

SE Press Release
HD Questions and Answers - December 3
BY Office of the Clerk
WC 8,871 words
PD 3 December 2014
ET 15:24
SN Scoop.co.nz
SC SCCONZ
LA English
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QUESTIONS TO MINISTERS

Islamic State Conflict—Government Response 1. ANDREW LITTLE (Leader of the Opposition) to the Prime Minister: Does he stand by his statement that the "100 years commemoration of Gallipoli" could be "one argument" for a joint ANZAC force to be deployed in the fight against ISIS?

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Rt Hon JOHN KEY (Prime Minister): I stand by my full statement on this issue, which reflects that the Government has been talking to Australia about potentially partnering in a training role in Iraq. As I clearly stated when I gave a national security speech last month, the Government will make a decision about whether to take that step on its merits, and there is a lot of work yet to be done on it. What badge someone might wear is very much a secondary issue to that.

Andrew Little: Is he seriously saying that sending our troops to Iraq would be a fitting tribute to our fallen in Gallipoli, when the lesson of Gallipoli is not to sacrifice our troops in poorly justified military adventures?

Rt Hon JOHN KEY: No, what I am saying is that the Government considers the Islamic State regime to be brutal, to be one that presents a domestic, regional, and international risk to New Zealanders, and that the New Zealand Government has considered a wide range of options available to stand up against Islamic State of Iraq and Syria (ISIS), and one of those is providing a training force in Iraq.

Andrew Little: Why did New Zealanders have to find out from the Australian media about the plans for our troops to be part of a joint combat force—why did he not just tell us?

Rt Hon JOHN KEY: Well, no decision has been made. What did happen was someone in one of the Australian newspapers ran a speculative piece. As I said at the time when I was asked about that, in principle it is a possibility, but it is a long way away from being a probability.

Andrew Little: When was a joint Iraq deployment with Australia first discussed?

Rt Hon JOHN KEY: I do not have that date to hand.

Andrew Little: Given the Iraqi army's serious issues with ineffectiveness, corruption, sectarianism, and human rights violations—despite over \$25 **billion** worth of American support over the past 10 years—why is a token effort worth risking Kiwi lives?

Rt Hon JOHN KEY: The member may not take the build-up of ISIS seriously, and he may be so shallow in his thinking that he does not recognise the risks that it presents to New Zealanders, but I would strongly suggest that he needs to school up a little bit more and understand how brutal these people are and the risks that they present to New Zealanders. (uncorrected transcript—subject to correction and further editing)

Andrew Little: In light of his shifting statements and his failure to reveal the plans for an Anzac unit until forced to, why should New Zealanders trust him when he says our troops would not be involved in any combat?

Rt Hon JOHN KEY: If anyone is making it up, it is Mr Little. There is no plan for an Anzac force at this stage. There has been a very high-level discussion, and if ultimately it goes to that level, then we will come back and talk to the New Zealand public about that. But I have been very clear in my speech I gave on national security that we were looking at a training unit in Iraq, that we looked at potentially doing that with Australia, and that we have deployed military people to scope that exercise out. If the member cannot keep up with my speeches, he should just learn to—

Mr SPEAKER: Order!

Andrew Little: Why can he not simply front up and be straight with New Zealanders about his plans for a deployment of troops to Iraq?

Rt Hon JOHN KEY: The member needs to learn a new line; otherwise it will all get a bit boring—

Mr SPEAKER: Order! Could the Prime Minister just address the question that has been asked.

Rt Hon JOHN KEY: When the member learns to read, he will learn how to keep up. That was all in the speech from a few weeks ago.

Economic Growth—Reports and Forecasts 2. TIM MACINDOE (National—Hamilton West) to the Minister of Finance: What reports has he received on New Zealand's economic performance and particularly the outlook for growth over the next few years?

Hon BILL ENGLISH (Minister of Finance): Last week the OECD issued its latest economic outlook for New Zealand. It noted that economic growth in New Zealand remained sound despite the sharp fall in dairy prices since February. It said that recent business opinion surveys point to near-term growth rates continuing in excess of 3 percent before moderating to a more sustainable rate of 2.75 percent by 2016. I think this forecast is probably a little bit optimistic. It said strong job creation is boosting household incomes and consumption, and has reduced the unemployment rate from 7.2 percent following the financial crisis to 5.4 percent. The OECD, I believe, is absolutely right about that. And it says that wage and price pressures remain modest, which is important because that points to a sustainable period of economic growth.

Tim Macindoe: What other reports has the Minister received about New Zealand business confidence, and how is that expected to translate into employment and investment growth?

Hon BILL ENGLISH: The ANZ's latest business outlook survey described the economy as being in "a sweet spot". Demand indicators remain strong, but inflation is benign at the moment. The survey confirmed good growth, employment, and investment indicators. Business confidence lifted again in November, up 5 points on the previous month. However, there are challenges, including news overnight of a further fall in prices on the latest Global Dairy Trade auction. Although dairy prices are significantly below their record highs, prices for other commodities, including aluminium, beef and sheep meat, and kiwifruit are still rising. I also notice that the **oil** price continues to drop, which points to lower prices at the petrol pump. So, on balance, although dairy prices are down, New Zealand is sufficiently resilient to handle that kind of event.

Tim Macindoe: Is the elevated level of business confidence and optimism shared by other surveys the Minister has received?

