour spent the last 9 years. That is why public spending increased by about 50 percent in the last 5 years, because rather than take any tough decisions all Labour did was just add another programme. Labour members would say “Well that programme is probably not working but let’s not say so, let’s just add another programme again, and another programme one more time.” The last point in the Labour Party guide to politically spinning the recession is to pretend that one knows everything—to pretend that everything the Labour Party did was perfect and any subsequent Government that has the temerity to change anything is outrageously bad. One needs to have a lot of ego to do that, to rock up to Parliament after taking a hiding at the election, and to say that it is outrageous to change a damn thing. That is the Labour Party guide to politically spinning a global recession.

**RAHUI KATENE (Māori Party—Te Tai Tonga):** Today is a day of celebration. The foreshore and seabed report has been released. The issue started in Te Tau Ihu when one of my iwi sought a mussel farming licence. Their humble request to farm in their traditional rohe was rejected by the Marlborough District Council, so all the eight iwi in Te Tau Ihu, in a characteristic show of unity, decided to go to court.

Just over 6 years ago the Court of Appeal, in the pivotal case *Attorney-General v Ngāti Apa*, ruled that the Crown was wrong to contend that certain statutes affecting the foreshore and seabed had had the effect of extinguishing such Māori customary title as might exist. It went further, ruling that the Māori Land Court had the jurisdiction under Te Ture Whenua Māori Act to determine whether any part of the foreshore and seabed is still Māori customary land. Within days all hell broke loose. So began the long and agonising journey that resulted in the Foreshore and Seabed Act 2004.

Today that journey has taken on a bold new pathway ahead. Just over 3 hours ago the ministerial review panel’s report on the Foreshore and Seabed Act 2004 was released. It stated clearly that the Act “was simply wrong in principle and approach. The timing and the process were also wrong.” It was not just wrong; it was discriminatory. Edward Ellison, on behalf of Te Rūnanga o Ōtākou, described the act as a “knee-jerk reaction” that was also “an opportunity to secure the right to license, sell, farm off”. The issue that started from such small beginnings was never, as Moana Jackson said, “a sterile debate about rights or politics”; this issue “goes to the essence of our integrity and our place as tangata whenua”.

Today is a day to make right the wrongs that have stung at the very heart of Māori and non-Māori. Today is a day in which the nation knows that the Foreshore and Seabed Act 2004 will be repealed, but it is also a day for new beginnings.

The ministerial panel sets out the pathway to nationhood based on kotahitanga. The foundation for our future lies in taking an approach based on Te Tiriti o Waitangi, a Treaty that was provided for two peoples of the land. The panel cut through the myths and fears that surrounded the debate of 2004 and suggested that it was time to expect that both cultural views should be recognised in law and reconciled. To stimulate the conversation, the panel proposes a new Act based on the Treaty principle of providing for both Māori and Pākehā world views. It seems so easy. The panel recommends that the key lies in the recognition that hapū and iwi, and the general public both have interests in the coastal marine area, and that both interests must be respected and provided for.

The Māori Party welcomes this report as clearly marking a line in the sand between the days of conflict and division and the pathway ahead. It is a pathway that New Zealanders want. Of those who commented on what should happen to the Act, 85 percent favoured repeal—85 percent. That 85 percent includes those hapū and iwi who are already in negotiations. A mere 5 percent of submitters wanted to see the Act remain unchanged. In my electorate the Christchurch City Council put in words what the future could look like when it suggested that “if there were informed and considered discussions between Māori and Pākehā then consensus would be feasible. What is important is finding the right solutions for all New Zealanders, not a hasty solution as was the case in 2004.”

The foreshore and seabed report does not put forward a quick fix or a hasty solution. It suggests instead the need for a longer conversation—a conversation stimulated by the report as a catalyst for further discussion. And there is much to discuss: the set of core principles, what should comprise the interim Act, the Treaty framework, the proposal for national settlement, and the regional iwi proposal. There is debate to be had about customary usage, customary authority, and ownership of the foreshore and seabed. The Māori Party welcomes the debate with enormous energy for finally setting things right and restoring justice to Aotearoa. Kia ora.

The debate having concluded, the motion lapsed.

## **CLIMATE CHANGE (TRANSPORT FUNDING) BILL**

### **First Reading**

Debate resumed from 17 June.

**DARIEN FENTON (Labour):** I appreciate the chance to take a call on the Climate Change (Transport Funding) Bill, and I am pleased that Labour is supporting the bill going to the Transport and Industrial Relations Committee. I congratulate Jeanette Fitzsimons on her bill and I acknowledge how frustrating it must have been to have the bill stuck on the Order Paper since November 2007. I sympathise with that position somewhat. I went through a similarly lengthy process with my own bill, only to have it fall at the third hurdle when National failed to give political support in the Committee stage to a \$15 an hour minimum wage.

Labour supports this bill because we are seriously concerned about the Government's funding direction away from an integrated, multimodal approach that includes a significant role for public transport. The risk that that direction poses to important projects and priorities such as the electrification of Auckland rail, integrated ticketing, and walking and cycling facilities is very worrying—particularly for Auckland. I believe that National has set public transport back, but not only in Auckland. We want to ensure that by supporting the bill the debate is kept alive. We know that people support public transport because it is transport that backs people rather than penalises them. As an Aucklander I know that billions of dollars more spent on roading, as proposed by National, will not solve the problem. We cannot keep on building more and more roads and motorways, and filling them up. There is a better plan: investing in public transport.

We had the ludicrous situation recently whereby cyclists and walkers spent endless efforts to get agreement from the Government to walk across Auckland Harbour Bridge in celebration of the 50<sup>th</sup> anniversary of the bridge. It is our bridge. One would think that people would be able to walk and cycle across it just once. They could not get the Government to agree to that, and inevitably the people who gathered to politely ask whether they could walk or cycle across the bridge on that special day lost patience and

simply did it. The only action we saw from the New Zealand Transport Agency and the Government on the 50<sup>th</sup> anniversary of the Auckland Harbour Bridge was a conference. They hosted a conference with the theme “Bridges Linking Communities” to celebrate the 50<sup>th</sup> anniversary of the bridge. I am certain very important things were talked about there, but the most important question was left unanswered: how will the lack of investment in public transport, cycleways, and walkways help link communities? It was left to Labour to organise the only other public event celebrating the 50<sup>th</sup> anniversary of the Harbour Bridge. It was left to Labour to hold a tribute for the three workers who died building the bridge and for the thousands of workers who have worked on the bridge to maintain it and paint it ever since.

Why does the National Government believe that the only good transport spending is money spent on roads? Why is it so hard for the Minister of Transport to get his head around 21<sup>st</sup> century thinking? John Key thinks cycling is good, but only as long as it is on his national cycleway. John Key thinks party central for the Rugby World Cup in Auckland in 2011 is good, as long as no one expects integrated ticketing to get around Auckland. When it comes to cycling, walking, and public transport, we are now in no man’s territory. This Government thinks roads are the only way to solve transport congestion in the future. We are going backwards, yet Auckland public transport patronage has never been higher. The Northern Busway has been a runaway success.

I am interested to hear whether the member for Auckland Central, Nikki Kaye, makes a comment. I would like to know what she has done since the election about integrated ticketing. She might be able to tell us. She promised to untangle what she then called the alphabet soup of transport funding. Nikki Kaye told the electorate of Auckland Central before the last election that a transport smart card would be a high priority for her as an MP for Auckland. She said she would be knocking on doors to hurry things up. Well, did she knock on the door of Minister Steven Joyce? I suspect that if she had there was no answer, he was not listening, and no one was home when she called. I feel some sympathy for that member, like Melissa Lee, because when it comes to National members listening to their backbench MPs, there is silence. It is a very difficult lesson for those MPs.

The bill is important to keep debate alive and to keep hope alive for the sensible people of New Zealand, and particularly those in Auckland who know that a viable, well-supported and funded public transport system is an important part of our transport network. They know it is an important part of future productivity and they know that in this era we need to seek new solutions, not the old National remedies of the past. Thank you.

**Dr JACKIE BLUE (National):** I am pleased to speak on the first reading of the Climate Change (Transport Funding) Bill. The purpose of this bill is to alter the funding priorities of the National Land Transport Fund over time so that after 5 years funds are allocated mainly to travel demand management and infrastructure, and to services supporting transport modes other than the private motor vehicle. National will be opposing this bill. This Government supports public transport and a modal shift over time, but we also recognise that fewer than 6 percent of New Zealanders actually use it on a regular basis. The facts are that around 70 percent of all freight in New Zealand goes by road, and about 84 percent of people go to work by car, truck, or motorbike. We need good roads in order to grow and compete.

Our State highways represent 11 percent of our roading network but they cater for around 50 percent of traffic. Large chunks of our roading network are clogged with bottlenecks and delays, inevitably leading to cost escalations that stifle economic growth. Accordingly, the Government will invest an extra \$1 billion in the State highway network over the next 3 years with the release of its revised *Government*

*Policy Statement on Land Transport Funding.* Funding for State highway construction has significantly increased on levels indicated in the previous Government policy statement to 35 percent of the National Land Transport Fund, with over \$1 billion of additional investment going into the network over the next 3 years. The National Land Transport Fund will provide around \$10.7 billion over 10 years for investment in State highways, reflecting the importance of the network to New Zealanders. We have announced roads of national significance: Pūhoi to Wellsford, completion of the Auckland western ring route, the Auckland - Victoria Park bottleneck, the Waikato Expressway, the Tauranga eastern corridor, the Wellington northern corridor from Levin to Wellington on State Highway 1, and Christchurch motorway projects.

We have realigned the transport budget to reflect the realities of how New Zealanders get around. The changes on the scale proposed by the Greens would result in a remarkable decrease of expenditure on the construction and maintenance of State highways and local roads. New Zealand needs to invest in infrastructure such as roading that will lift the country's productivity and provide an economic stimulus. Such a reduction would also result in no new roading projects going ahead, such as the Kōpū Bridge. Importantly, it would also severely restrict the New Zealand Transport Agency's ability to progress safety enhancements on our roads. The result would be that local authorities would have to increase rates or cancel other projects in order to continue local road maintenance, or face roads falling into disrepair.

During the current global recession, this bill would result in our goods not being able to reach market or people not being able to reach their workplaces. Since the bill's drafting, the concept of a Government policy statement has been introduced. It directs how the amount of Government spending is divided across the various transport categories. We are replacing Labour's expensive and inefficient regional fuel taxes with smaller, nationwide increases in excise tax that will go towards transport projects around the country. We are investing in rail and jobs for New Zealanders with \$39.2 million to upgrade passenger carriages for Tranz Scenic routes, and that work is being done at the Hillside railway workshops in Dunedin. Another \$75 million is being spent on 20 locomotives being built in China. A major upgrade of the Auckland rail network includes double tracking and electrification involving \$1.6 billion, while we are providing more than \$258 million for the Wellington commuter network. The Minister of Transport, Steven Joyce, is looking at whether a public-private partnership could be used to fund the purchase of new rolling stock required for the electrification of Auckland's rail network. This Government is serious about getting our country moving. Thank you.

**RAHUI KATENE (Māori Party—Te Tai Tonga):** When I travel the roads down south, it would be rare to see one of those energy-efficient, space-saving wonders like the Honda Jazz or a Toyota hybrid. That is not to say that the constituents of Te Tai Tonga would not support cars that are fuel efficient and environmentally friendly; it is just the reality that smarter cars cost more. The writing is on the wall that vulnerable communities will become even more threatened as oil gets more expensive. The current prediction from the New Zealand Energy Strategy is that by 2020 only 5 percent of new car sales will be electric. That is, after all, only a decade away. As the technology advances, it is likely that the numbers of new car sales that will be electric will rise rapidly to 60 percent by 2040. But members can bet their last dollar that it will not be our whānau driving away in these flash vehicles, no matter how much we believe in energy efficiency.

