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Thursday, 15 May 2003

4:22 PM

BUDGET DEBATE

16:26:19~Hon PETER DUNNE (Leader—United Future)

Hon PETER DUNNE (Leader—United Future): I was intrigued that the speaker who has just preceded me stated in the closing moments of his speech that the Greens could work constructively with the Government on matters of common cause, and then moved a vote of no confidence in it—that is the sort of constructive engagement that I do not think any responsible Government would welcome or deserve. The spark of excitement that most New Zealanders feel when they return home after a period overseas at finally being back in the best little country in the world sums up the vision that United Future has for this nation. That vision is founded upon a couple of core principles. Firstly, that every child deserves the best start in life, regardless of his or her circumstances, and, secondly, that when we build strong families in this country, we build strong communities, and, from that, a strong nation. Last year, when the Budget was introduced—and I am sure the Minister will recall this—I was critical in my Budget speech of the fact that the word “family” did not appear once. What a change 12 months makes, and what a change there has been this year. There is a renewed emphasis, which we welcome, on families as the cornerstone of our society, and on recognising not just the economic contribution that families make, but also their social contribution, and the fact that they are the glue that will hold this country together. It is important that we get a Families Commission established to advocate for their issues, to ensure that their concerns are represented, and to ensure that we are starting to implement policies that will, over time, turn round the \$6.5 billion cost to our economy each year of family breakdown. In that context, \$28 million over 4 years is a very astute investment, and we are delighted that it has come to fruition. We have enjoyed working with the Government to bring that about. But there are other measures in this Budget that will also start the process of assisting our families to develop, to feel strong, and to thus

contribute to a good and growing nation. I welcome the indexation of family support and child and parental tax credits that the Budget will introduce from April next year. Members may well say—and some might dare suggest—that that could have been done a long time ago. The reality is that it was not, but it is now, and that will be an ongoing and positive step for many New Zealand families, who will welcome that. I am delighted to see the establishment of a special parenting education programme, which is budgeted at \$11 million. It never ceases to amaze me that, with every new technical device one acquires, there comes a huge ^{LCR} ~~cliff~~ on how to use it. The most basic function of any adult in this country is to be a parent, yet there is very little in the way of back-up and support for them. One is assumed to know it all, and a programme of that type will be an important start in that direction. That is good, and it will help to achieve our overall objective. There is better funding for preschool education programmes. How many times have we heard experts say that the dollars invested early in a child's life pay a considerable return later on? That is why preschool education is important. Giving every child the best opportunity to get access to early childhood education is important, and we welcome the steps that the Budget contains in that regard. It is also important that people have the opportunity of living in safe and secure communities.

Continuation line: The work that we have been able to do

The work that my colleague Marc Alexander has been able to do with Phil Goff to get good victims rights legislation in place and get good support in this Budget for the organisations that work with victims and support their efforts will contribute to safer communities, and will send a more important and powerful signal that the corner has been turned from the times when all the rights were with the offenders and the victims continued to suffer long after the crime perpetrated on them was committed. That is a welcome step and it will contribute to safer and stronger communities in the future. The Minister signalled one other aspect of the Budget well in advance—and it almost became a repetitive mantra in the days beforehand—when he talked about certainty and stability. I say to the House that every business, every social groups, every school, and every organisation I talk to in New Zealand says that in a time where the only certainty worldwide is uncertainty, the thing they crave and need to make their plans for their future is certain and stable

direction. That comes from the top down. It is important that we have a system of Government that is certain and stable, and that delivers predictable outcomes. That is why we entered into a confidence and supply agreement with the Labour-led Government. We wanted to ensure that the wish expressed by New Zealanders at election time could be carried through for a full 3-year term and that we were not going to get a repetition of the circumstances that occurred between 1996-99 and 1999-02 where things suddenly evaporated, because it is important for this country that people have certainty and stability. It is important for our democratic tradition that the people's choice of MMP be made to work. This party is committed to doing that, and we have demonstrated over the 10 months since the election that we are able to make a positive contribution in that regard and work productively for the benefit of this country. I contrast that with the previous speech of the Green co-leader, and I contrast it with the experience of New Zealand First in Government. Small parties had a bad name. People wanted small parties to exercise their influence, but not to be the tail wagging the dog or throw their toys out of the cot when they didn't get their own way. We have engaged with the Government. We have not always agreed. We have had some public disagreements and we will continue to do so, but we work on the basis of good faith and no surprises. We work constructively and positively and, by and large, we are delivering the stable Government that New Zealanders seek and deserve. We will continue to play our part in continuing to achieve that, and I see this Budget as very important in that respect. This afternoon, the Prime Minister herself acknowledged the contribution we have made, and I am grateful for that. My colleagues have enjoyed the relationship that we have established thus far, but I say to the Labour Party that we have a few more things we will be asking for over the next 2 years and beyond. Already we have made a difference. The Families Commission would not be on its way to becoming a reality were it not for United Future. There have been small but significant changes made to the Resource Management Act in the last week, and more change to come has been embarked upon. This House had shown itself incapable of embracing that over the last 4 or 5 years for a variety of reasons, and we were able to provide the initiative to get those changes moving ahead. Last year the changes to Television New Zealand and Broadcasting Communications Ltd