Hon BILL ENGLISH: There are a number of recent surveys that point to continued optimism about the economy, including, for instance, the New Zealand Institute of Economic Research's survey, where it observed that the recovery is largely funded out of current income rather than borrowing. I think that that is the point. It is the quality of economic growth as much as the optimism about it that matters, and that it is broad-based and it looks sustainable over a period of several years, which should deliver income increases to New Zealand households. (uncorrected transcript—subject to correction and further editing)

Grant Robertson: In light of the \$6 **billion** to \$7 **billion** hole in the New Zealand economy created by the drop in dairy prices, can he confirm the OECD's view that New Zealand has one of the least diversified export profiles in the OECD and that it has got worse under his watch?

Hon BILL ENGLISH: No, I cannot actually confirm that. That is a matter of opinion.

Dr David Clark: Ha, ha!

Hon BILL ENGLISH: Well, I will just give you an example. Australia is twice as dependent on **iron ore** as New Zealand is on dairy. That is quite an important point. Secondly, we do have a broadening range of exports, many of which find their prices are going up not down. Unlike the Opposition, we have confidence

that New Zealanders and the New Zealand economy are sufficiently resilient to handle a drop in dairy prices.

Tim Macindoe: How will the Government continue to support ongoing economic growth, new jobs, and higher incomes into the future?

Hon BILL ENGLISH: The Government will set out again its priorities at the half-year update on 16 December, and this will build on the Government's programme over the past 6 years, which has included, first, responsible management of the Government's finances; second, building a more productive and competitive economy through a continued process of microeconomic reform in the Business Growth Agenda; third, delivering Better Public Services for the same or less money; and, finally, providing the resources to carry on with or complete the rebuild of Christchurch.

Islamic State Conflict—Defence Force Deployment 3. RON MARK (NZ First) to the Minister of Defence: Has the Government given instructions to the Defence Force to begin preparations for deployment to the Middle East; if so, when were those instructions first given?

Hon GERRY BROWNLEE (Minister of Defence): The New Zealand Defence Force has up to 50 personnel stationed in the Sinai on a peacekeeping mission. I understand those instructions were issued in 1972. We also have about 30 people stationed at Al Minhad Air Base in support of the P3 Orion activity there. Those instructions were reissued around 2 November of this year and were publicly notified on 3 November. I have no doubt that some preparation for rotation of those personnel and others who are stationed throughout the Middle East may well be happening. The member will note that on 5 November, in a speech on national security, the Prime Minister said that the possibility of the New Zealand Defence Force being involved in partnership building with Australians in Iraq would be investigated by defence personnel. A number are doing that at the present time, but I would state very, very firmly that there has been no decision to deploy into Iraq on any mission at this point.

Ron Mark: Was the Prime Minister correct in stating on Monday in regard to military preparations for a potential deployment to the Middle East that "I'm told planning remains at a very early stage."?

Hon GERRY BROWNLEE: Yes, it is correct. We have had no formal reports back from the officers who are looking at the building partner capacity mission that could take place in Iraq. As for suggestions that there are other preparations taking place, I would simply point out to the member that he would know from his own experience that all armies train for deployment, should it be required.

Ron Mark: Was it him who told the Prime Minister that preparations were at a "very early stage"; if not, was he aware of the information that the Prime Minister was given that planning for a potential deployment of the army to Iraq was under way?

Hon GERRY BROWNLEE: There are always discussions between the Prime Minister and his Ministers about any range of matters that the Ministers may be dealing with, and this would be no different. The deployment you are talking about concerns the up to 10 military personnel who have been involved in assessing what opportunity New Zealand may avail itself of in building partner capacity in Iraq, but no report has been received formally in that regard. (uncorrected transcript—subject to correction and further editing)

Ron Mark: Would he describe the preparations currently being undertaken by the army as pre-deployment contingency training; if not, why not?

Hon GERRY BROWNLEE: As I said earlier, all armies throughout the world, by very definition of their mission, train to be deployed. As I also said, we have up to 100 military personnel at any one time deployed across a number of bases in the Middle East, so of course there will be some preparations for what will be required in those missions, but there has been no decision to deploy into any new mission in the Middle East.

Ron Mark: Which one of these statements is correct: the statement made by the Prime Minister on Tuesday that said: "No decisions have actually been made by the Government yet, except for the ones in relation to humanitarian aid ... [and] no decisions have been made by Cabinet.", or his statement on Wednesday that said: "Cabinet determined on Monday of this week a decision that we would engage in the fight against the Islamic State of Iraq and Syria ..."—which is correct?

Hon GERRY BROWNLEE: The first is certainly correct; the last one is completely incorrect. Most certainly, I think the member would have a lot of trouble finding that particular quote. I did not say that. What I said was that Cabinet made a decision to allow some officers of the New Zealand Defence Force to engage in a discussion with coalition partners about the possibility of building partner capacity in Iraq. No formal report has been received from those people. No decision has been made about that possibility.

Ron Mark: I raise a point of order, Mr Speaker. I raise this point of order in an attempt to assist the Minister for the next lot of questions that might come. I seek leave of the House to table the Hansard where that Minister made exactly that quote.

Mr SPEAKER: Hansard is freely available to all members. I take this opportunity—[Interruption] Order! I take this opportunity of reminding members of the point of seeking leave to table a document. It is to provide information that is not readily available to members of this House. It is certainly not an opportunity to make a political point. Does the member have further supplementary questions?

Ron Mark: Is he aware of the extent of the preparations being made by the army for deployment to Iraq; if not, why not?