We had a good look at this bill to see whether there were any options the Māori Party could support in the pathway to sustainable transport. The proposition in this bill is to increase the amount of investment from the National Land Transport Fund to be spent

on sustainable transport options rather than on roading. I want to be clear that the Māori Party is very supportive of the development of public transport options to respond to the dual challenges of peak oil and climate change. In the medium to long term, public transport will benefit lower-income earners by providing affordable transport as petrol costs continue to increase. But we have to be real about these options. There are not a lot of commuter trains between Murupara and Whakatāne, between Ahipara and Kaitiāia, or between Hokitika and the Haast. In fact, it is a bit of a push to find a good bus service in the electorates that we in the Māori Party serve. The energy-efficient trams and underground trains in Ontario are a long way from our situation here.

Aotearoa is characterised by having a high level of car ownership; a high proportion of used imported vehicles; a trend towards importing older, larger vehicles; low use of public transport; and a limited rail network. This transport profile is not sustainable. With peak oil upon us, there is an urgent need to prepare for ongoing oil price increases and a future downturn in availability, by providing people with affordable alternatives to private motorcars. Our policy has always been that we will support improved public transport in order to reduce carbon emissions and reduce the nation's dependency on oil in the face of peak oil production. Transport emissions currently represent around half of the emissions from the energy sector, and are growing at an unsustainable rate. Bold action is required.

This bill falls into that long-term plan for transport spending to focus on sustainable and affordable alternatives. The bill also requires the Minister of Transport to report annually on the performance of the Act, including its operation in relation to the goal of a safe, integrated, responsive, and sustainable land transport system. This is an important goal: to be able to measure progress as it occurs. Simply by making the commitment that the Minister of Transport will monitor, review, and report annually on the state of land transport in New Zealand, we have made an important first step to improving the operations of our public transport system. We need to develop strategies to invest in a public transport system that is frequent, reliable, and inexpensive for users. Ideally, we must be able to investigate the purchase of fuel-efficient vehicles to lease or sell to low-income earners at prices they can afford.

A final point in favour of this bill is that we are aware that the labour intensity of public transport is higher than for roading, so we reiterate the vital need to consider ways in which Māori employment strategies can be introduced in association with any investment in new infrastructure. We end with the final word in the letter from the member sponsoring this bill: the outcome is what is important. We need to become energy literate to properly evaluate energy options. We need to lessen our dependence on imported oil, and in doing that we need to invest in sustainable transport options, services, infrastructure, and education. There is a lot to be done, so we had better start now. We therefore declare our support for this bill.

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

**Dr KENNEDY GRAHAM (Green):** It is my privilege to support the adoption of the Climate Change (Transport Funding) Bill, initiated by my colleague Jeanette Fitzsimons. The principal aim of this bill is to alter the funding priorities of the National Land Transport Fund away from private transport and on to public transport. The transport programme of this new and, perhaps mercifully, interim Government allocates a disproportionate amount of public funding to modes of transport that, palpably, are not sustainable. This is in an era when even the National Party acknowledges that sustainability is the imperative of our time. The Government's programme equates to six times more funding for maintaining and growing the road network than for all the alternatives combined.

Our legislation would require that the National Land Transport Fund be spent mainly on travel demand management and also on infrastructure and services that support modes of transport other than the increasingly ubiquitous, yet increasingly troubled, private motor vehicle. It would require in its first year that 20 percent of the fund be spent on public transport operations and infrastructure, on facilitating walking and cycling, on rail freight and rail infrastructure, on coastal shipping, and on education and information pertaining to travel demand management.

It was pleasing to see the Labour Party and the Māori Party extend support to this bill in its first reading, as this will allow for submissions. It will be interesting to discover, in due course, what level of public support the bill will receive, not least in terms of demand management, for the main component of the Government's concern with the bill appears to be that issue: the matter of what the public wants in its transport infrastructure. Well, let us find out. The challenge is there for the Government to discover what the public really want for their national infrastructure.

The Government's policy, at least as articulated by David Bennett, rests on a descent into circular reasoning with such simplistic force that the Government is unable to reason its way back up for air. Mr Bennett derided the public's concern about climate change and peak oil. He rested his opposition to the bill on the grounds that transport in the future would comprise electric vehicles and that we would therefore need more roads. In the Government's brave new world, the public will not need much public transport. It took Mr Bennett most of his 10-minute speech to get this logical lock-in across. It took 10 minutes of circular reasoning because of his inability to step out of the Yezidi circle he had inadvertently created for himself.

**Hon Member:** The what?

**Dr KENNEDY GRAHAM:** Yezidi—it is found in Central Asia.

Let us analyse in the logical light of a new day the points made by Mr Bennett. Point 1: we shall not be driving electric vehicles any time soon. They are simply too expensive. Point 2: electric cars remain just that—electric cars. Our bill addresses the problem of traffic congestion and supports having a sustainable urban forum. Point 3: unanswered questions still surround the technologies for batteries. Point 4: unanswered questions still surround the issue of electricity supply. Even people who drive electric vehicles today are drawing down on a grid that depends on fossil fuels. Mr Bennett made a second point that went beyond his reverence for electric cars. It was that public transport requires some minimum population density to be commercially viable, and that that has some mysterious implications for New Zealand because we are a population of only 4 million. He nostalgically cited his visit to Mexico City, which comprises 30 million people. He is simply incorrect. The International Association of Public Transport says that every city, of any size, requires an increase in public transport of somewhere around 30 percent in order for sustainable living to be attained.

**ALLAN PEACHEY (National—Tāmaki):** I speak in opposition to the Climate Change (Transport Funding) Bill. The purpose of this bill is to alter the funding priorities of the National Land Transport Fund over a period of time so that, within 5 years, funds will be allocated mainly to the support of modes of transport other than private vehicles. This bill has come from the Green Party. It is typical of what comes from that party. It goes in the exactly opposite direction from where this country needs to go if it is to develop and grow. The Greens seek to take this country in the opposite direction from where it needs to go. [*Interruption*] I tell those members opposite who are having their say that it would be wise to reflect on a couple of facts. Fewer than 6 percent of New Zealanders use public transport on a regular basis. Nearly 70 percent of all freight moved in New Zealand goes by road. Eighty-four percent of people who

travel to work go by car, truck, or motorbike. Those parties that support this bill are defying fact and logic by doing so.

New Zealand needs good roads for use by private vehicles if it is to compete and grow. Changes on the scale proposed by the Green Party would do a number of things. Firstly, they would result in a huge decrease in expenditure on the construction and maintenance of State highways and local roads. Secondly, they would occur at a time when New Zealand must invest in infrastructure. We have just had 9 long years of neglect, and this Government finds itself not only in catch-up mode but also required to move New Zealand forward. If we are to lift our country's productivity and stimulate the economy, we must engage in this sort of development. National, as the party in Government, cannot, unlike the Greens and the other parties that are supporting them, stick its head in the ground, stick to an ideology that is irrelevant to the future development of New Zealand, and pretend that our current situation does not matter. Feel-good politics such as are shown in this bill are a luxury that parties not in Government have. They are certainly not a luxury that the parties in Government can tolerate.

I invite this House to think about what this legislation would actually mean. It would mean, firstly, a reduction in spending on roads to such an extent that no new roading projects would go ahead. I invite the Green Party and the other parties that are supporting it to think about the major announcements that have been made about projects to be developed in the immediate future. Secondly, this bill will severely restrict the ability of the New Zealand Transport Agency to progress safety enhancements on our roads. Thirdly, local authorities will be faced with a choice: either increase rates or cut out other projects in order to continue with local road maintenance and development. Fourthly, at a time of economic crisis—and we live in such a time—the passage of this bill would result in goods not being able to reach their markets and people not being able to get work. This bill makes no sense at all.

**CAROL BEAUMONT (Labour):** I rise in support of the Climate Change (Transport Funding) Bill and its referral to the Transport and Industrial Relations Committee. This bill put forward by Green MP Jeanette Fitzsimons focuses attention on important issues of transport that are crucial to our people and our economy. We need to look not only at the implications of moving people and freight but also at the implications that transport has for economic and social development. We also need to look at the implications for quality of life in our cities, and the implications of transport for our environment. This bill specifically seeks to ensure that a greater proportion of the National Land Transport Fund is spent on transport modes other than the private motor vehicle. It also aims to identify the responsibility of the Minister of Transport in ensuring that transport decisions meet the principles of the Land Transport Management Act. Objectives include safety, sustainability, integration, and responsiveness to local needs. It is important that the Minister undertakes those responsibilities.

The previous Labour Government understood the importance of balance in the area of transport. We recognised the importance of roads, and we put in place significant funding after a period of extremely limited funding by the previous National Government. We should compare the efforts of the current National Government with the previous Labour one. National talks about \$10.7 billion over 10 years being invested in State highways, whereas in Budget 2006 Labour announced a 5-year, \$13.4 billion spending project in New Zealand's largest ever roading programme. Labour, however, recognised the importance of a multimodal—

**Paul Quinn:** Multimodal.

**CAROL BEAUMONT:**—multimodal programme of transport, involving roads, public transport, sea freight, and rail, I say to Mr Quinn. That programme involved

roads, public transport, sea freight, and rail. This approach is fundamental. The extra funding going into roads to reduce congestion and improve safety over time is effective only if we also find alternatives. To do otherwise means that inevitably those roads reach capacity and we are back to where we started. This is a model that we can see in Auckland time and again. In fact, Auckland is often used as a case study of worst practice in transport management. Significant road building alongside comprehensive plans for public transport was what Labour had in place for Auckland.

But recently, that comprehensive plan for public transport was put at risk by the National Government. Subsequently, a number of announcements were made seeking to reassure Aucklanders, but those announcements were incomplete and potentially pushed the burden back on to Auckland ratepayers. I ask members to also consider the issues of funding for public transport over the next 3 years. The Government is looking to reduce public transport services by \$85 million. It is also looking to reduce public transport infrastructure by \$250 million, and walking and cycling facilities by \$15 million. These will mainly affect people in Auckland. So much for the Government's super-city plan! How can it grow without effective transport?

The Minister of Transport does not seem to get it. He continues to refer to the figure of 85 percent of Aucklanders using motor vehicles to get to work each day as the justification for greater emphasis on spending on roads. He fails to understand that if there is not a viable alternative of affordable, accessible, regular, reliable transport going to the right places, then people have no choice but to continue to use motor vehicles. We have one of the highest rates of car ownership in the world, and that will not change until we have real choice. People are willing to use public transport—and they will—as any of us who have lived in cities with decent public transport will know. I back up Kennedy Graham by saying that, clearly, there are different options based on scale, size, and density of population. But public transport does not just work in large cities—look at Wellington. In Auckland we know that people want better public transport. Whenever public transport improvements have been made, such as the Northern Busway, the use of public transport rises sharply.

Many important issues have been raised in this bill, and I look forward to it being referred to the Transport and Industrial Relations Committee, where we can put further effort into discussing these issues.

**JEANETTE FITZSIMONS (Green):** It is a pleasure to celebrate Green Day, where every bill on the Order Paper today is a Green Party member's bill. I am proud of that. I thank the Māori Party for its support, and I thank the Labour Party for its support for the Climate Change (Transport Funding) Bill. Last year I spoke to the then Labour Minister of Transport, the Hon Annette King, and we agreed that on the basis of this bill we would negotiate funding ratios and the financial assistance rate available for various kinds of projects, to try to level the playing field somewhat, which has been tilted very strongly in the direction of motorways for many, many years. Unfortunately, that is no longer possible.

This bill provides choice for New Zealanders in how they travel. I am really disappointed that this Government is opposed to giving New Zealanders that choice. The Government says that because 85 percent of New Zealanders go to work by car, we have to spend all the money on roads. Those 85 percent go by car because they have no choice. When we provide choice, people use public transport. Figures in the *New Zealand Herald* earlier this year showed that over the last year, patronage on public transport in Auckland grew by 3.9 million trips. That is a growth rate of 10 percent in 1 year. Use of the Northern Express busway was up 77.5 percent, because public transport was provided and people used it. The rail system was improved, and its use grew by

14.7 percent in 1 year. The growth in the use of public transport has been phenomenal wherever investment has been provided in it.

