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## QUESTIONS TO MINISTERS

Budget 2014—Economic Programme

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1. DAVID BENNETT (National—Hamilton East) to the Minister of Finance: How will the Budget next month help to lock in the benefits of sustainable economic growth to support more jobs and higher incomes for New Zealanders?

Hon BILL ENGLISH (Minister of Finance): The Budget will set out the next steps in the Government's programme. It will build on the current good economic momentum, where we are seeing positive results such as employment rising across the board, wages on average increasing ahead of the cost of living, and consumer and business confidence at higher levels than for some time. The Budget will also show growing fiscal surpluses starting with a small surplus in 2014-15. Generally, it will reinforce the positive conditions that are encouraging households to pay off debt, businesses to invest, and New Zealanders to take up new jobs.

David Bennett: How is the higher growth outlook for the economy translating into higher wages for New Zealanders?

Hon BILL ENGLISH: The benefits of a sustainable and growing economy, of course, can be tangible to households. For instance, if you use the average full-time wage, which is the basis of the means of calculating our level of superannuation, over the past 2 years the average full-time wage has increased from \$51,700 a year to \$54,700 a year, which is an increase of \$3,000 in the average wage over the last 2 years. If New Zealand can achieve the growth that Treasury is forecasting, then the average wage will rise to around \$62,200 by 2018. That would mean another average wage increase of \$7,500. [Interruption]

Mr SPEAKER: Order! I am just waiting for Andrew Little.

David Bennett: What other steps will the Government take in the Budget to help support sustainable economic growth, more jobs, and higher incomes over the next few years?

Hon BILL ENGLISH: With the growing economy, some rise in interest rates is inevitable, but if we learn the lesson from the last economic cycle up to 2008, we know that Government going on a spend-up when interest rates are already rising can only make interest rates go even higher, affecting household budgets and reducing the incentives on business to invest in new jobs. So the Budget next month will not be about a big spend-up; it will be about thoughtful, targeted spending, which means that the Reserve Bank will not need to further tighten monetary policy, pushing up interest rates.

David Bennett: Why is it important that interest rates do not return to their elevated levels in 2008, when floating home mortgage rates reached almost 11 percent?

Hon BILL ENGLISH: I am pleased the member realises it is important, because the Opposition parties clearly do not. Restricting interest rate increases makes a significant contribution to household budgets. Every 1 percentage point movement in mortgage interest rates is worth around 15/04/2014 Questions for

Oral Answer Page 2 of 13 \$40 a week, or \$2,000 a year, for a family with a \$200,000 mortgage. This is why the Government is going to be careful with its spending, to help keep mortgage rates at reasonable levels, after a lengthy period at 50-year lows. Imagine the effect on interest rates if we had the same increase in Government spending as the previous Government, around \$2.5 billion or \$3 billion per Budget. That would push interest rates up sharply.

Hon David Parker: If, as he keeps claiming, things are going so well, where has the \$1.1 billion worth of missing tax revenue in the 8 months to February 2014 gone?

Hon BILL ENGLISH: The first thing to remember is that tax revenue has increased around 5 percent compared to last year, which shows the benefits of a growing economy. We have growing tax revenue. It just has not increased quite as quickly as Treasury forecast that it would. Some of that tax revenue, it believes, is sitting in the tax pooling system and some of it is lower GST, which could be caused by the fact that in Christchurch there are large claims coming through for GST on insurance payouts, and long lags until that money is used to build houses, when the GST would come back.

Ministers—Confidence

2. Hon DAVID PARKER (Deputy Leader—Labour) to the Prime Minister: Does he have confidence in all his Ministers?

Rt Hon JOHN KEY (Prime Minister): Yes.

Hon David Parker: Why does he have confidence in the Minister of Housing, who now says that New Zealanders will have to wait 20 years for affordable housing under his Government?

Rt Hon JOHN KEY: I do not think the Minister said that; what the Minister did say is that it is a very long-run process. I note that if one looks at homeownership rates, they have been declining since 1991, actually. What is, of course, a great concern to many New Zealanders is the way that house prices doubled under the previous Labour Government.

Hon David Parker: Why should a young couple in their early 30s, facing an average house price in Auckland nudging \$700,000, have to wait 20 years until they are in their 50s and their children have already moved out before they can buy a house?

Rt Hon JOHN KEY: This may come as a shock to the member but there are many young couples in their 30s who are out there buying houses today. Those lucky couples will almost certainly have jobs under a National-led Government and will be paying interest rates that are a fraction of what this Government inherited when we came in to office. They will also be subject to all of the things that this Government is doing, including housing accords in Auckland, looking at development contributions, and dealing with reform of things like the Resource Management Act. There is no silver bullet to the housing issue, but what we do know is that house prices under this Government have gone up by 23 percent. They doubled under Labour. No amount of being a lion in Opposition will make up for the fact that they were a bunch of little lambs—

Mr SPEAKER: Order! I do not think that is going to help the order of the House.