Hon GERRY BROWNLEE: No, because we have made no decision to engage in such a deployment, nor has any instruction been issued.

Ron Mark: So is he telling New Zealand that he has not given any instructions for the New Zealand Defence Force to deploy to Iraq, that he has not decided what role it should perform when it gets there, that deployment dates have not been given to soldiers or their families, and that pre-deployment contingency training being conducted in Waiōuru at this very minute was not authorised by him?

Hon GERRY BROWNLEE: To clear up a couple of points: firstly, no instructions have been issued to the military to prepare for a deployment to Iraq. We have indicated that should it suitable, should it be appropriate, after the Gallipoli celebrations next year a frigate may deploy to the Indian Ocean. We have also extended the P3 Orion mission out of Al Minhad Air Base. Those have been publicly stated by us. They are not missions into Iraq. No instructions have been issued to the military relating to deployment in Iraq beyond the investigation of a partnership-building capacity possibility.

Ron Mark: Which of the following is true: that he and his Government have given approval for a deployment of the army to Iraq, or that there is a rogue army officer with a rogue unit conducting their own preparations and training right now in Waiōuru?

Hon GERRY BROWNLEE: None of the above. I suggest that the member, who would claim, I think, to have some inside information from the army, might recognise that perhaps some of his contacts are a bit too long in the tooth to be reliable. (uncorrected transcript—subject to correction and further editing)

Oil and Gas Production—Taranaki 4. JONATHAN YOUNG (National - New Plymouth) to the Minister of **Energy** and Resources: What update can he give on **energy** resources development in the Taranaki region?

Hon SIMON BRIDGES (Minister of **Energy** and Resources): Yesterday I welcomed the announcement by OMV that a new **oil** well has gone into production in the Maari field in Taranaki and is expected to produce around 4,500 barrels a day. OMV and its partners are investing more than \$400 **million** in the five-well redevelopment Maari growth campaign. This project is estimated to help lift field production overall and extend the life of the field out to past 2023. It is great news for the industry, the Taranaki region, and all New Zealanders who benefit from the taxes and the royalties that this **company** will deliver.

Jonathan Young: What are some of the benefits from resources production in Taranaki and across New Zealand?

Hon SIMON BRIDGES: If we take OMV as a good example, since 2009 it has paid more than \$850 **million** in royalties and taxes, with half of that alone coming from the Maari field. In total, the Government receives around \$800 **million** in taxes and royalties from companies operating here each year, which helps pay for the schools, the hospitals, the roads, and other essential infrastructure. Also, the resources sector is an important employer in New Zealand. Over the past 10 years, employment has more than doubled, with workers typically earning more than twice the average New Zealand salary. The Government's hard work through the block offer process and robust regulatory reform have delivered significant levels of activity, and we are committed to continuing to develop our resource potential in a safe and environmentally responsible way.

Economy—Impact of Dairy Prices 5. GRANT ROBERTSON (Labour—Wellington Central) to the Minister of Finance: What impact would a Fonterra payout of below \$4 per kilogram of milk solids have on the economy and the Government's surplus target?

Hon BILL ENGLISH (Minister of Finance): The precise impact would depend on how the rest of the economy was performing at the time, given that the current payout forecast is considerably higher than \$4 but likely to be revised just before Christmas. Currently, the rest of the economy is growing solidly, and other export commodities such as sheep, meat, beef, and aluminium are all performing strongly. This is all supporting more jobs and higher incomes. New Zealand businesses and households have shown

themselves to be resilient in the face of a number of global and domestic challenges, and we expect this to continue. There is no doubt that a sharply lower dairy payout would have a dampening effect both on the economy and on Government revenue.

Grant Robertson: Is it correct that a payout of \$4.25 would take \$6 billion out of the New Zealand economy and a payout of \$3.65, as AgriHQ has forecast, would wipe \$7 billion from the New Zealand economy?

Hon BILL ENGLISH: I cannot confirm the calculations but they are probably of something of that order. Of course, this has to be seen in context.

Grant Robertson: What's that?

Hon BILL ENGLISH: Well, the dairy industry is 25 percent of 30 percent of the economy, so it is actually around 7 to 8 percent of the whole economy. The rest of the economy is actually going fairly well. Other commodity prices are up. Oil prices are down, which is going to lead to lower fuel prices, most likely. There is broad-based confidence among consumers and businesses. So in that context, there is no doubt that a drop in the dairy prices will affect Government revenue somewhere in the range the member is talking about, but the New Zealand economy can handle that.

Grant Robertson: Is he seriously saying that other parts of the economy will fill a \$6 billion or \$7 billion hole created by the drop in dairy prices? (uncorrected transcript—subject to correction and further editing)

Hon BILL ENGLISH: Activity in other parts of the economy will offset some of the impact of a drop in dairy prices. I will just give the member an example. The terms of trade sum up our capacity to purchase imports with our exports. Actually, while the dairy price has fallen 50 percent in the last 12 months or so, the terms of trade have actually fallen around about 5 percent from a 40-year high. So dairy prices have fallen about 50 percent, and the terms of trade—that is our ability to trade exports for imports—have dropped by only about 5 percent. So taken in the round, the New Zealand economy can handle what is a pretty sharp drop in dairy prices.

Grant Robertson: Is he aware that New Zealand commodity prices overall have declined for 9 consecutive months, and for November were 12.4 percent below last year's figures, with 10 commodities dropping—not only dairy, but also wool, beef, logs, and timber?