But the Government is stuck in the past. It does not recognise climate change as a serious issue, and it does not recognise peak oil as a serious issue. It puts its faith in the idea that technology will provide. This technology is supposed to be electric cars. First of all, electric cars, which are much touted by members of the Government, will look after a very small proportion of the elite. Electric cars will be very expensive, so their penetration of the market will be small. The Ministry of Economic Development—which obviously the Government does not take any notice of—says the penetration of electric cars into the New Zealand market will be 5 percent by 2020. The International Energy Agency says there will be a major oil crunch by at least 2015. What are the other people going to do? The other 95 percent of people will need to have more efficient cars, but the Government does not want to address that. They will need public transport, but the Government does not want to address that, either.

The member Allan Peachey said that roads will stimulate the economy. Well, roads are about the least job-intensive way to spend a dollar. In fact, if we shifted funding out of motorways and into public transport services, we would create 40 percent more jobs for the same money. I ask members whether that is something the Government is not interested in doing. The previous Government created the biggest road-building bonanza ever in New Zealand's history. We have had years and years of building roads, but not of rail or public transport. Towards the end of its term, the Labour Government started to put more funding into public transport, and that was good. Now we are back in the dark ages. It is time to level the playing field. It is time to recognise that no society anywhere in the world has motorway-ed its way out of congestion; only providing the alternatives will do that.

I urge the Government to reconsider its position on this bill, and to give us a way forward in the days of climate change and peak oil.

A party vote was called for on the question, *That the Climate Change (Transport Funding) Bill be now read a first time.*

#### **Ayes 56**

New Zealand Labour 42; Green Party 9; Māori Party 4; Progressive 1.

#### **Noes 64**

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

Motion not agreed to.

### **MISUSE OF DRUGS (MEDICINAL CANNABIS) AMENDMENT BILL**

#### **First Reading**

**METIRIA TUREI (Co-Leader—Green):** I move, *That the Misuse of Drugs (Medicinal Cannabis) Amendment Bill be now read a first time.* At the appropriate time I intend to move that the bill be referred to the Health Committee. The bill establishes a compassionate regime for doctors to prescribe cannabis to those of their patients they believe would benefit from it.

The bill takes the politics out of this critical health issue. Cannabis is medically proven to help manage pain, with fewer side effects than those of other medications. The provisions in the bill would carefully control the medicinal use of cannabis so that it is prescribed only for those who really need it. I ask MPs today to at least send the bill to the select committee. There will be a conscience vote on the bill tonight, and I sincerely hope that MPs will have the courage—and I accept that some will be nervous about the issue—to take a compassionate approach this evening.

The use of cannabis as a medicine is well documented in research from the UK, Israel, Germany, Canada, and the USA. The American Medical Association, the Institute of Medicine in the US, the Federation of American Scientists, the World Health Organization, and the Royal College of Physicians in the UK all support medicinal cannabis. In New Zealand the New Zealand Medical Association supports research into the benefits of cannabis for medicinal use, and the Pharmacy Guild of New Zealand told the 2001 cannabis inquiry that it considers it perfectly possible to distribute medicinal cannabis if it were to be legal to do so.

For patients, ill New Zealanders, those suffering from terminal illnesses, and those suffering severe pain from the effects of chemotherapy and other treatments that cause such distress, the issue of the medicinal use of cannabis is not to do with research; it is about relieving their daily painful suffering. Under the provisions of the bill, a patient can apply for a Medicinal Cannabis Identification Card when he or she suffers from a listed condition, and have the written support of his or her medical practitioner. The cardholder may cultivate and possess an amount of cannabis as agreed by the doctor of the cardholder. The Medicinal Cannabis Registration Board will keep and maintain a register of the cardholder's details, and the cardholder will be registered with the police. It is a process or scheme that very closely resembles the Canadian system for the management of medicinal cannabis.

I have had many people come to see me, write letters to me, or send emails to me who plead for relief. Many are already using cannabis for pain relief, nausea management, or pain management of amputations. They are genuinely ill New Zealanders who are at their wits' end and are treated by this Parliament and by the bureaucracy with contempt. They are entitled to the compassionate protection of the law. They are entitled to the medicine that works best for them. But all of those who have contacted me live in real fear both of thieves and of the law.

Many of their fears of the law are real fears. Sick and vulnerable New Zealanders are jailed for their medical use of cannabis. I will list some cases for members' benefit. In 1999 a tetraplegic was jailed for 12 days for possession and cultivation of six small seedlings. His treatment in prison was despicable, including not being toileted for days. In 2003 a paraplegic man who used cannabis to control painful muscle spasms was sentenced to 150 hours of community service after police found two small seedlings in his home. The judge told the man he would face prison if he was found with cannabis again. In 2004 an amputee confined to a wheelchair for 30 years received a second jail sentence for medical use and possession of cannabis, and again was told by the judge that his jail time would get longer should he be caught again. He was badly assaulted while in prison.

Other patients report having their homes invaded and being robbed regularly by those who know they grow cannabis for medical use and know they are unable to fight back because of their illness. Those New Zealanders cannot turn to the police for assistance, and they continue to suffer in fear of reprisals and imprisonment—all because they have found a medication that will relieve their chronic pain. They need to use it because the alternatives are much worse. Indeed, the Ministry of Health recently reported to the Health Committee that cannabis has a wider safety margin, with fewer short-term side effects, than analgesics currently prescribed for chronic pain and disease; that medicinal cannabis appears effective and safe in all age groups; that the risks of a fatal overdose are very small, with no deaths reported in the medical literature; that the long-term effects of cannabis use are minor compared with the long-term use of benzodiazepines or opiates; and that cannabis can be a real alternative to those patients who need it.

New Zealanders should have the opportunity to present their views to Parliament. The people who are like the people in the examples I described earlier should be able to tell their stories to MPs. Those opposed to the bill should be able to present their concerns. I ask MPs simply to allow the bill to proceed to select committee so that the public, doctors, parents, patients, and families can have their say.

I have heard a number of concerns about the bill. A doctors' survey carried out in 2003 about medicinal cannabis showed that lung damage from smoking it was a real concern of doctors. I will make the point first that for those New Zealanders whose conditions are terminal, who are soon to die in pain, the health risks of smoking are meaningless if the drug relieves their suffering during the remaining stages of their lives. But for all other patients—and there are others—there are many different forms of ingestion that have very few negative health effects. I have one constituent who uses a tea, because if he consumes his cannabis in any other way it is too strong and he cannot cope with it. Others use various forms such as tinctures, and massage oils can be rubbed into damaged muscles and into amputated stumps in order to relieve pain. With good information doctors are able to work through the various options for use that work best for the patient. In terminal cases, surely compassion has to be the dominant concern.

Patients do not want the euphoric effects of medicinal cannabis; they simply want to be free of the perpetual pain that confines their lives. They just want to be able to do the normal things that other people do. Doctors are the experts on medications, not members of Parliament. According to our doctors' survey, 6 percent said they had recommended that their patients try cannabis, 10 percent said they currently had patients they believed would benefit from it, and 32 percent said they would prescribe it if it were legal to do so. Why anyone would prevent patients who suffer from chronic pain from disease from accessing an effective medicine with few side effects is beyond me. In fact, I consider it an act of cruelty for this Parliament to deny ill New Zealanders the best medication for them as prescribed by their doctors.

In asking only that this bill be allowed to proceed to the select committee, I finally note that if the bill were enacted, New Zealand would not be a world leader or a trailblazer. In fact, it would be following the example of 13 states in the US, and Canada, Spain, the Netherlands, and other countries that have a process for the provision of medicinal cannabis and whole-plant material. A number of members have expressed other concerns about the bill, but I assure every member of this House that we are open to all views, considerations, and amendments to the bill. That is what we expect to be the outcome of the select committee process, and we would welcome those contributions.

The medicinal use of cannabis is gathering increasing support and recognition around the world in communities just like those in New Zealand and in families just like those in New Zealand. Patients just like those in New Zealand are using medicinal cannabis in a way that is controlled and managed by their doctors and by the bureaucracy and ministries of health because it is the best possible medication for those people. Communities just like ours are choosing patients over politics, and compassion over cruelty. I ask that the MPs of this Parliament choose likewise. I commend the bill to the House.

**Hon Dr JONATHAN COLEMAN (Minister of Immigration):** Well, that was a very well-thought-out contribution from the Green member Metiria Turei. I see that the Misuse of Drugs (Medicinal Cannabis) Amendment Bill has been on the Order Paper for the past 3 years. Indeed, I am sure that the Green Party is very excited to hear it being debated in the House today, but I wonder whether we are really having the debate that Green members want to have. I question whether their concern is really about the medicinal applications of cannabis or more about trying to bring cannabis into the

mainstream as an accepted part of New Zealand society. I have to state up front that in this conscience vote I will oppose this bill for a variety of reasons. But I find it interesting that Green members want to promote this issue very specifically in this debate.

I have the greatest sympathy for those living in chronic pain. There is no question that when we look through new schedule 4, inserted into the Act by clause 13, we see that many people with a variety of syndromes really are in need of good medical care, and they demand the sort of analgesia, or pain relief, that will give them very real relief. But I do not believe that the correct path for those people would be to give them access to unprocessed cannabis, as this bill would allow.

It is true that when the active ingredient of cannabis, THC, is extracted, it certainly has analgesic properties, and there are various preparations of that. A drug called Sativex is available through the Ministry of Health, with ministerial approval, and has that pain-killing or analgesic effect. But to propose through this bill to allow people who are debilitated by pain from various syndromes to have access to unprocessed cannabis, I think, is quite a misguided approach to the issue. I accept that the member Ms Turei has the best of intentions, but I cannot help feeling that there may be a wider, underlying Green Party agenda here.

Be that as it may, it has been stated that this bill aims to amend the Misuse of Drugs Act 1975 to enable cannabis to be used for medicinal purposes. The bill allows people to be registered as users of cannabis for medicinal purposes. It also allows registered users or a designated agent to cultivate and possess a small amount of cannabis for the registered user—and I will elaborate on that a little bit later.

The range of conditions specified in the new schedule 4 is quite an impressive array. It ranges from the chronic effects of end-stage HIV infection, through to migraine, multiple sclerosis, and nausea associated with cancer chemotherapy—all of which are very important and debilitating syndromes, indeed. But we can also see some other conditions being proposed that cannabis be approved for. There is asthma; quite frankly, smoking cannabis for asthma is not the right treatment. I do not know how that ever ended up in this schedule. Cannabis would be the last thing we would want an asthmatic to have access to. Depression and mental illness are also listed. The use of cannabis for the treatment of depression and mental illness, as I think most health professionals would tell us, is completely contraindicated. In respect of many clinical patients suffering from depression and mental illness, psychiatrists and mental health nurses would be in general agreement that cannabis use makes those conditions worse.

**Metiria Turei:** Do you disagree with the UK medicinal cannabis research foundation, Mr Coleman?

**Hon Dr JONATHAN COLEMAN:** It does make it worse. Schizophrenia is on the list. That is a psychotic illness. For people who have dealt with patients suffering from serious psychotic illness there is no question that access to cannabis is often a co-factor in the development of that illness—in the way it plays out—and is completely contraindicated for people with that sort of affliction.

There is clearly some looseness about this bill, and maybe it needs more thought as to what the possible uses of medicinal cannabis may be.

But I think there are other issues with this bill, too. I could not help but be struck by the notion that the police would be expected to distribute cannabis seeds to holders of Medicinal Cannabis Identification Cards. Really, I am not trying to be flippant about this, but the police have enough to do. The bill also proposes that cannabis seeds seized in drug raids—in raids on people who have been growing marijuana—are then redistributed to people who have a use for medicinal cannabis. I do not think the police

will think that that is a particularly good idea, and I certainly do not think the public will want to see public resources used for that purpose.