Hon David Parker: Was his decision to abandon yesterday's challenge to debate housing policy with David Cunliffe on national TV a result of overnight focus groups and polling showing— [Interruption]

Mr SPEAKER: Order! I heard the first part of the question; I am struggling to hear the second part and I need to, so I require a little less interjection. Would the member please start his question again.

Hon David Parker: Was the Prime Minister's decision to abandon yesterday's challenge to debate housing policy with David Cunliffe on national TV a result of his focus groups and polling overnight showing that New Zealanders know that his housing policy is such a shambles that he is best to leave it to Nick Smith to take the rap?

Rt Hon JOHN KEY: For a start-off, I would be happy to debate with David Cunliffe in Parliament if he would like to turn up. That is the first thing. The second thing was I made it quite 15/04/2014 Questions for Oral Answer Page 3 of 13 clear, actually, that we were more than happy to have that debate, which we will be having in the first debate on Television One. And if we want to get into polling, I hate to tell the Labour members but, in our polls, Labour was at 26 percent last week.

Hon David Parker: Who is correct: Bill English, who said that we will not collect data on overseas buyers of New Zealand houses; last week's Prime Minister, who said that we will not collect data on overseas buyers; or yesterday's Prime Minister, who said that concerns around overseas buyers are credible and that he might now gather the data?

Rt Hon JOHN KEY: The point we have been making is the right point, which is that we do not think that foreign purchasers of houses are actually a significant impact on housing prices in Auckland or around New Zealand. What is also true is that there is not actually a lot of credible data out there, but the data we do have certainly indicates that. But, as I have said, it is always a possibility to look at that, but I think it is a very challenging thing to do, because people can buy properties through trusts or through companies or through many other structures. What I do know is that Labor in Australia has introduced what Labour in New Zealand is talking about, and what is interesting is that in Australia there are more foreign purchases taking place than in New Zealand. And, secondly, unaffordability is higher in Australia than it is in New Zealand. It is nine times the average wage to buy a house in Sydney and seven times in Auckland.

Hon David Parker: With the average Auckland house price having increased by \$200,000 under his watch, and now nudging \$700,000 each, loan-to-value ratios hurting first-home buyers and provincial New Zealanders, and his own admission that after 6 years of his Government Auckland is building only a third of the new houses it needed, is it not time that he admitted that his and Nick Smith's housing policy is a complete shambles?

Rt Hon JOHN KEY: Let us just run through a few facts. I hate to put them in sway of the member's argument, but house prices doubled under 9 years of Labour. They have gone up 23 percent on average under this Government in 5½ years. When those homeowners go to buy a house under this Government, they are facing a base rate of 2.75 percent. Under the previous Government, that rate was 8.5 percent. It is this Government that has a special housing accord established with Auckland that will see 13,000 sections consented and homes built over a period of time for the next 3 years—39,000 sections. It is this Government that is looking at the cost of building materials, and it is this Government that is actually looking at development contributions. The member needs to go and ring up Helen Clark, because she spent months and months—in fact, years—working on housing issues, because they were such a big issue under her Government, and it ignored every recommendation that it got. That is why house prices doubled under Labour.

Hon David Parker: Can he confirm that the number of building consents issued nationally in the last 5 years, even with the Canterbury rebuild, is 100,000 down on the previous 5 years?

Rt Hon JOHN KEY: I do not have that data, but what I do have is that in February there were 21,854 consents, more than in any other period of time. Of course, during the global financial crisis there would have been a significant reduction in demand, and with Christchurch there was a reduction in demand. But it is pretty simple. This is the message: under 9 years of Labour, house prices doubled and interest rates went through the roof.

#### Regional Economies—Investment

### 3. JONATHAN YOUNG (National—New Plymouth) to the Minister for Economic

Development: What steps is the Government taking to encourage more investment in New Zealand's regional economies?

Hon STEVEN JOYCE (Minister for Economic Development): Last week I announced that New Zealand Trade and Enterprise is establishing a new regional investment attraction programme to encourage more international firms to invest in New Zealand's regional economies. New Zealand Trade and Enterprise is working in partnership with regions around the country to create comprehensive investment profiles, which will allow regions to clearly lay out the advantages they 15/04/2014 Questions for Oral Answer Page 4 of 13 offer investors in terms of their natural resources, their infrastructure, the availability of skilled workers, and innovation hubs that support investment. There are big opportunities for New Zealand from the massive growth in the number of consumers across Asia. The challenge for each of our regions is to showcase the real opportunities for competitive businesses in their regions, and this new programme from New Zealand Trade and Enterprise will help them to do it in a more systematic way.

Jonathan Young: What steps has the Government already taken to encourage investment in our regions?

Hon STEVEN JOYCE: The Government's Business Growth Agenda contains around 350 initiatives to help encourage growth and investment right across New Zealand. To take just a few examples, there is, of course, our Ultra-fast Broadband Initiative and Rural Broadband Initiative to connect people in businesses from areas like Kaitiāia, Gisborne, Taupō and Queenstown with the global market place. There is the \$142 million a year in research and development co-funding from Callaghan Innovation for companies across New Zealand. There is big investment in skills—engineering, information and communications technology, and construction trades, for example—to help innovative New Zealand companies obtain their workforce. There are areas like encouraging oil and gas exploration, the expansion of irrigation and water schemes, reforms to improve the productivity of Māori land, and the roads of national significance and regional

highways, plus policy and legislative changes to encourage the growth of international education across New Zealand.