came as a result of discussions we had, originally, with the Minister of Finance and then with the Minister of Broadcasting, and brought into play a situation that most people in this House wanted but could not quite see a majority for establishing. That will be to the benefit of all New Zealanders in the years ahead. What it demonstrates is the role that a small party—not seeking to overplay its hand but seeking to play the game constructively and positively—can achieve working alongside a larger partner. This Budget is the start of that process. Earlier this week, the Minister made a comment that is highly relevant in respect of budgets. He said that, essentially, there were two parliamentary occasions only in the current environment: the Prime Minister’s statement at the beginning of the year, setting out the Government goals for the parliamentary year ahead; and the Budget, where the Minister effectively reports on the achievement of those goals over the last 12 months, and then puts some figures to the goals that projected for the 12 months ahead. That is a far cry from the days when people—and members of this House used to do it—went out on Budget day to stock up on petrol and alcohol and all sorts of things, just in case an excise bill was to be rushed through and passed by midnight on that evening, and when New Zealanders literally clung to their radios or hung around their television sets in awe and—in some cases—in dead fear of what the Minister of Finance might unleash upon them that evening. We have seen cases in the past where whole industries were wiped out overnight by Budget announcements. I think of the caravan industry and the boat industry in the early 1980s as a classic example. Those days have gone. We now have—thanks to the Fiscal Responsibility Act and the Public Finance Act, which were the efforts of successive Governments—a far more stable and predictable environment, and I do not think there should be criticism of any Minister of Finance for the fact that he or she delivers a Budget speech that is largely predictable. That is the basis on which most of us live our lives. We actually seek certainty and direction. We want to have some absolutes. We do not like drama. We had an Oscars speech a little earlier this afternoon from the leader of New Zealand First. It was great entertainment. It was hilarious, but it did not make any substantive contribution whatsoever to the policy debate, or to the sum total of human knowledge in this country. It was probably forgotten as soon as it was delivered—people will have a laugh and move on with the reality of their daily

lives. That is the point that escapes a lot of people. In today's world that certainty of direction, where we are able to make our own plans and be confident that Government will not come along in the middle of the night and overturn them, is what most people want. They want to be able to get on. They want to know the norms within which they can operate. They do not want the intruding hand of Government screwing the scrum or tipping them over before they have got very far along the path. This Budget is a further step in the direction of recognising the opportunities and the rights that people expect in that regard, but it is important not to become complacent. It is important not to see a Budget as an end in itself—a mechanical document or a set of figures—because without vision the people perish. I forget who said that, but it has been said many times. Without hope, there is no chance of a future.

Hon Jim Anderton: The Old Testament.

Hon PETER DUNNE: It was the Old Testament. I defer to my colleague.

Hon Jim Anderton: You should know that.

Hon PETER DUNNE: Divinity was never a particular strength of mine, I say to Mr Anderton.