There is also the issue of who will be the agent for, or the cultivator of, the cannabis. Will there be an agent who is allowed to cultivate cannabis en masse for a number of people with afflictions that need treatment? I mean, it sounds to me like a pretty impractical regime. The member talked before about the problem whereby people growing cannabis at home find they are targeted by people who want to break into the house, steal the cannabis, and sell it or smoke it. I do not see how making cannabis use legal will deter people from being targeted by those who want to get hold of their dope. So I think there are some fundamental flaws here.

The member said there is no problem with long-term marijuana smoking; I think that is a commonly mis-held belief in society. When we look at the research, we find that marijuana smoking is 10 times worse in terms of lung cancer risk than cigarette smoking is. It is actually a factor in depressive illness. I think many members here have known of people who have used marijuana over the long term, and have seen the effects on some of those individuals in terms of a lack of ability to get on with their lives. I am not saying that everyone who smokes marijuana has been afflicted like that, but we cannot make out that marijuana use and smoking are good things. There is no question about that. I think we have to be quite clear that we need fewer drugs in society, and by passing this bill we would be sending a signal that marijuana smoking is OK.

**Hone Harawira:** Get rid of alcohol and cigarettes, then.

**Hon Dr JONATHAN COLEMAN:** Look, alcohol is a major problem in society as well, but we are talking here about cannabis; we are not talking about medicinal alcohol. This is the medicinal—

**Hon Lianne Dalziel:** She said smoking for terminal illness—be fair.

**Hon Dr JONATHAN COLEMAN:** Well, if we are talking about terminal illness, then I invite the member to look at the new schedule 4. We see a lot of stuff there that does not relate to terminal illness.

**Hon Lianne Dalziel:** Yes, I know, but you're referring to smoking; she only referred to smoking for terminal illness.

**Hon Dr JONATHAN COLEMAN:** No, this is what the bill says. This is one of the problems with this bill, though: it is extremely loose. Members have to admit that. There are holes right through this bill. The member cannot bring this bill to the House and expect that it will get widespread support. I can tell members that if they took this bill outside the House, they would find that it is not the sort of legislation the public want this Parliament to be focusing on.

The member talked about the survey of 500 doctors and their attitudes to prescribing medicinal cannabis. It should be noted that 70 percent of those doctors did not want to have anything to do with it. I can see the problems doctors will be faced with. People will go to their doctor and say: "Doctor, I've got terrible pain. There's nothing that can be done for it. Will you please prescribe me medicinal cannabis?". I can tell members that the demand will be overwhelming for this stuff. Every chronic patient who will claim to have tried everything will want medicinal cannabis. But it is not the way ahead; the way ahead is through reasoned research to extract the active ingredient THC and to put it in a form of medication that can be titrated against the pain level. To say that a dose of THC can be administered in a metered spray or oral form, that someone's level of pain is appropriate to justify medicinal cannabis, and that we can titrate that against that pain—that is the sensible way to go. But to give someone a licence to cultivate cannabis, and to have it in its unprocessed form for his or her own personal use, is not appropriate for the medical conditions described in the bill, and it is not the way ahead.

**Metiria Turei:** Will you subsidise Sativex?

**Hon Dr JONATHAN COLEMAN:** The member cited a range of research. She will note that I did not interject on her speech; I actually listened to her arguments. We happen to have a different point of view. My view is quite firmly that I will not be voting for this bill. It will be interesting to see what the final vote count is.

**Hon LIANNE DALZIEL (Labour—Christchurch East):** I too rise to speak on the Misuse of Drugs (Medicinal Cannabis) Amendment Bill.

**The ASSISTANT SPEAKER (Eric Roy):** I am sorry. I meant to inform members that we are now on to 5-minute calls, with a 1-minute bell.

**Hon LIANNE DALZIEL:** I am very keen to explain why I intend not to support this bill, and, in doing so, I want to congratulate the member Metiria Turei whose name the bill is in on bringing the matter before the House, and to say that I totally support the underlying intention of the bill. If the bill had done all that the member said in her address it would do, I would support it 100 percent.

The reason I do not want the bill to go to a select committee is that the Law Commission is holding a review on the Misuse of Drugs Act at the moment. That is not a reason in itself for legislation not to proceed. If the bill was in a different form, I would support it. The bill will require people who agree with the underlying principle, as I do, to make extensive submissions on a bill that needs to be entirely rewritten, for a number of reasons that the Minister of Immigration spelt out. It is simply not fair on those who are represented on both sides of the wider drug debate that that occur. There will be people putting their effort into the Law Commission review, and that is certainly where I think the effort should occur, although I would be very happy to assist and to work with other members in the House, including the member who has proposed the bill, to come up with a form of bill—if this bill does not make it to the select committee this time—that addresses the issue that has been raised.

The reason I do not agree with this particular bill is that it introduces a complex regulatory framework, with a Medicinal Cannabis Registration Board being established to issue the Medicinal Cannabis Identification Card and the Designated Agent Identification Card. I have printed a copy of the Sativex document, “Requirements for Physician Application-Approval”. Doctors have to apply for it. It has to be signed off by the Minister of Health. As I understand it, five people only have had applications approved under this particular method. I think we can improve upon this, and I personally think that, on a general practitioner’s prescription, we should be able to have access to this kind of medication, which does as others have already commented.

In this bill the designated agent is required to prove himself or herself to be of good moral character. I totally object to that phrase being included in any law, let alone this law. We have taken the phrase “good moral character” out of a lot of laws over time, and I do not agree with it being inserted in this one. The requirement on the police, as the Minister of Immigration has said, to supply cannabis seeds to cardholders or their designated agents—seeds that they can supply only from stock seized during law enforcement activities—creates issues of concern.

Finally, the inclusion in new schedule 4, inserted into the Act by clause 13, in the schedule of conditions that are specifically contraindicated for cannabis use and, of course, mental illness is a potential exclusion criterion for the use of cannabis medicine in table II of the form that I have referred to. It states: “increasing evidence suggests that excessive or chronic use of cannabis is linked to psychosis and that it may exacerbate the symptoms of schizophrenia or precipitate this condition.” I personally think that if we looked at table I of this form, which details inclusion criteria, we would find the sorts of conditions that ought to be covered. To be honest, in the nearly 19 years that I have been in Parliament, I have never received a single letter from a constituent asking that cannabis not be made available to a constituent suffering from a chronic or terminal

illness. The specific chronic disease states or terminal illnesses spelt out in the inclusion criteria include nausea, anorexia, and wasting associated with cancer and AIDS; chronic pain for which other pain relief is ineffective; neuropathic pain associated with a variety of conditions; and muscle spasms etc. associated with MS or spinal cord injury. Those are the sorts of changes that I would like to see brought before this House. If that were to occur, I would support the bill.

**Dr PAUL HUTCHISON (National—Hunua):** Thank you for the opportunity to speak on this Misuse of Drugs (Medicinal Cannabis) Amendment Bill. In many respects Metiria Turei may be applauded for representing her constituency, but I do have many concerns about this bill. There are many tens of thousands of medical practitioners, nurses, and caregivers around the world who are extremely concerned about alleviating pain and the best ways to do that. It is important to point out that successive parliaments have spent considerable time on cannabis use, and medicinal cannabis use. For instance, in 2002-03 the Health Committee, and the Hon Steve Chadwick was chairman at the time, had an extensive inquiry into public health strategies related to cannabis use and their most appropriate legal status. More recently, the Health Committee has responded to a petition of Chris Fowlie, who requested that Parliament give urgent consideration to changing the law to allow individuals to obtain, possess, and use cannabis for the treatment of serious medical conditions when this has been endorsed by their registered medical practitioner.

I think it is important to reiterate the conclusions of the select committee, which were that we do not support changing the law to allow individuals to use the natural cannabis plant to treat specific and serious conditions when traditional methods have failed. We note that there is pharmaceutically based THC derivative medicine available by application to a general practitioner. Concern was expressed that this cost up to \$15 a day, and that should be looked at. There were also two further recommendations: that the Government instruct the Ministry of Health to update the prescribing guidelines for pharmaceutically based THC derivative medicines to include Sativex as a medicine under the Medicines Act 1981 and to continue to make pharmaceutically based THC derivative medicines available to treat serious medical conditions when traditional methods have failed.

But I am concerned at the explanatory note in Metiria Turei's bill. I believe it is not solid or evidence-based. She says that scientific research is now verifying anecdotal evidence that cannabis is a safe and effective medicine. That is not good enough. I absolutely agree with the Hon Jonathan Coleman's comments about new schedule 4, in clause 13 of the bill. When we turn to schedule 4 we read that asthma, and pain, perhaps of any sort, would be included in the regime within this bill. Undoubtedly smoking cannabis is certainly absolutely inappropriate for someone with asthma. I had a prominent Wellington physician tonight point out how conditions like nail-patella syndrome are absolutely rare and there are many other options to treat it with. When one looks at new section 9B, "Medicinal Cannabis Identification Cards", in clause 10, and the requirement in 9B(1)(b) to have "the written support of his or her medical practitioner or medical specialist;" one must recall just recently the striking off of the medical register of Dr Rhys Cullen, who abused his privilege. There is room for abuse in this bill by inappropriate prescriptions, and I agree that the provision in section 12, "Supply of cannabis seeds" by the police, will also be particularly cumbersome.

When one goes through the literature, one sees in *The Lancet* in July 2004, in the *European Journal of Cancer* more recently, and in the *Journal of Pain* in 2008, some of the most prestigious writers on this subject in the world. I quote from a randomised placebo-controlled crossover trial of cannabis cigarettes in neuropathic pain. The conclusion of those doing the trial was that no sound scientific studies supported the

medicinal use of cannabis. They pointed out that over 111 compounds were identifiable in smoked cannabis, including several potentially harmful hydrocarbons. However, they saw the sense of carrying out similar trials in the future using vapourised, deliverable therapeutic doses. It is very important that we keep searching for evidence-based ways to alleviate pain, but I do not believe that this bill is a suitable instrument with which to do it.

**Hon RUTH DYSON (Labour—Port Hills):** I begin my contribution to this debate by saying that the Green Party has had an extraordinarily high amount of good luck with members' bills lately. I do not know what it is those members are doing, but if they could spread it around just a little it would be greatly appreciated.

I want to acknowledge Metiria as the member in charge of this bill. I think it can be really difficult when one has inherited a bill, particularly after such a long period of time. This bill has been hanging around for ages. As Dr Hutchison just alluded to, there have been debates at the Health Committee on two occasions on the issue of pharmaceutically based cannabis, and this bill has stayed to the side of those.

The Health Committee inquiry 5 years ago was quite rigorous, and I hope that my colleague the Hon Steve Chadwick is able to take a call. She chaired that committee, and I know that within our caucus we certainly had a lot of very useful and intelligent debate on the issue. As Dr Hutchison noted also, our select committee has just referred back to the House a petition that did not go as far as this bill has intended but certainly recommended changes to the current regime.

A lot of people do not realise what the current position is in relation to the regime around the medicinal use of cannabis in New Zealand. Sativex is available on prescription from a general practitioner and when endorsed by a specialist. The Health Committee recommended that the threshold for accessing Sativex be reduced. It is horrifically expensive. If people have been ill for quite some time, they are unlikely to be in paid work—even part-time work, let alone full-time work—so their finances are depleted. They already carry the huge burden of illness and pain, and on top of that we charge them like a wounded bull.

Our select committee felt unanimously that that was unfair and meant that the only pain relief or the only relief from nausea for many people was just not available. It is financially inaccessible. We suggested that the Medicines Act be amended to include Sativex so that it could be available on prescription from a general practitioner and would not need that higher level of endorsement.

Although most people talk about the primary purpose of medicinal cannabis as being pain relief, it is also very useful in easing muscle spasms. That is a very common condition and one that is very hard to treat otherwise, and it can have a very detrimental effect on the quality of life for people. As my colleague Lianne Dalziel mentioned, it is also an appetite stimulant on some occasions for some conditions.

So in New Zealand we already have pharmaceutically produced cannabis-based medicines. This bill is saying that that regime is quite onerous and quite expensive. Sativex is expensive in terms of accessing general practitioners and specialists, and it is also expensive to access literally as a nation. Other countries have looked at this issue and said: "Well, why don't we just have the right for people to grow their own cannabis for medicinal purposes?", and that is really what this bill proposes.