Jonathan Young: What recent examples has he seen of strong international investment in the regions?

Hon STEVEN JOYCE: I have seen a number of recent examples. In fact, in the last week—last Thursday—I helped open BOC's new air separation unit, which is a \$70 million investment to supply the oxygen and gases needed for New Zealand Steel for at least another 20 years. This project is a vote of confidence by both New Zealand Steel and BOC in the New Zealand steel industry. On Friday I met with ABB in Napier at its new premises, a specialist research and development facility there. It employs 130 people, including 27 dedicated research and development staff. It is the largest supplier of industrial motors and drives and generators for the wind industry, and is also very big in power grids worldwide. Pan Pac Forest Products, which is a New Zealand Trade and Enterprise customer, last Friday celebrated a \$70 million upgrade to its pulp mill in Napier. This investment will be very beneficial to the Hawke's Bay economy and is another example of a company succeeding—in this case, in the forestry processing industry—without the need for politicians unfairly favouring one industry over others.

Andrew Little: Does the Minister accept that the regions showing a decline in GDP per capita in the most recent statistics are all rural or provincial areas, and that this is because this Government has no plans to help the regions develop their economic bases, generate jobs, and keep Kiwis here?

Hon STEVEN JOYCE: No, and if you look across the regional GDP figures for the last 5 years, which this Government has recently had Statistics New Zealand update, they show that the regions have, in fact, been lifting New Zealand out of the global financial crisis. In the case of Taranaki, which the member likes to mention from time to time, it has the highest GDP per capita in the country.

New Zealand Qualifications Authority—Return of Examination Booklets

4. CHRIS HIPKINS (Labour—Rimutaka) to the Minister of Education: When did she first become aware that the New Zealand Qualifications Authority had posted hundreds of examination booklets to the wrong students?

Hon HEKIA PARATA (Minister of Education): I received the New Zealand Qualifications Authority's first advice on this issue as part of its routine reporting at the end of January this year. However, it was not until yesterday that I was advised of the specific scope of it. In the context of 15/04/2014 Questions for Oral Answer Page 5 of 13 our 161,000 students having their 1.1 million scripts returned—something that only New Zealand does—there was a mailing error affecting the return of scripts for 455 students. Although it is a regrettable mistake, it is the first time there has been a sorting and mailing problem of this kind, and the chief executive of the authority has apologised and assured me that further quality checks have been put in place.

Chris Hipkins: Did she take any steps, when she first became aware of the problem, to ensure that the relevant schools and students were immediately notified of the error; if not, why not?

Hon HEKIA PARATA: As soon as the authority understood there had been a mistake, it got on to it and was fixing it, and over half the mailing errors were fixed very quickly. The remaining 180, I believe, are ones it has been working through. It would not normally contact a school, because the process in New Zealand is that all 161,000 booklets are returned to all students. The minute it became aware of the mistake, it began fixing it.

Chris Hipkins: Why has it taken until today for the authority and her as the Minister responsible to be publicly up front about this error, given that she has known about it since January?

Hon HEKIA PARATA: Because the focus has been on fixing it.

Chris Hipkins: Is she satisfied that, since discovering that the error had been made, the authority has handled the matter totally appropriately; if so, why?

Hon HEKIA PARATA: No, I do not think it has been as quickly handled as it could have been, and the authority has apologised for that. Since this is the first time this has actually happened, it is talking to the particular schools involved. But the way it sees this being resolved in the future is by doing what it did with scholarships last year, which was to make the physical copy available and also to make available on the website, through the student number for students, their digital copies of their results.

Chris Hipkins: Will students whose examination booklets have been lost still be eligible for reconsideration; if so, how will such reconsideration be undertaken?

Hon HEKIA PARATA: I have been advised by the authority that two recounts were sought by students involved in this group of 455, and that for any other student who might be affected, recounts are available to them by engaging with their school in the provision of other work the student might have completed.

#### Government—Policies

5. Dr RUSSEL NORMAN (Co-Leader—Green) to the Prime Minister: Does he stand by all of his Government's policies?

Rt Hon JOHN KEY (Prime Minister): Yes.

Dr Russel Norman: Why will he not change his policies to embrace the call by the prestigious science body the Royal Society, which has called for strong Government leadership to create a smart, green economy—one that is low carbon, resource efficient, and socially inclusive?

Rt Hon JOHN KEY: The Government is going down the path of making sure that there are quite a number of aspects of the economy that would encourage people to have a more green economy. They include, obviously, the emissions trading scheme. They include the enormous amount that we are spending in terms of science—that is, renewable **energy** in the areas that we are involved in there. The Government does support that, but some of these initiatives will also have to stand on their own two feet.

Dr Russel Norman: How do the Government's repeated efforts to erode the emissions trading scheme and remove a price from carbon assist the New Zealand economy to go down a smart, green direction?