Hon BILL ENGLISH: Yes, I am aware of that. But as I have just pointed out to the member, when you sum up the drop in the change in prices of our exports and the change in prices of our imports, our terms of trade have dropped by only about 5 percent. I just cannot wait until the Labour Party declares a crisis, because as soon as it declares a crisis, everything starts coming right.

Joanne Hayes: How do dairy exports as a proportion of New Zealand's total exports of goods and services compare with the reliance by other countries on single export categories?

Hon BILL ENGLISH: I will just fill out the picture on this. The dairy exports—

Hon Members: Ha, ha!

Hon BILL ENGLISH: Well, the Opposition clearly do not understand how diversified our export sector is. Dairy exports are around 24 percent of the country's total goods and services exports. Non-dairy agricultural exports are 22 percent, non-agricultural exports are 29 percent, and service exports are 24 percent. So the dairy sector is about a quarter of our exports. By comparison, Australian exports of hard commodities, mainly iron ore and coal, make up 57 percent of their total exports of goods and services. We are considerably less reliant on dairy exports than Australia, and the other three-quarters of our exports are not doing too badly. We have confidence in the resilience of the New Zealand economy to handle a drop in the price of one of our significant exports.

Grant Robertson: With exports flat-lining, dairy prices dropping, non-primary manufacturing slumping, housing costs ballooning, and the absence of any new ideas to diversify the economy, has he actually just given up trying to lead the economy and is content to try to ride the wave of commodity prices?

Rt Hon Winston Peters: I raise a point of order, Mr Speaker. We are not very far away from Mr Robertson, but down here we could not hear that question because over there are a whole lot of nervous backbenchers shouting at the top of their heads. They should be told to restrain themselves.

Mr SPEAKER: Order! On this occasion I will accept the point made by the right honourable member. It was a long-winded question. If the member could shorten it as he repeats it, I would be grateful. But I will ask the member to repeat the question and would be grateful if the back corner to my right would remain a little quieter so it can be heard and we do not have to listen to it for a third time.

Grant Robertson: Excellent.

Hon Paula Bennett: Come on, Mr "Doom and Gloom".

Grant Robertson: Listen up, Paula. With exports flat-lining, dairy prices dropping, non-primary manufacturing slumping, housing costs ballooning, and the absence of any new ideas to diversify the economy, has he just given up trying to **lead** the economy and is prepared to try to ride the wave of commodity prices?

Hon BILL ENGLISH: No. I notice the member just fell short of calling it a crisis—just fell short. As I think I have pointed out a number of times, the signals are there now that New Zealand has the opportunity for sustained growth in the economy, not the kind of bleak picture that the member is painting. As for diversification, just last week, I think, the New Zealand Exchange had its next \$1 **billion** listed **company**, which is Orion, a 95 percent export **company** that is there mainly because this Government floated some electricity assets, which gave the market a bit of ballast and (uncorrected transcript—subject to correction and further editing) gave people the confidence of diversifying their investment and creating a newly listed \$1 **billion** export **company**.

Export Sector—Access to Overseas Markets 6. MARK MITCHELL (National - Rodney) to the Minister of Trade: What progress has the Government made in opening up overseas markets for New Zealand exporters?

Hon TIM GROSER (Minister of Trade): Monday marked the first anniversary of the coming into force of the New Zealand - **Chinese** Taipei economic cooperation agreement and I am very pleased to say to the House that our exports in the 9 months—we do not have the 12 month figures; we do not have the last quarter—have increased by 20 percent. With reference to the completely misleading comments in the previous question, that can be compared with a total increase in New Zealand exports to September 2014 of 8.6 percent—

Grant Robertson: As a percentage of GDP, Tim?

Hon TIM GROSER: Not, Mr Robertson, flat-lining at all.

Grant Robertson: I seek leave of the House to table figures compiled by the Parliamentary Library that show a flat-lining of exports as a percentage of GDP. [Interruption]

Mr SPEAKER: Order! On the basis that it may not be available and it may be informative I will put the leave and the House will determine. Leave is sought to table that particular research from the Parliamentary Library. Is there any objection? There is none. It can be tabled.

Mark Mitchell: Who benefits the most from this agreement?

Hon TIM GROSER: Well, first of all, there are only 9 months' data but there have been a number of companies and a number of New Zealanders who have benefited. There have been some spectacular increases in our exports. Our apple export increases have been 210 percent and one particular Hawke's Bay **company**, which produces Rockit apples—little tiny apples in a very interesting box—has had a 700 percent increase in that period. Dairy exports have increased by nearly 40 percent. But it is not just one-way traffic. Bicycle imports from Taiwan have increased by 27 percent. You would have thought that that would have pleased even the Green Party, but before the Green Party will support any trade agreement it will be a cold day in hell.

Mark Mitchell: What other trade agreements is the Government pursuing to help Kiwi exporters?

Hon TIM GROSER: We are making very good progress. It has been a very difficult negotiation, but, as members will be aware, we have finally crossed the line politically with Korea. We have now got a series of steps to get that ratified and put in place. This will be a big deal for New Zealand, and we are making excellent progress with the Trans-Pacific Partnership and the Gulf States.

Prime Minister—Staff Member's Communications with Blogger 7. Dr MEGAN WOODS (Labour - Wigram) to the Prime Minister: Did Jason Ede provide "Mr Slater with draft blog posts" regarding NZSIS information?