I agree with my colleague Lianne Dalziel that if the member had the opportunity to quietly rip up the bill, start again, and submit a newly drafted bill, I am sure the member may have done it. But it is not beyond the ability of the select committee—I have seen it done on many occasions—to throw out the entire bill except for the point of it, and rewrite it in language that members of the select committee are all comfortable with and, certainly, have learnt on the basis of the submissions.

Likewise, in respect of the other point my colleague Lianne Dalziel made in regard to the Law Commission review, I do not think it would be beyond the ability of the select committee—as a member, I would certainly support it, and I think Dr Hutchison would as well—to park this bill until the Law Commission results were progressed a bit, and then, having heard what the Law Commission is doing, progress this bill. Is it way out of keeping? It may be the case that the Law Commission looks at it and we could just pick up those submissions and learn from them, or the commission may look at it rigorously and decide it is not something we should progress.

In my view, Parliament should never be afraid of a controversial debate. We should never be afraid to learn from international evidence and from what other countries are doing, even if we disagree with them. I will support the referral of this bill, with all its faults, to a select committee, because I am not afraid of the controversy around that debate.

**DAVID GARRETT (ACT):** I was not going to speak on the Misuse of Drugs (Medicinal Cannabis) Amendment Bill, and I was going to save my vote as a surprise at the end, but I have found myself unable to resist the temptation to rise to speak to it after hearing the contribution from Metiria Turei and after what has occurred over the last couple of days.

Like other members, I am sure, my BlackBerry has been buzzing since last Monday with exhortations from various people, dozens and dozens of them, about the anti-smacking bill—the child discipline bill. But I have received just as many from the thousands and thousands of amputees, cancer victims, end-stage HIV sufferers, and others who exhort me to support this bill. I find that rather amusing.

Metiria Turei managed to get through her speech—10 minutes, I think—with a completely straight face. She had this House believe that this bill is all about the medicinal use of cannabis. In dozens of other arguments since I have been here, the Greens have given us dire warnings about the thin end of the wedge, and measures that were supported by both major sides of the House found obstacles over there because they were the “thin edge of the wedge”. Not on this one, though.

Let us take Tasers as an example. Members on both sides, with various degrees of caution, see the use of Tasers as a good alternative to being shot, but the Greens see it as the police going around terrorising everyone and extracting confessions from people on the ground. But, apparently, the provisions in this bill will not go any further than cancer victims, end-stage HIV sufferers, and amputees.

**Todd McClay:** And people without appetites.

**DAVID GARRETT:** Yes, indeed.

But having said all of that, on a matter of principle I intend to support the bill, because I think that bills should always go to a select committee. Ms Dyson probably will not appreciate my support, but the arguments she made a second ago make plenty of sense. The select committee process is valid, things come out of it, and I have confidence that if the bill was to get to a select committee, the idea that cannabis is a treatment for psychiatric illness would very quickly emerge as a ludicrous one.

I have a close friend in Taranaki who is a psychiatric nurse, and she has talked to me about the young people in the psychiatric ward of Taranaki Base Hospital. She told me every single one who has acute psychosis has problems with cannabis use. In respect of asthma, well, cannabis was used for that in the 1920s. I was not around in the 1920s, but Indian hemp, as it was then called, was a recognised treatment for asthma. We now have much better things. My young boy has asthma and he has a puffer rather than a joint.

But having said all of that, I think that, on principle, as I have said, bills, especially members' bills, should have the courtesy of being sent to select committee for examination. For that reason alone, I intend, for myself, to support the bill at this stage.

**RAHUI KATENE (Māori Party—Te Tai Tonga):** The Misuse of Drugs (Medicinal Cannabis) Amendment Bill is essentially about allowing registered medical practitioners to prescribe cannabis to those with certain serious medical conditions such as cancer, arthritis, or Alzheimer's disease. There would not be a Māori in Aotearoa who has not felt the force of those conditions, so one would think that we would look at this bill with considerable sympathy. Indeed, just a couple of weeks ago I lost my mother as a result of Alzheimer's, so I know only too deeply the agonising ordeal for individuals and their whānau in enduring the impacts of these illnesses. Anything that can make our loved ones' lives easier comes within our gaze, and we know there are some pretty compelling reports in medical journals around the world that support the medicinal properties of cannabis, especially with pain relief, anti-spasticity, and anti-nausea.

That research provides a strong basis for supporting the use of medicinal cannabis where other therapies have failed for people with very debilitating diseases and where the delivery mechanism is safe. That is where the Māori Party starts to become unstuck. Studies show the effectiveness of treatment when cannabis is applied in the form of tablets or an oral mucosal spray; it is generally well tolerated and its short-term use is safe. There are other methods: the use of tinctures, inhalers, and vaporisers can be used to manage the delivery of medicinal cannabis. But the reality is that we know that the most readily available form of cannabis would be through smoking it, and that is where the Māori Party has objections that cannot be ignored.

There is a host of evidence showing that the health effects of smoking cannabis are similar to smoking tobacco, as the inhalation of smoke from any organic material is the harmful activity. A New Zealand study conducted last year found that regular cannabis use increases the risk of lung cancer. In essence, cannabis smoke contains the same cancer-causing substances, or carcinogens, as tobacco. However, cannabis cigarettes do not have a filter, so more of the tar reaches the lungs. In addition, people inhale cannabis smoke for longer than cigarette smoke—contrary to a certain US President. Part of the attraction or the addiction, I understand, is to get the full effect of the cannabis, but that means the smoke is in contact with the lungs for longer. Therefore, there is a greater respiratory burden because cannabis smokers inhale more deeply. There are other side effects associated with smoking marijuana, not the least being the range of its adverse respiratory effects such as a chronic cough, recurrent bronchitis, and a significant impairment of lung function. Cannabis smokers are significantly more likely to experience heart complications, including heart disease and sudden cardiovascular death. In a report published just last month in the *Chemical Research in Toxicology* journal, research indicated that, as with tobacco smoke, cannabis smoke damages the DNA and increases the risk of lung cancer and other cancers.

We are genuinely conflicted about this bill. Of course we would not wish anyone to suffer the pain of chronic illness without having effective relief. I would have done anything for my mother, but she would never have picked up a joint. Neither would I have wanted her to, for many reasons other than pain relief; many of those reasons would have been about her mokopuna and my mokopuna. We believe that marijuana's future as a medicine must not involve smoking it. We cannot ignore the fact that access to and legal possession of marijuana by adults for medical reasons can model exposure and access to use by children and adolescents. The issue of managing access to cannabis will always be enormously risky. The Māori Party has always believed that if we, as a nation, are truly committed to whānau ora, we must address the social hazards that create such havoc on our health such as tobacco and cannabis smoking. We fully accept that cannabis is well known as a smooth muscle relaxant, and it is useful for certain conditions and in some pain therapy, but we will never agree that smoking is an

acceptable means of delivery for any medicine. On those grounds, the Māori Party cannot support this bill.

**KEVIN HAGUE (Green):** It gives me great pleasure to stand today and speak in favour of Metiria Turei's Misuse of Drugs (Medicinal Cannabis) Amendment Bill. I hope that other members of the House, regardless of their views on the separate issue of decriminalisation of cannabis, will also feel able to support it.

Members may be aware that I worked for the New Zealand AIDS Foundation for 10 years, including 5 years as its executive director. During that time I became very aware that many people who are living with HIV and AIDS, possibly most, had found that cannabis was an effective medicine for them, whereas other medicines had failed. Those people used it for that purpose, often with the blessing, either explicit or tacit, of their doctor. I also have a lot of experience with people with spinal injuries, and exactly the same situation applies. Many other members of this House will also know people with chronic and debilitating conditions who have used cannabis in the same way and for the same reasons. In my AIDS Foundation role I was lobbied by people living with HIV and AIDS to do more to try to achieve access to cannabis for medicinal purposes. I very much regret that I was not able to do more to advance the issue from that role.

The principal reason given for the illegal status of cannabis generally is that it poses health risks to the user, and that point goes to those arguments made by the previous speaker, Rahui Katene. The HIV and AIDS field has seen us have the need to advance our thinking on many fronts, and one of those is in the idea of catastrophic rights. It is obvious, really, that in the case of people facing very serious consequences of their illness, such as those to whom this bill would apply, the normal rules we have to protect them from harm should be suspended. This doctrine is normally applied to allow such patients to access new drugs that are still in experimental phases and have not yet been proven to work or to have no harmful effects. But it applies even more to cannabis, where the risks are known and are known to be relatively minor.

I was in California last year and was very struck by the green pharmacies now dispensing medicinal cannabis, which I had not seen even a few years ago. That reflects a growing international consensus that cannabis should now be available as a medicine. Now it seems we also have a growing consensus in New Zealand on the benefits of cannabis for medicinal purposes. I sit on the Health Committee, as do Paul Hutchison and Ruth Dyson, who have previously spoken. We recently reported on Chris Fowlie's petition. The Ministry of Health told the select committee that evidence supports the medicinal use of cannabis for the treatment of serious medical conditions when traditional medicines have failed, providing a broad spectrum effect. The ministry said that toxicity associated with excessive doses is unlike that for other analgesics currently prescribed for chronic pain and disease, in that it has a wider safety margin with fewer short-term side effects and minor long-term effects, compared with current drug regimens. The ministry also told us that medicinal cannabis appears effective and safe in all age groups. That is on the basis of the ministry's literature review, not on the basis of the single study that Paul Hutchison mentioned.

The remaining question, then, given there is consensus of benefit, is how best to provide access for patients. The committee has recommended that pharmaceutically derived THC derivative Sativex is brought under the Medicines Act to allow general practitioners to prescribe it without specialist endorsement. That would be a good step forward. It also opens the door for it to be considered for subsidy by Pharmac. It would be great to hear from Government members today on how the Government will progress the select committee's recommendation, but I have not heard that yet. The select committee also expressed concern that, as things stand, with no subsidy, costs could restrict access for some patients.

It may be that it was not appropriate for the committee to take things to the next logical step but it would be appropriate for this House to do so. If there is clear evidence of benefit and improved quality of life for seriously ill and dying patients, and it has less risk than the currently available treatments—which are also less effective, but cost is a barrier to the version produced by pharmaceutical companies—then, for goodness' sake, let us allow those who meet the criteria to access the natural product. In the minds of members, on this issue logic will be grappling with fear. Logic says “Support the bill.” Please be brave.

**NICKY WAGNER (National):** I rise to oppose the Misuse of Drugs (Medicinal Cannabis) Amendment Bill, but firstly I wish to congratulate Metiria Turei on getting the bill drawn from the ballot. The Greens always seem to be particularly lucky when it comes to member's bill ballots. I know that many Green Party supporters will be keen to see this bill passed.

The legalisation of marijuana has been a long-time Green policy, and although it has not been acknowledged recently, everyone knows that the Greens would like to see marijuana made legal. I say “everyone” because time and time again when I visit schools, kids tell me that they support the Greens. When I ask why, I am told that it is not because they are interested in the environment, and it is not because they support or even really have any knowledge of the Greens' policies. They tell me that they support the Greens so “we can smoke dope legally, Miss”, and that is the problem with this bill.

At first glance the use of cannabis by the chronically ill when they find all other medications unsuitable sounds practical and sensible, but it is not quite that simple. Ross Bell from the Drug Foundation said in the *Dominion Post* this morning that this bill is not a debate over the change of the legal status of marijuana and that it is not a backdoor attempt to legalise marijuana, because there will be tight controls over the dispensing of cannabis for medicinal use. Again that sounds sensible, but tight control is hard to achieve.

Most New Zealanders would like to see tight control on cannabis, full stop. We all know the dangers of the drug, particularly for young people, and it is very difficult to control. It is even harder to achieve tight control. There are dozens, maybe even hundreds, of legal drugs that can be used to treat sick people without having to legalise a highly prized, illegal, recreational drug and to provide for it to be grown for personal use. I would be more sympathetic to the situation if there was not any alternative to unprocessed cannabis for medicinal purposes, but there is. Sativex is a pharmaceutically based mouth spray that can be used by a patient when all traditional treatment options have failed.