Rt Hon JOHN KEY: The carbon price currently in place, in terms of the New Zealand emissions trading scheme, reflects the international price. But I think that what the member has made quite clear—and I think it is an important point, and, actually, I congratulate him on making it—is that any Labour-Green Government, as much as they are talking to each other, would have a 15/04/2014 Questions for Oral Answer Page 6 of 13 much higher price on carbon and, of course, that would drive up the price for consumers. That is a statement of fact—that under a Labour-Greens Government, you would see higher electricity prices for New Zealanders.

Dr Russel Norman: Has the Prime Minister, then, not read the latest report from the Intergovernmental Panel on Climate Change, which found that successful action on climate change would shave just 0.06 percent off expected annual economic growth rates while, in the process, protecting our children from dangerous human-caused climate change?

Rt Hon JOHN KEY: What I have read are a variety of reports that say it makes sense, actually, to do things that will support our ambitions to have an environment that has reducing carbon emissions. That includes **energy** efficiency, which is why the Government has been involved in the insulation of well over 300,000 homes. That is why the Government wants to have flexibility—for instance, in electricity. I note that the member was on his feet some time ago last year essentially talking about something he does not talk about any more, which is NZ Power. But the effect of NZ Power, of course, is to lock Genesis, and Huntly power station in particular, into remaining a coal-fired power plant.

Hon David Parker: Rubbish! That's not right.

Rt Hon JOHN KEY: Mr Parker, whom he used to talk to a while ago before they had a big bust up, says "Rubbish!", but, actually, the effect would be to make sure that Huntly never converts from being a **coal**-fired power plant to being a combined-cycle gas plant. That is terrible for New Zealand's emissions. That is what bad economic policy spells, and that is why Mr Norman's policies are wrong for the country.

Dr Russel Norman: If the Government's climate policies are so successful why is it that New Zealand's net emissions have increased 20 percent under the years of this Government so far and are projected to increase by a further 50 percent in the next decade, according to the Ministry for the Environment, based on the current policy settings?

Rt Hon JOHN KEY: We just simply do not accept the statements made by the member. I think there are a number of measures we can use that show that New Zealand's emissions per unit of GDP output have dropped and have dropped significantly since 1990. But, in the end, New Zealand is a small part of global emissions. We are anywhere between 0.14 percent—or, certainly, less than 0.2 percent. We have a considerable suite of initiatives we are applying, and I think they are the right settings for New Zealand. That member wants to put more costs on New Zealand consumers. I just hope that in the election campaign he will be honest and upfront with New Zealanders and tell them exactly that, because that is the truth. But if he does not, I will tell them for him.

Dr Russel Norman: You'll make up all sorts of things. [Interruption]



Mr SPEAKER: Order! Supplementary question, Dr Norman.

Dr Russel Norman: With regard to the Government's policy to turn its back on green economic opportunities, is he aware that 25 of the world's—[Interruption]

Mr SPEAKER: Order! I cannot hear the question because of the yelling. Can the member start his question again.

Dr Russel Norman: With regard to the Government's policy to turn its back on green economic opportunities, is he aware that 25 of the world's largest banks, including the Bank of America, Merrill Lynch, Citibank, JP Morgan, Deutsche Bank, Goldman Sachs, HSBC, and Morgan Stanley recently released—in fact, today—the governance framework for a green bond market, which is seeing **billions** of dollars flow into green economic opportunities around the world; and why does this Government not want to be part of the green global economic revolution?

Rt Hon JOHN KEY: New Zealand is not stopping—and the Government is certainly not stopping—any New Zealanders being involved in **bonds** or other instruments if they wish to be, but what I can say is that the Government has got a record that shows that on many, many fronts it is tackling climate change. I will make the point, though, that we are a very, very small cog in a global 15/04/2014 Questions for Oral Answer Page 7 of 13 ocean. Unless other countries are prepared to play their part, nothing New Zealand can do in isolation will actually resolve the issues of international greenhouse gas emissions rising.

Hon Gerry Brownlee: I raise a point of order, Mr Speaker. I just ask you to reflect on the way that question was started and the very, very long, speech-like introduction to it. It is not compliant with the Standing Orders. It is not appropriate for someone to suppose the policies of the Government, just as it has, of course, been pointed out to Government members that we should not be predicting the policies of the Labour Party or, for that matter, the Green Party, although I have got to say that they are very predictable.

Dr Russel Norman: Pretty much every one of the Prime Minister's answers during this question set has supposed all sorts of things about the Green Party policies. It does not seem unreasonable that we should be allowed to characterise the Government's anti-green policies. [Interruption]

Mr SPEAKER: Order! I do not need further assistance. The question was certainly very, very long. I continue to ask the member to try to curtail the length of his questions. I think, frankly, he will get a better answer if he did so. But the Prime Minister has been relatively political with his answers, and on that basis I allowed the question to go. I could have ruled it out of order, but the Prime Minister, I felt, may well have given a political flick back, and I certainly would have interfered if he had done so.