Rt Hon JOHN KEY (Prime Minister): I am aware that Jason Ede spoke to Cameron Slater, just as he did with journalists and other bloggers. I have no knowledge other than what was written in the report of the Inspector-General of Intelligence and Security, which was that he provided draft blog posts regarding NZSIS information.

Dr Megan Woods: Does he then accept that his office has a proactive relationship with Cameron Slater?

Rt Hon JOHN KEY: No, and I would point out that Mr Ede has not actually worked for me in my capacity as Prime Minister for over 3 years.

Dr Megan Woods: Has he discussed with either his current chief of staff or his former deputy chief of staff, Mr de Joux, that Mr de Joux was not happy that Mr Ede has chosen to work through Mr Slater rather than the mainstream media, as per paragraph 214 of the Gwyn report? (uncorrected transcript—subject to correction and further editing)

Rt Hon JOHN KEY: In answer to the last part of the question, I have not had any discussions with Phil de Joux about that matter.

Dr Megan Woods: Has he or his chiefs of staff asked Jason Ede for copies of the blog post that Cheryl Gwyn states Jason Ede drafted for Cameron Slater; if not, why not?

Rt Hon JOHN KEY: In answer to the first part of the question, no, I do not believe they have.

Dr Megan Woods: Why has he not asked for the draft of the blog posts?

Rt Hon JOHN KEY: Well, I do not think it would achieve a hell of a lot, any more than if Mr Little was to go and ask how many people write anonymously or under pseudonyms on The Standard, and all of those things. He might find some really amazing answers but that, again, would be the pot calling the kettle black, would it not?

Prime Minister—Statements 8. METIRIA TUREI (Co-Leader - Green) to the Prime Minister: Does he stand by all his statements?

Rt Hon JOHN KEY (Prime Minister): Yes.

Metiria Turei: Does the Prime Minister stand by his statement that the principals of low-decile schools he has visited have told him "The number of children in those schools who actually require lunch is the odd one or two."?

Rt Hon JOHN KEY: Yes.

Metiria Turei: Does the Prime Minister still stand by his statement that only one or two kids in low-decile schools need lunch, when the principal of Kelvin Road School in Papakura, a decile 1 school, says he feeds 50 to 60 kids lunch every day?

Rt Hon JOHN KEY: There will always be exceptions to the rule, but I can only report to the member the anecdotal statements made by principals to me, and I stand by that statement.

Metiria Turei: Does the Prime Minister still stand by his statement that only one or two kids in low-decile schools need lunch, when the principal of Cosgrove Primary School in Papakura says he feeds, on average, 40 children lunch every day?

Rt Hon JOHN KEY: In answer to the first part of the question, yes.

Metiria Turei: I seek leave to table an email received by the Green Party office from the principal of Cosgrove Primary School, saying that of the current—

Mr SPEAKER: Order! The document has been described. I will put the leave. Leave is sought to table that particular document received by the Green Party. Is there any objection to it being tabled? There is none; it can be.

Metiria Turei: Does the Prime Minister still stand by his statement that only one or two kids in low-decile schools need lunch, when the principal of Windley School in Porirua says there are three or four kids in each of his 14 classes without lunch every day?

Rt Hon JOHN KEY: Yes. There are approximately 2,550 schools in New Zealand. In the time that I have been the Prime Minister, I have been a prolific visitor to schools, and for the last at least 3 or 4 years, from memory, I have asked this particular question to pretty much every principal I have seen. The feedback that I constantly get from them is that the extension of breakfast in schools under a National-led Government has been a good project. The extension of fruit in schools has been a good project, and while they offer breakfast in schools to—

Hon Annette King: It wasn't an extension; it was a continuation. You just continued it.

Rt Hon JOHN KEY: No, it was extended. Keep up; it was an extension. If you look—

Hon Annette King: No it wasn't. You were going to get rid of it. You were going to dump it. You're on your high horse.

Rt Hon JOHN KEY: You go off and be Mayor of Wellington and Phil can be Mayor of Auckland.

Mr SPEAKER: Order! [Interruption] If the Hon Annette King wishes to remain in the Chamber, please cease when I rise to my feet. Would both the Prime Minister and the Hon Annette (uncorrected transcript—subject to correction and further editing) King stop the interaction and exchange across the House. If the Prime Minister wishes to complete his answer, would he do so.

Rt Hon JOHN KEY: In discussions with those principals, what is clear is that, because they do not want to stigmatise children who might go on a breakfast in schools programme, they offer it, generally speaking, to every child in the school. On average the feedback that they give me is that about half the children go on the breakfast in schools programme as a starting point, and over time that number reduces, more often than not, to a core group of about 10 or 15. They then make sure there is also food for them at lunch if they want it. The advice of the principals that I have spoken to—and I have been to a huge range of schools—is that very few do.

Metiria Turei: Could it be that his lack of accurate information about the needs of children in low-decile schools is because according to his own diary he has visited three times as many decile 9 and 10 schools as he has decile 1 and 2—three times as many—since June of last year and therefore does not have accurate information?

Rt Hon JOHN KEY: Firstly, that looks very much like National's election results—going up. The second thing is that what the member asked me—

Dr David Clark: No arrogance there.