In 2008 the Health Committee reviewed the present situation and concluded that the law should not be changed to allow the possession and use of unprocessed cannabis for medicinal purposes. The Health Committee recommended that Sativex be listed as a medicine under the Medicines Act 1981. That means that it could be prescribed by a general practitioner without any need for specialist support, and I and National support that recommendation.

The advantage of Sativex is that it is a quality-controlled product. It can be prescribed in a measured dose, and because it is a mouth spray it has no harmful side effects. It is a useful medicine for those who have trouble taking more traditional products, and I know people who are using it very successfully. It is particularly suitable for managing HIV and AIDS, and spinal injuries. It is used in the care of Alzheimer's and for pain management. It is being used successfully, and that is a positive step.

Sativex is the only cannabis-based product available presently on the market. There are over 60 active therapeutic compounds in cannabis, and there is increasing interest

from scientists in creating unique new medicines from the cannabis plant. National would support any innovation in this area. But I struggle with this bill. I feel that the medicinal path is really a red herring.

All prescription medicine of any type needs to be controlled and dispensed in a safe, reliable, and consistent manner. This bill suggests that seriously ill people should grow their own medicine. Is that really where we want our health system to go? I can imagine the outrage if we suggested that people grow their own penicillin on top of their jam. Sick people deserve better than that. I support the use of Sativex and also the development of new cannabis-based drugs.

**Hon STEVE CHADWICK (Labour):** I am pleased to take a call, because I think members' days are particularly interesting days. It is great to see the number of members who have come down to the House on this issue, which has made some of them sit in their seats and squirm a little bit. I thank them for coming down and listening to the debate, because often the debate changes people's perspective and their point of view on this issue.

As our health spokeswoman, Ruth Dyson, said, I chaired the cannabis inquiry in 2003. It was quite a different inquiry then. It was an inquiry into the public health strategies related to cannabis use and the most appropriate legal status. But we did have a recommendation back to the Government—and Labour was in Government at that time—that cannabis is among a number of substances that we should look at for medicinal use. We got a response from the Government to say that this work was under way, and we were closely watching what was happening in the UK at that time with a pharmaceutical preparation. It was great to know that, ultimately, that has come into the country and patients can be prescribed Sativex.

We have heard tonight about how complex that process is for patients and how expensive it is for them. I will definitely support this bill being referred to the Health Committee tonight. I think it is a poorly written bill, but I know from previous bills that have been before the Health Committee that good members on the committee who are not pharmaceutical experts but politicians in the House listen to evidence that comes before the select committee and can turn around an improper and rather clumsy bill to make it so much better.

I want to point out two issues in schedule 4. People have expressed surprise at how some of these conditions are seen to benefit from medicinal cannabis and the therapeutic use of cannabis. I am the national patron for a terrible condition called Guillain-Barre syndrome, where patients are paralysed but suffer the most extensive pain that is cruel to watch. Some of those patients are paralysed but suffer dreadful pain and are unable to go on opiate derivatives because it depresses their respiratory tract, and that is of extreme danger to them. Some of those patients have mentioned that cannabis has helped them enormously to get through that terrible acute pain phase. The same applies to those with multiple sclerosis who get terrible spasms of their body and find it hard to find another pharmaceutical drug that helps them so much. It also applies to amputees who get phantom pain and after the amputation are screaming with pain in a limb that is no longer there. Pain clinics struggle to find some sort of pain relief for those people, yet we have a product that those who have used cannabis say has completely taken away those acute pain symptoms that give them no quality of life.

We are not medical experts in this House. But I did like the now sponsor of the bill, Metiria Turei, saying that as politicians we should show some compassion and that we should also look at alternatives. We have Sativex, and that is great, but we should also be doing the right thing for the public of New Zealand. I believe in the principle, as David Garrett said, of taking this to a select committee. I say to Mr Garrett that we find some strange bedfellows in some debates.

I think, as well, that this raises issues in relation to the need to review drug law and drug policy. This country is calling out for a comprehensive review of drug policy. I am glad we will receive the Law Commission report.

If we deny the public of New Zealand the opportunity to submit on a bill like this, we close down community conversations. We close down raising public awareness of an issue that in this case I do not believe is a wedge issue, as some members have said tonight, to legalise marijuana. It is nothing to do with that.

**METIRIA TUREI (Co-Leader—Green):** I thank members for their contributions this evening. I thank those who have agreed to support the Misuse of Drugs (Medicinal Cannabis) Amendment Bill or the principle behind the bill. We are talking about sick New Zealanders, those who suffer, and taking a compassionate approach to their needs, as opposed to a bigoted or prejudiced approach about the issue of cannabis in general.

I will address some of the issues that have been raised. It is true that cannabis issues have been debated in the House comparatively regularly, and that is because no action has been taken. Nothing has really changed. Until something changes to provide relief to those patients—frankly, the registration of Sativex in itself is not enough—we will continue to bring these issues before the House, because sick people deserve our support and compassion. The fact that Sativex might be registered in this country and available to patients does not mean that they can access it. It might mean that those who are wealthy are able to access it, but those who have been ill for some time and have had serious income issues as a result of that illness are not. People should not suffer simply because they are unable to afford the best medicine that is available to them, when there is an alternative that is cheap, accessible, and controlled and managed by a doctor in accordance with the conditions of that person's illness. All this bill asks for is that medication that will work for a patient and is managed by a doctor be available to that patient in an accessible way.

There were concerns about the list of conditions that the legislation applies to. I understand the concerns and why they were raised. I note, though, that the list of conditions was based on the list that was provided in 2001 by the UK's Medicinal Cannabis Research Foundation. It includes depression and mental illness, as well as the conditions listed in the bill. The inclusion of those conditions was based on evidence and research that had been conducted elsewhere. I also remind members that I have said—and will continue to say—that the Green Party and I would be open to appropriate amendments to the bill, if the bill were to go to the select committee. We could have that discussion there.

There is no doubt that cannabis is an effective medicine. The research has proved it. A 2005 British survey of 500 HIV/AIDS patients found that a third of them used cannabis for symptomatic relief, and more than 90 percent of them said that medicinal cannabis reduced their nausea, improved their appetite, and resolved their muscle pain and other symptoms. Research in 2005 found that four out of every 10 Dutch patients who had prescriptions for medicinal cannabis used it to treat multiple sclerosis or spinal cord injuries. A 2002 British survey of multiple sclerosis patients found that 43 percent used medicinal cannabis, and that 67 percent would use it if it were legal. Because they were frightened of the law, they were not able to access this medicine that would be advantageous for them.

I note the concerns of the Māori Party as to the delivery of the medicine. I reiterate that there are other forms and methods of delivery that do not involve the inhalation of hot ash and smoke—for example, the use of tinctures, which for some conditions are much more effective. There are ways of ingesting cannabis through the stomach, whether it is in a tea or in some other edible form. That method can be much more effective for some patients. The use of vaporisers and inhalers is available for whole plant material. Both those options are available.

Finally, the public support the bill. Sixty-three percent of New Zealanders polled in a TV3 survey said they supported the provision of medicinal cannabis to patients.

Our community needs our help. There are people in our community who are in serious, daily pain that prevents them from living any kind of decent life. The only thing that prevents them from having access to relief from that pain and suffering is that this Parliament will not allow the debate on the issue to be heard. So I ask MPs again: all we seek is that the bill goes to a select committee so that those patients, their families, and their doctors can talk to us and provide information, research, and evidence, which we can consider.

A personal vote was called for on the question, *That the Misuse of Drugs (Medicinal Cannabis) Amendment Bill be read a first time.*

#### Ayes 34

Ardern J	Fenton (P)	Kedgley	Robertson G
Beaumont	Fitzsimons	King A (P)	Roy H (P)
Boscawen	Garrett	Lees-Galloway	Sepuloni
Bradford	Graham	Locke (P)	Street
Burns	Hague (P)	Mackey	Turei
Chauvel (P)	Harawira	Moroney (P)	Twyford (P)
Cunliffe (P)	Hide (P)	Norman (P)	
Delahunty	Hipkins	Pillay (P)	<i>Teller:</i>
Dyson	Hodgson	Prasad	Chadwick

#### Noes 84

Adams	Dean	Key (P)	Shanks (P)
Anderton (P)	Dunne (P)	King C (P)	Sharples (P)
Ardern S (P)	English (P)	Laban (P)	Sio
Auchinvole (P)	Finlayson	Lee (P)	Smith L (P)
Bakshi (P)	Flavell (P)	Lotu-Iiga	Smith N
Barker (P)	Foss (P)	Macindoe	te Heuheu (P)
Bennett D (P)	Gilmore	Mahuta	Tisch (P)
Bennett P (P)	Goff (P)	Mallard (P)	Tolley (P)
Blue	Goudie	Mapp (P)	Tremain
Borrows	Groser (P)	McClay	Turia (P)
Bridges (P)	Guy (P)	McCully (P)	Upston
Brownlee (P)	Hawkins (P)	Nash	Wagner
Calder (P)	Hayes (P)	O'Connor (P)	Wilkinson
Carter D	Heatley (P)	Parata	Williamson (P)
Carter J	Henare (P)	Parker (P)	Wong (P)
Choudhary (P)	Horomia (P)	Peachey	Woodhouse (P)
Coleman	Hughes	Power	Young (P)
Collins (P)	Huo (P)	Quinn	
Cosgrove (P)	Hutchison	Ririnui (P)	
Curran (P)	Joyce (P)	Robertson H (P)	
Dalziel (P)	Katene (P)	Roy E	<i>Teller:</i>
Davis	Kaye	Ryall (P)	Goodhew

Motion not agreed to.

The result corrected after originally being announced as Ayes 34, Noes 86.

## LIQUOR ADVERTISING (TELEVISION AND RADIO) BILL

### First Reading

**METIRIA TUREI (Co-Leader—Green):** I move, *That the Liquor Advertising (Television and Radio) Bill be now read a first time.* At the appropriate time, I intend to move that the bill be referred to the Health Committee. I urge all MPs to support this bill's referral to the select committee for further discussion and debate. I also acknowledge Brendon Burns and his latest efforts to deal with the issue of the advertising of liquor.

This bill will prohibit the broadcast of all liquor advertising in New Zealand, except in films that have been made overseas—a practical measure. Alcohol advertising was introduced to broadcast media in 1991, and it has become the primary source of information for most people about alcohol and how it is used. Alcohol, through advertising, is associated with desirable lifestyle images, normalising and encouraging widespread alcohol use.

To use the Drug Foundation's words, alcohol is New Zealand's "most widely used psychoactive ... recreational drug". Its effects include lack of coordination, mood changes, aggression, overly emotive feelings, confusion, blurred vision, poor muscle control, nausea, vomiting, incontinence, impotence, shrinking of testicles, sperm damage and low sperm count, alcohol poisoning, coma, and death. Alcohol can be addictive, and "withdrawal effects include loss of appetite, nausea, sweating, body shakes, anxiety, insomnia, irritability and confusion. A person withdrawing from severe alcohol dependence may risk convulsions, delusions, hallucinations, vomiting and death." The Drug Foundation reports that research has shown that "the social cost of alcohol in New Zealand ranged between \$1 billion to \$4 billion each year. Lost productivity cost New Zealand \$1.17 billion each year; the burden on the public health sector was \$655 million, crime and related costs added up to \$240 million, social welfare \$200 million and other alcohol-related government spending \$330 million."

Alcohol is dangerous, lethal, and expensive for this country. Yet this dangerous drug is marketed in a myriad of ways to our communities, and particularly to our young people. Sold in stores, this drug is readily available. Research here and overseas shows that a restriction or ban on the advertising of this drug is an important step towards reducing the use of and, therefore, the harm caused by this psychoactive drug.