Dr Russel Norman: Does he agree with economist Professor Ottmar Edenhofer, who led the latest Intergovernmental Panel on Climate Change team, who said that the cheapest and least risky route to dealing with global warming is to abandon dirty fossil fuels in the coming decades?

Rt Hon JOHN KEY: I think that would depend on the country. I mean, if you take New Zealand, half of all of our emissions come from agriculture, so the fastest thing we can do in New Zealand in terms of tackling our greenhouse gas emissions profile—or probably the most successful thing, anyway—would be to deal with the issue around agriculture. That is obviously more challenging, which is why we have the greenhouse gas alliance. But I go back to the point I made earlier—it is remarkable that that member was on his feet a few seconds ago essentially asking me whether we should be getting rid of fossil fuels when the power policy that he announced, at the point when he used to get on with the Labour Party, would lock in exactly that position with Huntly.

Dr Russel Norman: What rubbish! [Interruption]

Mr SPEAKER: Order! Supplementary question, Dr Russel Norman.

Dr Russel Norman: How does his \$46 **million** annual subsidy to the fossil fuel industry help to create new green businesses and reduce greenhouse emissions?

Rt Hon JOHN KEY: Again, I reject the proposition. What I say is that New Zealand is looking at, and applying, a range of different initiatives to reduce New Zealand's greenhouse gases. I think they are in line with what many other countries are doing. I welcome the fact that the Green Party is today once and for all making it clear to the New Zealand consumers that they will be paying a lot more for power—

Hon Steven Joyce: And **energy**.

Rt Hon JOHN KEY: —and **energy** in general if he ever makes it to Cabinet, which is going to be tricky, because Winston Peters does not want him there and Labour does not want to talk to him. [Interruption]

Mr SPEAKER: Order! Do we have a supplementary question?

Rt Hon Winston Peters: No, Mr Speaker. I raise a point of order, Mr Speaker.

Mr SPEAKER: Oh, it is a point of order [Interruption] Order! I require silence so I can hear the point of order from the right honourable gentleman.

Rt Hon Winston Peters: It will occur to you that the Prime Minister frequently gets outside his depth on a lot of subjects, but when he talks about our intentions he has got no idea, and he should not be wasting Parliament's time with those answers. 15/04/2014 Questions for Oral Answer Page 8 of 13

Mr SPEAKER: That is not a point of order, and it would be helpful if both the Prime Minister and the right honourable gentleman did not waste Parliament's time.

State and Social Housing—Ministry of Social Development's Role

6. LOUISE UPSTON (National—Taupō) to the Minister for Social Development: What recent changes has the Government made to the social housing sector?

Hon PAULA BENNETT (Minister for Social Development): This week we have had significant reforms that have come into effect that will help New Zealanders access reliable social housing when they need it. As of Monday Work and Income is now assessing a person's need for social housing, taking over the function from Housing New Zealand. The Government has also allocated \$26.6 million to extend the income-related rents to not just those who were in State houses but also to those with community housing providers. This will make a big difference to them.

Louise Upston: Why has Work and Income taken over the housing needs assessment?

Hon PAULA BENNETT: Well, it simply made sense to do that. In most cases you are talking about the same people who want income support also being in Housing New Zealand houses. We hold a lot of information about them. It does not make sense that they have to go to two different Government departments to do that. Also, with Work and Income we can look at someone's employment needs. We can look at their wider social needs as well as their housing needs. So being able to have the person come in once, in a more simplified manner, and being able to look at all of their social needs, makes sense and is better for them.

Louise Upston: Why is the income-related rent subsidy being extended to community housing providers?

Hon PAULA BENNETT: This would be one of the most significant changes. To date those income-related rents have never been able to be used for community housing providers. What you see is—a house that we looked at just on Sunday had been charging 80 percent of the market rent and the community housing provider themselves had been paying the other 20 percent. Now that they are able to access the income-related rent, you can see that they can be paying anywhere between 25 percent up to 100 percent. But getting that subsidy from the Government puts more money in the pockets of the individual and their families, more money in the pocket of the community housing provider, and it is better for everyone.

Sue Moroney: Why did she make the elderly and those with disabilities vulnerable to losing their homes by including them in State housing tenancy reviews?

Hon PAULA BENNETT: Because in some cases it will be, particularly for those who are older, that they may be better suited going into a one-bedroom home, or into a different home. So to simply say that that three-bedroom or four-bedroom home that they have always lived in is suitable to their needs is not right. For some of those with disabilities, there are all sorts of different levels of, and high needs from, disabilities. For some, there will be somewhere that is better suited. I repeat, as I have many times before, that reviewable tenancies are not about simply going in and evicting someone; they are about going in and talking to them about what their needs are, whether there is somewhere that better suits them, and whether or not we can help them into that.

Justice, Minister—Compliance with Cabinet Manual

7. Rt Hon WINSTON PETERS (Leader—NZ First) to the Minister of Justice: Does she maintain that it is not in the public interest to answer all questions regarding Oravida?

Hon JUDITH COLLINS (Minister of Justice): I have never made that statement.