Rt Hon JOHN KEY: No, it is just a statement of fact, actually. The second thing is that if the member wants to go and—she is more than welcome to, of course—table the written question that she asked me, the reason she did not bother to read that out in the House is that she would be reading it out for a very long time, because it was a couple of pages of schools that I visited in that very short period of time. It may have missed—

Hon Member: One page—

Rt Hon JOHN KEY: Well, you might print in size 6 font, but the way I signed it out, it was much broader than that. And, secondly, I have been the Prime Minister since 2008—

Hon Members: We know.

Rt Hon JOHN KEY: Yeah, I know. Do not worry—many more years to come, too.

Metiria Turei: I seek leave of the House to table what I understand is a currently unpublished answer to a written question showing the number of schools that the Prime Minister has visited since—

Mr SPEAKER: Order! I will put the leave. [Interruption] Order! Would the member resume her seat? Would the member resume her seat. Thank you. On the basis that it is at this stage unpublished, I will put the leave and the House can decide. Leave is sought to table an answer to a written question yet to be published. Is there any objection? There is none. It can be tabled.

Metiria Turei: In light of the evidence from principals and organisations that feed kids lunch every day in their schools of the huge need for a school lunch programme, will he support the "Feed the Kids Bill" to select committee so that we can have a conversation about how to feed hungry kids in schools?

Rt Hon JOHN KEY: No, and this Government does not need another conversation about this. This Government needs to continue to implement the very far-reaching policies it has been implementing in this area and in others to support those children. We are doing that, but I do not believe that getting into a position where we provide lunch for everyone in decile 1 and decile 2 schools in New Zealand will be the best use of those resources. I think we should target those children, but that is ultimately what happens at the moment.

Tax Fraud—Prevention 9. ALASTAIR SCOTT (National—Wairarapa) to the Minister of Revenue: What information has he received about the Government's action against tax fraud?

Hon TODD McCLAY (Minister of Revenue): As part of the Government's crackdown on tax compliance, Inland Revenue has identified fraud-related discrepancies totalling \$10.4 million in 2014, which is more than double the \$4.5 million identified in 2013. This is a return on an (uncorrected transcript—subject to correction and further editing) investment of \$3.73 for every dollar spent. It is important to note that the

vast majority of New Zealanders voluntarily and responsibly pay their fair share of tax. However, this Government is determined to catch up with those who do not by going after debt, outstanding returns, hidden economy activities, aggressive tax planning, fraud, and property compliance.

Alastair Scott: What other initiatives has the Government implemented relating to tax compliance?

Hon TODD McCLAY: As part of Budget 2014, the Government provided an extra \$132 million to Inland Revenue to bolster tax compliance activities. This is on top of nearly \$200 million already allocated through Budgets 2010 and 2012 for tax compliance and debt collection work. The results of this investment can clearly be seen: \$49.8 million additional revenue has been collected through hidden economy tax avoidance initiatives, non-compliance through tax property speculation identified \$52.4 million, and in going after aggressive tax planning we identified \$539 million of discrepancies—a whopping return of \$62.40 for every \$1 spent. Every dollar we recover means that there is more that we can invest in funding health, education, and other essentials for the good of society.

Partnership Schools—Prime Minister's Statements 10. CHRIS HIPKINS (Labour—Rimutaka) to the Minister of Education: Does she agree with the Prime Minister's statement that "If those partnership schools don't succeed the Government will be just as quick to close them down as we have been to establish them"?

Hon HEKIA PARATA (Minister of Education): Yes.

Chris Hipkins: Was a readiness assessment report completed on the Whangaruru partnership school before it opened at the beginning of this year; if so, what did it conclude?

Hon HEKIA PARATA: Yes, a readiness review was conducted, as we do that for all new schools, and it found that Whangaruru had challenges, which were not unexpected because, of course, Whangaruru caters to kids who have been out of school for a year, 2 years, 3 years. This is a very challenging group of students, and the readiness review indicated that they were dealing with those challenges.

Chris Hipkins: Was the time period for the readiness review to be completed for the Whangaruru partnership school extended until August this year, 8 months after the school first started operating; if so, why?

Hon HEKIA PARATA: The school first started operating in February, and, yes, it was extended, and it was extended because the school was dealing with these challenges. This is not unlike what we do for schools all around the country where they need extra time, where they need interventions, where they need commissioners. Because they are facing these problems, we do our very best to support them. Why? Because we want these kids to have a shot at a great education.

Chris Hipkins: What is the point of completing a readiness report before a charter school is allowed to open, if the readiness report highlights major problems, as has clearly been the case with Whangaruru, and yet the school is allowed to open anyway, regardless?

Hon HEKIA PARATA: The member seems unable to understand the answers I have already given. We do readiness reviews—[Interruption] I will speak slowly. We do readiness reviews for all new schools, and we do it on the basis that we are able to give them informed and targeted support to get past their establishment year. These are partnership schools but we do it for all new schools.

Chris Hipkins: Why has the readiness report for Whangaruru school not been publicly released, the way the readiness reports for the four other charter schools have been?

Hon HEKIA PARATA: Whangaruru has been subjected to an unprecedented level of scrutiny. It is a new school. It is dealing with a very challenging roll of students. The readiness review has been provided to Ngā Parirau Mātauranga Charitable Trust, the trust that is the school's sponsor. It (uncorrected transcript—subject to correction and further editing) is preparing a response plan to that. At the point that it has that, the Ministry of Education will release both reports.

Chris Hipkins: Why was Whangaruru partnership school allowed to open despite major issues being raised in the readiness review process, including management infighting; major health and safety issues including bullying and drug use; and ongoing concerns about the quality of teaching, learning, and student engagement?