I refer to a recent submission to the Law Commission by Professor George Seber of the University of Auckland, who described in that submission the results of a French law. In France, alcohol advertisements are prohibited on television or in cinemas. The French data show that the introduction of the law to ban broadcast advertising ensured that levels of use continued to drop in that country, and in 2007 there was a 2 percent fall in wine sales. France has also taken the courageous step of banning the alcohol industry's sponsorship of sport—something that New Zealand has failed to do. Norway has a total ban on alcohol advertising. Twenty-one of the 27 European Union member States have a partial or complete television advertising ban with regard to time and/or product.

The science group of the European Alcohol and Health Forum has produced a report that includes 13 longitudinal studies that involved 38,000 young people aged between 10 and 21 years old. I will describe for members three extensive reviews referred to in that report.

The first was conducted in 2009 by Lesley Smith and David Foxcroft: "The data from these studies suggest that exposure to alcohol advertising in young people influences their subsequent drinking behaviour. The effect was consistent across studies, a temporal relationship between exposure and frequency of drinking ... was

clearly demonstrated”. Another study from 2008 stated: “Available evidence suggests that price promotions do increase binge drinking and that exposure to point of purchase advertising predicts the onset of youth drinking. Regardless of their explicit intention there is evidence for an effect of alcohol advertisements on underage drinkers.” A third survey in 2009 found: “Longitudinal studies consistently suggest that exposure to media and commercial communications on alcohol is associated with the likelihood that adolescents will start to drink alcohol, and with increased drinking amongst baseline drinkers. Based on the strength of this association, we conclude that alcohol advertising and promotion increases the likelihood that adolescents will start to use alcohol, and to drink more if they are already using alcohol.”

A further study published in *The Lancet* noted: “Making alcohol more expensive and less available, ... are highly cost-effective strategies to reduce harm ... Banning of alcohol advertising, drink-driving counter-measures, and individually directed interventions to drinkers who are already at risk are also cost-effective approaches.”

That was a long recitation of reports, and there are many more just like them. The fact is that MPs and the community know the truth of the matter. For as long as the community turns a blind eye to the harm caused by this drug and continues to refuse to take the easy and basic measures to control and manage its use, we will all continue to suffer the grotesque consequences.

Alcohol contributes to about 25 percent of fatal car crashes. Twenty-five percent of car crashes that result in a death are attributable to alcohol. Twenty percent of crashes that cause serious injury on our roads are attributable to alcohol. New Zealand research shows that nearly 4 percent of all deaths in this country are attributable to alcohol consumption. Nearly 4 percent of all deaths are attributable to the consumption of alcohol. The harm is real. The harm affects all of our families and communities. This drug must be better controlled and better managed. Our bill proposes a very small step towards controlling and managing this drug in a way that will protect our community from harm.

The Green Party believes that the three most popular drugs in New Zealand should be regulated within the law under a similar framework. To this end, it is the Green Party’s policy that public health measures should include the following aspects: first, a ban on the broadcast of alcohol advertising; secondly, a requirement for compulsory health warnings on all alcohol and tobacco products; and, thirdly, support for the use of pricing mechanisms such as taxes, duties, and levies to discourage the use of alcohol and tobacco. Tobacco kills; so does alcohol. Both should be regulated under a similar framework. This bill takes one step towards achieving that consistency. It deals with the first measure, which concerns the banning of broadcasts. The bill is reasonable, rational, and demonstrably effective. I commend the bill to the House.

**Hon Dr JONATHAN COLEMAN (Minister of Broadcasting):** I do not think that it will have escaped those who are listening to or watching this debate at home, or who have been following the proceedings in Parliament this evening, that there is irony in the fact that the Green members spent the past hour arguing for liberalisation around marijuana, and they now, after Metiria Turei’s speech, sound as though they are on the verge of calling for the prohibition of alcohol.

The member made a number of good points about alcohol. There is no question that abuse of alcohol in New Zealand is a very serious issue. All Governments around the Western World grapple with the issue; this Parliament grapples with it on a regular basis. A couple of years ago there was a conscience vote here on raising the drinking age back to 20 years from the level of 18 years that was set back in 1999. It is on the record that that vote was lost. But in looking at what we can actually do to address the issue of alcohol abuse in New Zealand, I do not think that the Liquor Advertising

(Television and Radio) Bill, which calls for a total ban on all broadcast advertising of alcohol, will achieve that effect. The bill provides that, subject to certain exceptions, no person may broadcast, or arrange for any other person to broadcast, any liquor advertisement in New Zealand. We will have a conscience vote on the bill, and I can tell members that I will be opposing it.

This Government understands that liquor is a major issue in New Zealand. Indeed, the current Parliament has a number of bills before it in order to consider the issue in depth. This bill, however, addresses only selected aspects of liquor management, and pre-empts other similar bills currently before the House. The Sale and Supply of Liquor and Liquor Enforcement Bill was introduced to the House in August 2008 and had its first reading in March this year. It deals, amongst other things, with the advertising of liquor. It is before the Justice and Electoral Committee, which will report back in September this year. In addition, the Law Commission is currently undertaking a full review of the Sale of Liquor Act. It has been made clear to the Law Commission that liquor issues are something that this Government wishes to address, and we have asked the commission to produce a report 12 months earlier than the previous Government had directed.

We believe that this Parliament wants one crack at getting it right so that we do not need to repeat this conversation about liquor regulation on an annual basis. In light of that direction, the commission is expected to report back with a discussion document later this month. A full report will follow that—one that responds to this consultation process. Both the aforementioned bill and the review are more comprehensive than the current bill before the House. It is also worth pointing out that another member's bill, the Sale of Liquor (Youth Alcohol Harm Reduction) Amendment Bill, was recently defeated in the House by 62 votes to 58. It is crucial that we avoid a piecemeal approach to liquor issues.

The Government is of the view that the Advertising Standards Authority currently does a sufficient job of exercising control and encouraging self-regulation over certain specified complaints relating to the broadcasting of liquor advertising. It is interesting to note that in 2008 the Advertising Standards Authority received 1,240 complaints, of which fewer than 5 percent were about alcohol, and that most of these complaints were about advertising in media other than television. The Advertising Standards Authority is currently in the public consultation phase of the development of a liquor promotion code. This code will deal with issues such as packaging and promotion, which this bill does not even touch upon.

I say again that the Justice and Electoral Committee is taking a much broader look at the whole area of legislation in this area. It would seem to make sense to see that process through to completion, rather than to develop piecemeal solutions that might be superseded by this review in the coming months.

It is also important to note that this bill would have a significant commercial impact. The television industry is facing serious economic challenges due to an ever-changing broadcasting scene and the ongoing recession. It is on the record that advertising revenue for free-to-air broadcasters has dropped considerably in recent years. It is also interesting that those who have complained the loudest about job losses at Television New Zealand (TVNZ) and problems in that sector are the very same people who would further seek to cut the revenue of free-to-air broadcasters by supporting measures such as this bill and the Sale of Liquor (Youth Alcohol Harm Reduction) Amendment Bill that was before the House 2 weeks ago. I tell members that the livelihood of free-to-air broadcasters will depend on their ability to continue to advertise, and to self-regulate their advertising in a responsible manner. Indeed, if this bill is successful, the advertising industry estimates that upwards of \$16 million per year in television

advertising revenues will be lost. This in turn will lead to further job losses in the industry and lower investment in local programming content. Members opposite cannot have it both ways. They cannot say they do not want freedom of advertising on television, but at the same time get upset when there are job losses in the television industry, where there is damage to that industry on a long-term basis.

I will certainly be interested to hear what some of the Labour Party speakers have to say about this, because I know they supported Brendon Burns' member's bill 2 weeks ago. He was very vociferous on the issue of banning advertising on television, but at the same time he was very prominent in calling for a stemming of the job losses at TVNZ. He is in quite a difficult position, trying to reconcile supporting our State broadcaster with at the same time wanting to ban its ability to advertise as it sees fit in a responsible manner during its own schedule time.

In the last 4 years, the amount spent on alcohol advertising on television has reduced from \$24 million a year to \$15.8 per annum. Across all media, it has gone down from \$40 million a year to \$36 million a year. As a percentage of annual media spend, alcohol advertising on television has gone from 60 percent to 44 percent, while in other media it has risen, most notably in newspapers, where it is up from 16 percent to 24 percent. To impose additional constraints that have unproven benefits will not provide a public good, but will have a serious negative effect on the television industry as advertisers of alcohol move to other media, most notably the print media.

Also, it would seem that the reason for this bill's introduction is now obsolete. Although the concerns over negative aspects of consumption of alcohol have risen, alcohol advertising is actually in long-term decline. Advertising for alcohol peaked in 1998 and has been dropping steadily ever since. This bill also completely ignores the fact that New Zealand is now in a global media market. A lot of content comes in from overseas, yet this bill allows for international liquor advertising—embedded, say, in coverage of a baseball game from the US via ESPN—but not for Steinlager to be advertised on the billboards of an All Black test match. This bill is bad for New Zealand companies. It is bad for the advertisers. It is bad for the broadcasters. It is bad for New Zealand sport events. But at the same time, it will be OK for foreign brands supporting foreign sports events and foreign broadcasters to be beamed into our television screens here in New Zealand.

Finally, alcohol advertising is currently restricted to between 8.30 p.m. and 6 a.m. The broadcasters have generally taken a responsible approach to what they broadcast in terms of liquor advertising, and when they broadcast it. Alcohol advertising already has many restrictions designed to ensure that the target audience is not youth, and the liquor industry generally acts responsibly to appeal to an adult audience.

In summary, we would say that banning liquor advertising will not really have the desired effect of reducing alcohol abuse in New Zealand; there is no evidence that it will. I also make the point that New Zealanders are starting to watch their televisions in a way that cuts out the advertising anyway. Innovations like personal video recorders and the ability for people to time-shift content mean that a lot of people now do not even watch the ads. I think this legislation is really a solution looking for a problem. A wide range of approaches are currently before Parliament. We want to get right the issue of how liquor is handled by New Zealanders. We want to approach it once, and once only; we do not want a piecemeal approach. There are more effective ways to curtail alcohol abuse than through the passing of this bill. The final point I make is that one cannot say that one is for the State broadcaster but that one supports cutting its right to advertise.

**Mr DEPUTY SPEAKER:** Before I call the next member, the following calls are of 5 minutes, and there will be a warning bell at 4 minutes. I call Brendon Burns.

**BRENDON BURNS (Labour—Christchurch Central):** I am very pleased to speak on the Liquor Advertising (Television and Radio) Bill, and to follow in the wake of the Minister of Broadcasting's crocodile tears for the 90 jobs lost at Television New Zealand.

If this bill related to banning the advertising of guns, would the Minister still stand up and say that Parliament should not consider it?

**Hon Ruth Dyson:** No principles there.

**BRENDON BURNS:** That is right. Obviously television advertising is a powerful medium.

I acknowledge that I have some concerns about this bill—a dilemma, in fact—because, like many New Zealanders, I have long enjoyed a drink, mostly responsibly. I also think that our current alcohol laws are an absolute mess and do not do much to manage the harm that alcohol creates in our communities on a day-by-day basis. That said, as has been noted, I hold the Labour broadcasting portfolio. Although I believe that television and radio are particularly powerful influences on our drinking culture, it cannot be seriously argued that they are wholly responsible for the harm done by alcohol and the promotion of alcohol. This bill fails to acknowledge the role of other media and other advertising. If Parliament had the courage to restrict or ban advertising on television and radio, and across other media, it would have to be done in that kind of way—in concert with other advertising. We must treat all media equitably. That said, I will support this bill going to the select committee as a vehicle to promote the message that the tide has gone too far, and that we need to comprehensively review alcohol laws.

I hope that this bill, if referred to the select committee, would only be considered alongside the wide-ranging reforms of all alcohol laws now under consideration by the Law Commission. I will quote the President of the Law Commission, Sir Geoffrey Palmer, a very fine former member for Christchurch Central, who recently, in the somewhat ironic setting of The Honest Lawyer pub in Nelson, made this comment: "Alcohol is no other ordinary commodity. It is a drug. Alcohol would be classed as a Class B drug under the Misuse of Drugs Act 1975 if it were treated on its merits ... Obviously that will not happen, but the properties of alcohol are the reason why it must be closely regulated." I think that the premise must be that the regulation of alcohol should put public health as the primary concern. It is the founding principle of the Sale of Liquor Act, but that Act, currently under review, fails to enshrine that in any sense whatsoever.