Rt Hon Winston Peters: How can she give that answer, when it is crystal clear that her prearranged meeting with a senior Chinese customs official at the height of the botulism scare was not just dinner with close personal friends but a serious conflict of interest that she and the Prime Minister are trying to cover up?

Hon JUDITH COLLINS: I can make that statement because it is the truth. 15/04/2014 Questions for Oral Answer Page 9 of 13

Rt Hon Winston Peters: Well, if that is the case, why will she not give the name and position of the customs official, when she arranged to meet the customs official at the very time that her husband's **company** was having huge issues getting its product through customs and had enlisted her willing intervention?

Hon JUDITH COLLINS: The member is quite wrong in his question. If he goes back and looks at previous questions he has asked of that nature, he will see that I have corrected him.

Rt Hon Winston Peters: Is it not the case that, when she was told that joining her and her close personal friends at the dinner was a senior customs official, it did not raise alarm bells, because meeting this customs official was the whole reason for the dinner in the first place?

Hon JUDITH COLLINS: The member is quite wrong. I have never said that there was any senior customs official, and he knows it.

Rt Hon Winston Peters: Why is the Minister now claiming that there is no connection with the senior customs official, and does she not understand that her arranged meeting with that official was a serious conflict of interest and a corrupt abuse of her Cabinet position?

Hon JUDITH COLLINS: No. The member is quite wrong again. He continues to state in his question matters that are incorrect. I would say to that member that if he is worrying about corruption, I think he should consider a member of Parliament who asks questions in this House and written questions to help his girlfriend in her position with a major global **company**.

Rt Hon Winston Peters: Does the Minister not understand that throwing out those sorts of allegations will not save her when she was moonlighting for her husband's **company**, that her DNA is all over this issue, and that if she answers questions fully, she would no longer get the Prime Minister's defence and would be sacked for corruption?

Hon JUDITH COLLINS: The only member of this House who should be sacked for corruption is that member who has asked the question.

Rt Hon Winston Peters: I raise a point of order, Mr Speaker. [Interruption]

Mr SPEAKER: Order! This is a point of order. It will be heard in silence.

Rt Hon Winston Peters: That Minister is not within the Standing Orders attempting to answer that question that way. She has been asked a serious question on a very serious matter—as serious as this House has ever seen—and she is seeking now to deflect it by attacking the questioner.

Mr SPEAKER: In my opinion, the Minister addressed the question.

Grant Robertson: I raise a point of order, Mr Speaker.

Mr SPEAKER: Before I hear any more, I just want to clarify the member is not in any way questioning the decision I have just made.

Grant Robertson: No, it is a different point of order. I am under the impression that in this House a member cannot accuse another member directly of being corrupt, and that is what the Minister just did.

Mr SPEAKER: No, I have already ruled that the answer was addressing the question and I think on this occasion, in light of the tone of the question, it adequately addressed it.

Rt Hon Winston Peters: I raise a point of order, Mr Speaker.

Mr SPEAKER: Again, before I hear the member, is he raising a fresh point of order?

Rt Hon Winston Peters: I am raising a fresh point of order. The Minister made an allegation for which she has no evidence whatsoever, and I want an apology.

Mr SPEAKER: If the member is now saying that he took offence, well, on that basis, if the member, the Rt Hon Winston Peters, was offended by that answer, I ask the honourable Minister to stand and withdraw.

Hon JUDITH COLLINS: Well, I withdraw—is it? I withdraw. But I am happy—

Mr SPEAKER: Order! It is not helpful to do that. The withdrawal does help the order of the House.



Mr SPEAKER: If the member is attempting to trifle with the Chair, I will take a very dim view of that.

Rt Hon Winston Peters: I am not trifling with the Chair, Mr Speaker. That Minister did not apologise as required under the Standing Orders—

Mr SPEAKER: Order! The member will resume his seat. [Interruption] The member will resume his seat. I did not ask the Minister to apologise; I asked her to withdraw the remark, and she did so.

Broadband—Remote Schools Broadband Initiative

8. IAN McKELVIE (National—Rangitikei) to the Minister for Communications and

Information Technology: What reports has she received on the progress on the Remote Schools Broadband Initiative?

Hon AMY ADAMS (Minister for Communications and Information Technology): The Remote Schools Broadband Initiative was established in mid-2012 to improve broadband services to 57 remote schools that could not economically be included in the Rural Broadband Initiative by using point-to-point wireless technology to provide broadband speeds of at least 10 megabits per second to schools that may have been previously reliant on dial-up or satellite broadband. I am pleased to advise that the first region is now complete, with regional provider Gisborne Net informing us that its rural schools contract for the East Cape is now finished, bringing the total number of schools connected to improved remote broadband services to 39.

Ian McKelvie: What opportunities will having faster broadband provide for these schools?

Hon AMY ADAMS: Faster broadband will enable remote schools to access the best online resources from anywhere in the world and ensure that they can connect to the network for learning, breaking down the barriers imposed by distance and isolation. For example, students can now go on virtual field trips via the web or videoconferencing and share scarce resources such as Māori medium teachers. This is a game-changer for New Zealand schools and will fundamentally improve the way our children learn.