Hon HEKIA PARATA: The sequence of events was actually that proposals were put by sponsors. Those proposals were rigorously reviewed. In that process, Whangaruru was given approval to go ahead. It began its establishment and then a readiness review was developed to ensure that it had the targeted support it needed to be successful. That is the process that it has been through. Readiness reviews occur once the establishment has been approved.

Chris Hipkins: When the Prime Minister said that the Government would be quick to close down failing schools, just how quick did he mean, given that Whangaruru has been operating for nearly a year, continues to receive funding well in excess of the number of students that actually attend the school, and continues to be plagued by serious problems, including drug use, bullying, and concerns about the quality of teaching, learning, and student engagement?

Hon HEKIA PARATA: The school—a new school dealing with very difficult students who have been out of the other schools in the area—has been operating under the glare of public scrutiny for 10 months; not for a year but for 10 months. We have schools across New Zealand that had been established for many years and they have commissioners in them, and we are working to help them be successful as well. We want every young New Zealander to have an opportunity to be successful educationally, and this is another option.

Captioning—Free-to-air Programmes 11. MOJO MATHERS (Green) to the Minister of Broadcasting: Will she consider using regulation to increase New Zealand's level of captioning for free-to-air television, given that all of Europe has regulations in place for captioning; if not, why not?

Hon AMY ADAMS (Minister of Broadcasting): Not at this time because I am satisfied that there has been a significant increase in New Zealand's level of free-to-air TV captioning over the past decade, including 100 percent of prime-time content on Television One and TV2 now being captioned.

Mojo Mathers: Is she aware that New Zealand has ratified the Convention on the Rights of Persons with Disabilities, which affirms the right to access information and popular culture; if so, will she commit to captioning all free-to-air television?

Hon AMY ADAMS: In answer to the first part of the question, yes.

Mojo Mathers: Does she consider that without regulation, New Zealand will not be able to receive the high levels of captioning comparable with Australia, the UK, and the US, given that high rates of captioning have been achieved only in countries that have rules requiring broadcasters to provide captioning?

Hon AMY ADAMS: Well, what I do consider is that without regulation over the past decade, New Zealand has moved from having around only 70 hours a week of captioning and absolutely no provision of audio description to now having more than 250 hours a week of free-to-air captioning, plus having 17 Sky channels carrying some captioning and around 20 hours of audio description per week. All of that has been achieved without regulation. The trend is for that to continue to increase, and we support that.

Mojo Mathers: Does she consider it acceptable that New Zealand On Air - funded programmes can be either shown without captions or released as DVDs without captions, and will she consider bringing in a requirement for all New Zealand On Air - funded programmes to be available in captions and audio description; if not, why not?

Hon AMY ADAMS: That is something I am considering. (uncorrected transcript—subject to correction and further editing)

Fisheries Protection—Honorary Fisheries Officers 12. STUART SMITH (National—Kaikōura) to the Minister for Primary Industries: What recent reports has he received on the number of Honorary Fishery Officers leading into the summer fishing period?

Hon NATHAN GUY (Minister for Primary Industries): Honorary fisheries officers are volunteers who are warranted by the Ministry for Primary Industries. They have powers to monitor our amateur fishers, including seizing illegally taken seafood and equipment. I have recently been advised that the number of warranted honorary fisheries officers will increase to 225 as the Ministry for Primary Industries undergoes a new recruitment before the busy summer period. These will help bolster our resources to protect our fisheries and help educate all New Zealanders who continue to enjoy them.

Stuart Smith: What role do honorary fisheries officers play in the management of our fisheries?

Hon NATHAN GUY: New Zealand's coastline is very long and remote in places, so the role these volunteers play by monitoring catch and educating fishers and the public is absolutely critical. Honorary fisheries officers account for around 75 percent—or over 17,000—of interactions with recreational fishers a year. These are knowledgeable, professional volunteers who give up hours of their time, and I want to take a moment to thank them for what they do.

QUESTIONS TO MEMBERS

Register of Pecuniary Interests of Judges Bill—Purpose 1. EUGENIE SAGE (Green) to the Member in charge of the Register of Pecuniary Interests of Judges Bill: Is it necessary for New Zealand to legislate for the adoption of a Register of Pecuniary Interests for the judiciary; if so, why?

Dr KENNEDY GRAHAM (Member in charge of the Register of Pecuniary Interests of Judges Bill): Requiring judges to make returns of pecuniary interests through legislation is desirable as it provides for greater transparency within the judicial system and avoids any conflict of interest in the judicial role. The purpose of such a bill is to require judges to make such returns to provide that transparency and avoid any such conflict of interests in the judicial role. The bill emulates models in other jurisdictions, such as the United States, and has attracted interest elsewhere, such as Scotland. Hon Gerry Brownlee: I raise a point of order, Mr Speaker. In that question to a member, what was procedural about that question that made the Office of the Clerk accept it?

Mr SPEAKER: The Clerk has advised that it is not just a matter of procedure; it is about the nature of the business for which the member has charge. I will certainly be listening very carefully to any supplementary questions that apply to any of these members' questions. But the question was accepted, it is in order, and now we will proceed with the supplementary question.

Eugenie Sage: Will the bill affect judicial independence in any way?