Alcohol is a very major public health concern, and a huge amount of international and local research confirms the impact that television and radio advertising has on young people. A longitudinal study in Dunedin found that males could recall seeing many alcohol adverts at age 13, and that those who could recall the adverts drank larger amounts of alcohol at age 18. The 12 to 17-year-olds who recalled most alcohol adverts were more likely to think it was OK for kids of their age to get drunk, to think that their friends drank frequently, and to drink more themselves. If members can recall the Lion Red chin head campaign of a little time ago, research shows that 97 percent of minors recalled seeing the chin heads, 71 percent knew the advertisement was for Lion Red—these are kids as young as 12 years of age—92 percent had positive views about the ads, and 64 percent thought the ads would appeal to minors.

Alcohol advertising, it has to be acknowledged, is not the only change that has happened since 20 years ago when we began allowing alcohol advertising on television and on radio, but it has certainly played its part. Obviously, we have had considerable other changes, including the reduction in the age of purchase and the increased availability of alcohol, particularly in supermarkets. But, none the less, in the 10-year period of 1990 to 1999 the amount that 14 to 17-year-olds were drinking doubled on a

typical drinking occasion, which coincided with the period when alcohol advertising on radio and television was first allowed. Parliament has to acknowledge the damage and harm that alcohol causes. It is appropriate that we use every opportunity to consider those issues. This bill provides another mechanism for that. I support it going to the select committee for that sort of consideration.

**PESETA SAM LOTU-IIGA (National—Maungakiekie):** I rise to speak against the Liquor Advertising (Television and Radio) Bill, a bill that was introduced by Jeanette Fitzsimons in 2006 and has been carried forward by the new co-leader of the Greens, Metiria Turei. I, along with my colleague the Hon Jonathan Coleman, also see the irony in what is being put forward in this bill, given what was debated in the previous bill, which involved the liberalisation of marijuana. I speak against this bill first and foremost because its content is already covered by other legislation and reviews that are currently going through the House.

It is a challenging issue, as the three previous speakers have already mentioned, in that, on the one hand, we see the damage that alcohol does in our society, but, on the other hand, we also have to recognise and acknowledge freedom of speech and the freedom to advertise legal products. It is a very dangerous path to travel when we regulate completely against the advertising of what can be, when consumed in moderate amounts, an enjoyable product. It is really challenging the freedom of the majority of the adult population who drink, and drink responsibly. But for those who do not drink responsibly, would a ban on alcohol advertising right across the board have any effect? For those who go about on Friday or Saturday nights and get, shall we say, plastered, or drunk, or create havoc, whether a ban would have any impact on those people is rather questionable, indeed.

This bill addresses only selected aspects of liquor management, and in my view it pre-empts other legislation going through the House. Really, rather than banning advertising outright, we should give wider consideration to context. There is the sale of alcohol, its supply, and, as one of the previous speakers mentioned, its control and consumption—for example, the licensing of retailers who sell alcohol, as well as point of sale requirements at the point of retail or wholesale distribution. Another aspect that is particularly important in mitigating the damage that alcohol does in our society is the public education about the consumption of alcohol, particularly by our youth.

This bill has also been overtaken by the Sale and Supply of Liquor and Liquor Enforcement Bill, which was introduced last year by the previous Government and which had its first reading in March of this year. It is currently before the Justice and Electoral Committee, which will report back on 10 September. So in my view this bill is highly redundant. As we have already heard, the Law Commission is also undertaking a full review of the Sale of Liquor Act, and it has been made clear to the commission that liquor issues are a matter of priority for this Government. We have asked the Law Commission to produce a report ahead of the scheduled date that the previous Government set for it, and again that is an example of this Government taking action where the previous Government lapsed into inaction. So I speak against this bill. I think it is redundant, I do not think it is good legislation, and I thank members for their time.

**IAIN LEES-GALLOWAY (Labour—Palmerston North):** I will take a fairly short call on the Liquor Advertising (Television and Radio) Bill this evening. The call is for only 5 minutes, so we will see how far we go. It is interesting that the two speakers from the Government benches have talked about the ironic position of the Green Party putting forward the two bills that we have been speaking about this evening. There is some irony—

**Hon David Carter:** Ha, ha!

**IAIN LEES-GALLOWAY:** —the Minister of Agriculture had a chuckle there—in the position those members are taking, as well. We are talking, essentially, about two public health issues, and I think that the Green Party is trying to achieve improvements in public health measures. We are also talking about freedoms. The previous speaker, Sam Lotu-liga, spoke about the freedom to advertise a legal substance, yet earlier on he voted against giving people the freedom to use a substance that could alleviate their pain, a substance that is already available in a limited way—

**Paul Quinn:** Illegal.

**IAIN LEES-GALLOWAY:** No, that is exactly my point, I tell Mr Quinn. The substance is already available in a limited way for pain relief, but the Misuse of Drugs (Medicinal Cannabis) Amendment Bill was about expanding that availability and providing freedom for people to use that substance for pain relief. I tell Mr Quinn that cannabis is not illegal for that purpose. There are avenues through which people can already use it. However, we are not talking about that bill at the moment. I just wanted to reflect on that irony, given that irony is something that Government members have been interested in.

As I said, the Liquor Advertising (Television and Radio) Bill is a public health measure, and if I thought that it would have a positive effect on the public health issues around alcohol, I would vote for it. However, I do not think that this bill will achieve those outcomes, so I will not be voting in favour of it this evening. I do not believe that a blanket ban on broadcast advertising will have that positive effect. I have some reservations about the ability of people in New Zealand who produce wine and boutique beers for sale on the market to advertise their products in a responsible way. I also have concerns that the bill would simply shift the advertising spend away from broadcast advertising into other avenues for advertising.

I believe that the public health issues around alcohol are not, as some speakers have spoken about tonight, just about young people getting boozed and causing havoc. They are also about people who have mental health issues, and about those who are chronically addicted to alcohol. They are about domestic violence. They are about a whole range of issues. We have spoken several times in this House about the economic effects of alcohol and its detrimental effects. I do not think that this measure will have the impact that the Green Party hopes it will have. For that reason, I will not be able to vote for this bill this evening.

**SUE KEDGLEY (Green):** We have created a culture in New Zealand where we demonise some drugs such as cannabis, which we have just been talking about, and we tolerate, encourage, and indeed glamorise other drugs such as alcohol. It reminds me of when someone came to a select committee once and said that in Saudi Arabia it was exactly the opposite. They demonise alcohol, and cut off people's arms for drinking alcohol, but they tolerate, accept, and indeed encourage cannabis. So each culture has drugs that they demonise, and drugs that they glamorise; in ours it is alcohol we glamorise and cannabis we demonise. The thing is, though, that it is extraordinary that alcohol is a highly intoxicating, highly addictive drug, and nobody can dispute the fact that it causes huge harm, huge damage, in our society. Indeed, when we look at the statistics, we have to say that alcohol must be one of the most destructive drugs in New Zealand. It contributes to over 1,000 deaths a year. I mean, that is phenomenal—1,000 deaths a year. Others have mentioned that. It contributes to 25 percent of fatal injuries and 20 percent of serious crashes on our roads, and half of all serious crimes in New Zealand are related to alcohol. That is incredible.

If we were serious about violent crime—the Minister of Justice and so many others in this House are going on about violent crime, and saying that we must reduce violent crime in our society—then one of the first things we would do is reduce the

accessibility, the overwhelming accessibility, of alcohol and the aggressive marketing of alcohol, all over New Zealand. Yet what is happening is quite to the contrary. This addictive and psychoactive drug is sold in virtually every dairy and supermarket in New Zealand, and even in dairies right outside schools—dairies that are carefully positioned right outside schools. In fact, there are liquor outlets right outside schools. Alcohol is available everywhere in New Zealand, and it is marketed aggressively by the liquor industry, but particularly to young people with all the alcopops, and so forth. Every time we go to sports fields, we see alcohol advertising, as we do at rugby matches with the All Blacks, and so forth. But all of that aggressive advertising normalises and legitimises alcohol.

So it is supremely ironic that on one hand in this Parliament we constantly wring our hands and deplore the fact that adolescent New Zealanders are drinking alcohol at younger and younger ages. We deplore the binge-drinking culture in New Zealand, yet at the same time we do absolutely nothing to reduce the accessibility, the incredible accessibility, of alcohol and its aggressive advertising.

Members of the Government and the ACT Party are constantly banging the anti-crime drum and going on and on about violent crime. They were only too happy to lock people up: “Let’s build more prisons. Let’s have three strikes and they’re out. Let’s do anything to reduce violent crime, but we won’t do anything about the aggressive advertising of alcohol in New Zealand, which fuels and contributes to the fact that alcohol contributes to 50 percent of crime in New Zealand.”

The Minister Dr Coleman admitted that his party’s opposition to this bill is because free-to-air broadcasters depend on liquor advertising for their survival. He effectively said that we cannot hurt the revenue of broadcasters, so we cannot support this bill. We cannot do anything about advertising. Dr Coleman needs to understand, as Associate Minister of Health, that the primary concern in this Parliament should be not the revenues of broadcasters and advertisers, but public health concerns. Frankly, I was appalled that the main reason the National Government is opposing this is the influence of the alcohol and advertising industries. Clearly, the alcohol and advertising industries exert huge power and influence over this Parliament, and that is the reason why the excellent bill of 2 weeks ago was voted down in this House.

A personal vote was called for on the question, *That the Liquor Advertising (Television and Radio) Bill be now read a first time.*

#### Ayes 36

Anderton	Delahunty	Hodgson	Sio
Ardern J	Dyson	Kedgley	Street
Barker	Fenton	King A	Turei
Beaumont	Fitzsimons (P)	Locke (P)	Turia
Bradford (P)	Flavell	Mackey	Twyford
Burns	Graham	Mahuta	
Chauvel	Hague (P)	Moroney	
Choudhary	Harawira	Norman (P)	
Dalziel	Hawkins	Pillay	<i>Teller:</i>
Davis	Hipkins	Sharples	Robertson G

**Noes 80**

Adams	Dean	Key (P)	Roy H (P)
Ardern S (P)	Dunne (P)	King C (P)	Ryall (P)
Auchinvole	English (P)	Laban (P)	Sepuloni (P)
Bakshi (P)	Finlayson (P)	Lee (P)	Shanks (P)
Bennett D (P)	Foss (P)	Lees-Galloway	Smith L (P)
Bennett P (P)	Garrett (P)	Lotu-Iiga (P)	Smith N
Blue	Gilmore	Macindoe	te Heuheu (P)
Borrows	Goff (P)	Mallard (P)	Tisch (P)
Boscawen (P)	Goudie (P)	Mapp (P)	Tolley (P)
Bridges (P)	Groser (P)	McClay	Tremain
Brownlee (P)	Guy (P)	McCully (P)	Upston
Calder	Hayes (P)	Nash	Wagner (P)
Carter D	Heatley	O'Connor (P)	Wilkinson (P)
Carter J (P)	Henare (P)	Parata	Williamson (P)
Chadwick	Hide (P)	Peachey (P)	Wong (P)
Coleman (P)	Horomia (P)	Power	Woodhouse (P)
Collins (P)	Hughes (P)	Prasad	Young (P)
Cosgrove (P)	Huo	Quinn	
Cunliffe (P)	Hutchison (P)	Ririnui (P)	
Curran (P)	Joyce (P)	Robertson H (P)	<i>Teller:</i>
	Kaye	Roy E	Goodhew

Motion not agreed to.

**SITTINGS OF THE HOUSE**

**METIRIA TUREI (Co-Leader—Green):** The House has made excellent progress this evening. I seek leave for the House to rise a few minutes before it normally would.

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

**The House adjourned at 9.58 p.m.**