Climate Change Policy—Minister's Statements

9. Dr KENNEDY GRAHAM (Green) to the Minister for Climate Change Issues: Does he stand by his statement in this House on 8 August 2013 that: "We have every reason to be concerned about New Zealand's reputation, but our action on climate change right now is not amongst those reasons."?

Hon TIM GROSER (Minister for Climate Change Issues): Yes, I stand by that statement, which, of course, was made in the context of very legitimate concerns on 8 August 2013 around the whey protein concentrate issue, and where I and many New Zealanders were concerned about New Zealand's reputation on those grounds until we found out it was a false positive. But I was multitasking. It expressed also my view then, which remains my view today, that New Zealand's reputation in terms of our contribution to climate change is just fine.

Dr Kennedy Graham: How can he not be concerned about New Zealand's reputation on climate change when, according to Otago University Associate Professor Bob Lloyd, New Zealand is widely viewed as a "selfish" climate negotiator on the world stage?

Hon TIM GROSER: Because I totally reject the assertion. The reason why I think we are doing our share is as follows. Assuming the Australian Senate does, indeed, repeal the Australian carbon tax, New Zealand will be the only country in the world outside the European Union to have a comprehensive price on carbon. The World Bank mapping report on pricing carbon schemes estimates that a very modest—unfortunately—7 percent of global emissions are covered by pricing schemes. Fortunately, New Zealand is among that and, therefore, we can hold our head high. 15/04/2014 Questions for Oral Answer Page 11 of 13

Dr Kennedy Graham: So what is his response to a comment this week from leading climate scientist Dr Jim Renwick of Victoria University that political will on climate change is "lacking" in New Zealand?

Hon TIM GROSER: Well, I think political will around the world is lacking on climate change in terms of global mitigation, for the very simple reason that, for example, in the Kyoto Protocol, neither the United States nor China, which are responsible for 40 percent of emissions, took any commitment under the Kyoto Protocol. Because 100 countries since then have still offered to do absolutely nothing, what we need is a global response, but I think New Zealand is absolutely in the right space on this issue.

Dr Kennedy Graham: Then what is his response to New Zealand's **lead** author on the Intergovernmental Panel on Climate Change mitigation report, Professor Ralph Sims of Massey University, who said that the Minister's description of New Zealand's mitigation opportunities as being limited is "far from correct"?

Hon TIM GROSER: I would respectfully suggest to the gentleman that he stick to his field of expertise, because when we look at the wild statements that that gentleman made, they are palpably wrong on multiple levels. Going around pretending that every country in the world is doing 10 percent, 20 percent, or 30 percent reductions is complete and utter nonsense, so I think that "Stick to the knitting." would not be a bad piece of advice.

Dr Kennedy Graham: Is the Minister credibly saying that New Zealanders should believe his multitask position on climate change, rather than that of New Zealand's leading independent climate scientists, who have this week called his Government "wrong", "selfish", and "lacking" in political will?

Hon TIM GROSER: I think that the New Zealand community should listen very carefully to the professor when he is talking about his particular field of scientific expertise, on which I would have nothing to comment, but when he steers across into broader questions of comparability, I suggest that, actually, it would be better to listen to the person who represents the Government and who has access to a wide range of official advice.

#### Accident Compensation Corporation—ACC167 Form and Operational Policy

10. IAIN LEES-GALLOWAY (Labour—Palmerston North) to the Minister for ACC: On what date did ACC adopt the policy to stop paying compensation to people who refused to provide a signed, unaltered copy of the ACC167 form?

Hon JUDITH COLLINS (Minister for ACC): The policy in respect of stopping paying weekly compensation to clients who refused to provide a signed, unaltered copy of the ACC167 form was first agreed to by the Hon Ruth Dyson in March 2006 in a briefing paper signed by her as Minister for ACC after discussions with officials. I seek leave to table the 2006 briefing paper to Minister Dyson on the ACC policy of declining ACC167 forms—

Mr SPEAKER: Order! Leave is sought to table that particular briefing. Is there any objection? There is none. It can be tabled. Document, by leave, laid on the Table of the House.

Iain Lees-Galloway: If that was the case, why were claimants able to provide informed consent on a case by case basis in lieu of signing the ACC167 form prior to 2009, but from 2009 onwards ACC began writing letters to those claimants threatening to cut off their compensation payments?

Hon JUDITH COLLINS: The question is in relation to the ACC167 form and the policy's adoption. It was adopted by the Hon Ruth Dyson. I do not have details on any other details he has asked for.

Grant Robertson: I raise a point of order, Mr Speaker. I invite you to consider whether that addressed the supplementary question— 15/04/2014 Questions for Oral Answer Page 12 of 13

Mr SPEAKER: Order! It did because the Minister said that she did not have that amount of information with her in the House. That is quite acceptable.

Jami-Lee Ross: What did the court find in the recent decision in respect of ACC's form ACC167?