I feel more comfortable with my colleague

I feel more comfortable with my colleague here who said it was Adam Smith, but never mind. What is important now for this country in moving forward, is that we do use the strong economic base we enjoy—and I endorse the comments of Dr Cullen, and, ironically, Dr Brash, that this is not the time to be spending surpluses—to create some hope, to create some direction, and to start to focus on some of the issues we need to address over the next few years. I want to suggest a few of those at this point. A lot has been said about the tax burden on New Zealanders, and my colleague Gordon Copeland, I imagine, will say more about that a little later in this debate. I think there is an opportunity now, prudently to pick up the message that is contained in this Budget of beginning to index certain of our transfer payments, and to start to look at a way in which we can cut back on the insidious bracket creep that is now returning to our income tax structure. I think we do need to look at some modest form of indexation of tax rates. Of course that will be costly, but I believe we are in a position where we can start, over the years ahead, to work in that direction. That is certainly

something we will be pushing for. Much has been made in this debate and elsewhere, and will continue to be made, of the infrastructure crisis this country is facing, in roading, in energy, in rail, and in a whole range of areas. One of the things we think ought to happen—and my colleague Larry Baldock has stressed this from time to time and on many occasions—is that we need to start to invest more in infrastructure through progressively transferring some of the excise gained on fuel from the consolidated *account into a dedicated roading account. That measure has widespread support. Organisations like the Automobile Association and others have campaigned on it for years. It is now time to give that idea the serious attention it deserves, because every day, every one of us who travels over our roads and uses our rail system—or even, dare I say it, our airlines—recognises the failure of infrastructure in this country. I had the experience recently of getting on an Air New Zealand aircraft, all ready to go from Wellington except for two key components missing. It was the middle of the afternoon and there were no pilots. That, surely, is the definition of an airline on the way to the third world, let alone a merger with anyone else. That is the sort of thing we need to start to address. The New Zealand environment is one of those things that New Zealanders who return home, or even people who live here, feel passionate and strong about. It is one of the great things about being a Kiwi. That clean, green image permeates all of us. But the problem we have at the moment is a Department of Conservation that sees the environment, not as a treasure to be enjoyed by all New Zealanders, but as some preserve to be locked up and shut up from us, in case we dare use it—we might upset the apple cart. The treasure of the New Zealand environment is the ability of New Zealanders to get out and enjoy it. The treasure of the New Zealand environment is to recognise the balance between sustainable development and our traditional environment strengths. I think we have to redouble our efforts in the years ahead to look at, certainly, redressing the imbalance that there is at the moment, but also using the millions of dollars we invest in conservation to ensure that all New Zealanders have an opportunity to get out there and enjoy the environment we are conserving. It has always struck me as absurd that we say, “No, you can’t actually go to Kapiti Island without a permit, or even to Matiu-Somes in Wellington harbour. We’re conserving them for future generations.” The current generation would not mind the chance to use a

little bit of them, and in that respect I want to just pay a passing tribute to the Karori Wildlife Sanctuary here in Wellington, which is striking that balance properly. It is an issue that will be more prevalent in years to come in other parts of the country, as well. I want to speak about another issue, and that is the question of our overall security. I have talked about law and order and I have talked about the security of our environment, but the security of our world requires that any country, regardless of its circumstances, has access to adequate defence. I know there is a controversial debate going on at the moment about whether having defence forces means we are prepared for war, but the reality is that a small country like this cannot ever hope to defend itself. In fact, many larger countries cannot hope to defend themselves either. That brings into focus the need for a better integration and more positive use of defence forces. I say that if the Europeans, who have spent most of the last several hundred years fighting each other, can now come together in the European Union and under the leadership of NATO, surely Australia and New Zealand, two of the allegedly closest countries, culturally, in the world, ought to be able to come to some agreement on an integrated approach to defence and foreign policy. I am not talking about subjugating the foreign policy of either country to the whim of the other. I am talking about a much more positive integration of our forces on matters where we agree, in order to be able to operate effectively. We do it now in an ad hoc way. We did it very effectively in East Timor. But maybe there is an opportunity to start, over the next few years, just as we have closer economic relations, to forge closer defence relations with Australia. I conclude on this point. All the things that each member who speaks in this debate over the next week wishes for this country have to be paid for, and the only way we can do that is to build a sound, secure, and stable economy. This Budget is a step in that direction. The recognition that it gives to the role of families as *bedrock, as a starting point for our country, is a very important add-on, because it recognises the contribution that every single New Zealander has the capacity to make. In that respect, I think the message from this Budget is clear. The Government will support people in their opportunities. It will not ride heavily on their backs, but it will say that when we get strong, functioning families, we will get strong, functioning communities, and the combination of those will be a nation of which all of us can be proud, and

which will play its role, constructively and positively, in an increasingly uncertain and indeterminate world. If we achieve that, we will, as a nation, have made huge progress.

JIM ANDERTON