Dr KENNEDY GRAHAM: No. The bill does not imply any right of the legislature to intervene in the affairs of the judiciary. Nothing in the bill would compromise the constitutional principle of judicial independence. The intention is simply to promote due administration of justice by requiring a similar financial return by judges to what is already required by both the legislature and the executive of this country.

Education (Breakfast and Lunch Programmes in Schools) Amendment Bill—Select Committee 2. DENISE ROCHE (Green) to the Member in charge of the Education (Breakfast and Lunch Programmes in Schools) Amendment Bill: What select committee has she nominated for the Education (Breakfast and Lunch Programmes in Schools) Amendment Bill?

METIRIA TUREI (Member in charge of the Education (Breakfast and Lunch Programmes in Schools) Amendment Bill): In his first reading speech, Hone Harawira nominated (uncorrected transcript—subject to correction and further editing) the Māori Affairs Committee to receive this bill should it pass its first reading. Although the bill amends the Education Act, the Māori Affairs Committee has dealt quite recently with issues of poverty and poverty mitigation through its inquiry into the well-being of tamariki Māori. I have great confidence that the Māori Affairs Committee can deal with this bill very well.

Denise Roche: Why has she nominated the Māori Affairs Committee to hear submissions on the Education (Breakfast and Lunch Programmes in Schools) Amendment Bill?

METIRIA TUREI: I support the Māori Affairs Committee hearing the evidence on this bill given that Māori are the majority ethnic group at low-decile schools. The recent Child Poverty Monitor showed that one in three Māori children is suffering from poverty. I want Māori whānau and communities to have a high level of comfort in making submissions to the select committee. I understand that Māori whānau will have a much greater level of comfort if that is done at the Māori Affairs Committee.

Education (Breakfast and Lunch Programmes in Schools) Amendment Bill—Purpose 3. DENISE ROCHE (Green) to the Member in charge of the Education (Breakfast and Lunch Programmes in Schools) Amendment Bill: What recent evidence, if any, has she received that supports her bill?

METIRIA TUREI (Member in charge of the Education (Breakfast and Lunch Programmes in Schools) Amendment Bill): Low-decile schools report feeding lunch to up to 40 to 50 children a day in their schools. Other evidence suggests that 15 percent of children in low-decile schools are there without lunch. There is clear evidence that a lunch programme is also required in low-decile schools alongside the breakfast programmes that exist, so that children have more than just two meals a day.

Denise Roche: What evidence is there that a lunch programme, in addition to breakfast, is needed in low-decile schools?

METIRIA TUREI: Hungry children cannot learn. Although the breakfast programmes provide a meal for some children in some schools, it is important that all children have access to a nutritious and healthy lunch so they are able to maximise the education they are receiving. We all agree that children having the best possible education is the highest priority. Making sure hungry kids have enough food so they can learn well is the responsibility of us all.

Parental Leave and Employment Protection (Six Months' Paid Leave) Amendment Bill—Progress 4. POTO WILLIAMS (Labour—Christchurch East) to the Member in charge of the Parental Leave and Employment

Protection (Six Months' Paid Leave) Amendment Bill: Does she intend to continue with the Parental Leave and Employment Protection (Six Months' Paid Leave) Amendment Bill; if so why?

SUE MORONEY (Member in charge of the Parental Leave and Employment Protection (Six Months' Paid Leave) Amendment Bill): I will continue with the bill because extending paid parental leave to 26 weeks is affordable, it is a wise investment in New Zealand's future, it will support bonding and attachment between parent and baby in those crucial early months, and it was supported by 99.6 percent of the 3,800 submitters to the bill.

Poto Williams: Does she propose any amendments to the bill?

SUE MORONEY: Because the Government proclaimed that its only opposition to my bill was the cost, which the finance Minister claimed was \$500 million, I recently proposed an amendment that reduced the cost to just \$6 million in the next financial year. My amendment proposed that 26 weeks' paid parental leave be extended to the families of twins or triplets, of babies born prematurely, or of babies born with a disability. (uncorrected transcript—subject to correction and further editing)

Parental Leave and Employment Protection (Six Months' Paid Leave) Amendment Bill—Support 5. MEKA WHAITIRI (Labour—Ikaroa-Rāwhiti) to the Member in charge of the Parental Leave and Employment Protection (Six Months' Paid Leave) Amendment Bill: What support has she seen for continuing with the Parental Leave and Employment Protection (Six Months' Paid Leave) Amendment Bill?

SUE MORONEY (Labour): As well as the 3,809 submissions received on the bill, 99.6 percent of which supported it, the coalition group 26 for Babies is also pushing for the proposed extension to continue. The 26 for Babies coalition includes organisations such as Plunket, Barnados, Every Child Counts, and the Breastfeeding Authority, amongst many others.

Meka Whaitiri: Did she receive support for her recent proposed amendments to the bill?

SUE MORONEY: Yes, from several quarters, but most notably from the New Zealand Multiple Birth Association, whose president said: "It is without argument that two or more children are logistically more challenging, not to mention the financial pressures ... ". She made a heartfelt appeal to the Government to change its current stance against such New Zealand families.

ENDS

NS gpol : Domestic Politics | gvtre : Treasury Department | gcat : Political/General News | gpir : Politics/International Relations | gvbod : Government Bodies | gvexe : Executive Branch

RE austr : Australia | nz : New Zealand | iraq : Iraq | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | dypcoz : Developing Economies | gulfstz : Persian Gulf Region | meastz : Middle East | wasiaz : Western Asia

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