Hon JUDITH COLLINS: The court found that the form ACC was asking clients to sign was not illegal but it went beyond statutory requirements. Therefore, ACC could not decline entitlements simply because a client declined to sign the consent form. The court upheld ACC's right to collect relevant medical and other records. I have advised ACC that I expect it to improve the form so that there is no impression given that a person has no options about what information is provided. The form does not explicitly state that only relevant information is required, but it does explicitly refer to the Privacy Act.

Iain Lees-Galloway: When did she become aware that the ACC167 form posed a privacy risk and that by cutting off payments to those who refused to fill it in, ACC may have been acting illegally?

Hon JUDITH COLLINS: Given that the courts have in the past upheld many disputes relating to the form, on Friday afternoon ACC's Chief Executive, Scott Pickering, reported to me that two recent decisions of the District Court had overturned ACC's decision to suspend entitlements as a result of the client's refusal to sign an unmodified ACC167 form. At that time, I was not alerted to the potential significance of the issue. On Monday I had told the acting chief executive that I believed that ACC should look at the issue more broadly and that it appeared to me as a lawyer that the current form needed fundamental review. I am assured that ACC is revising these forms to address the matters raised by the court and that it is now

also including my recommendation to look at the wider implications of the form. I am aware that ACC had three requests under the Official Information Act since 2011 that related to the ACC167 form.

Iain Lees-Galloway: How many claimants were threatened with having their compensation cut off if they did not fill in the ACC167 form?

Hon JUDITH COLLINS: Well, given that Ruth Dyson was the Minister in charge when it first started, I cannot give an answer to that.

Iain Lees-Galloway: Does she think that it is acceptable for ACC to retain information it had no legal right to collect, and is she concerned that that information will be used in future to deny access to treatment and compensation?

Hon JUDITH COLLINS: No, and no.

Health Services—Counties Manukau

11. KANWALJIT SINGH BAKSHI (National) to the Minister of Health: What progress has the Government made on capital investments in health in Counties-Manukau?

Hon TONY RYALL (Minister of Health): On Friday Counties Manukau District Health Board opened the new Harley Gray Building in Middlemore Hospital. The building includes 14 new operating theatres, a 38-cot neonatal care unit, and a 42-bed medical assessment unit. Construction was part of the \$209 million project at Counties Manukau District Health Board and was supported by \$100 million of central government funding as one of the first major building projects that the National-led Government signed off in 2009. Counties Manukau District Health Board now has a facility that matches the high standards of patient care provided by its many dedicated staff.

Kanwaljit Singh Bakshi: What other progress has been made on the Government's capital investments in health?

Hon TONY RYALL: Despite tight financial times, the Government has continued to prioritise new and upgraded health services for New Zealanders. We have invested over \$1 billion into capital projects for district health boards over the past 5 years. This includes the \$53 million Lakeview extension at North Shore Hospital, the \$27 million Greenlane elective surgery centre, and \$41 million for Whangarei Hospital redevelopment. 15/04/2014 Questions for Oral Answer Page 13 of 13

Justice, Minister—Compliance with Cabinet Manual

12. GRANT ROBERTSON (Labour—Wellington Central) to the Minister of Justice: Does she stand by her statement that "in hindsight" she should have noted her dinner with her husband's fellow Oravida Ltd directors and a senior Chinese border control official in her report to Cabinet on her Ministerial visit to China in October 2013?

Hon JUDITH COLLINS (Minister of Justice): I was expressing an opinion at the time, not making a statement of fact. The answer is no.

Grant Robertson: What was the name and employing department of the Chinese border control official who attended that dinner?

Hon JUDITH COLLINS: It was a private dinner, and I will not provide that information.

Grant Robertson: What reason did the New Zealand Ambassador to China give her for not attending the dinner?

Hon JUDITH COLLINS: It was a private dinner.

Grant Robertson: Does she agree with the Cabinet Office that her actions in China with regard to Oravida Ltd, accumulated together, led to a perception of a conflict of interest?

Hon JUDITH COLLINS: My recollection is that there was a risk of a perception of interest.

Grant Robertson: Did she inform the Cabinet Office of the name and employing department of the Chinese border control official who attended the dinner?

Hon JUDITH COLLINS: My relationship is with the Prime Minister, not the Cabinet Office itself.

Hon David Parker: I raise a point of order, Mr Speaker. The Minister has previously referred to the Cabinet Office view, or her interpretation of it. My colleague asked her whether the Cabinet Office was told of the nature of the border official whom she met with. That is a question—

Mr SPEAKER: Order! I am going to ask the member, Grant Robertson, just to repeat the question.

Grant Robertson: It was not written down, so I will do my best to recollect it. Did she inform the Cabinet Office of the name and employing department of the senior **Chinese** border control official who attended the dinner?

Hon JUDITH COLLINS: I understand that the Prime Minister, in his office, spoke to the Cabinet Office. I did not.

Grant Robertson: Does she realise that by withholding the name and employing department of the official who was at the dinner while she was on a taxpayer-funded visit to **China**, she is giving the impression that she went there to work for her husband's **company** and behaving in a corrupt manner?

Hon JUDITH COLLINS: The only person drawing that sort of inference is a person with a mind like that member.

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