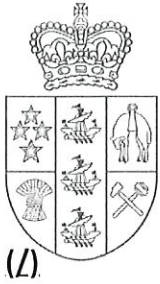


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*The Governor-General of New Zealand*

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Government House, 2017

Speech

# State Opening of Parliament

**Issue date:** Wednesday, 8 November 2017**Speaker:** The Rt Hon Dame Patsy Reddy, GNZM, QSO

Tuhia ki te rangi

Tuhia ki te whenua

Tuhia ki te ngakau o nga tangata

Ko te mea nui

Ko te aroha

Tihei mauri ora!

E nga mema honore o te whare nei, te whare paremata o Aotearoa, tēnā koutou, tēnā koutou, kā nui te mihi ki a koutou.

It is a privilege for me to exercise the prerogative of Her Majesty the Queen and open the 52nd Parliament.

In September, New Zealanders cast their votes in the general election. After final results were announced on October 7, negotiations began towards the formation of a new government. That government has been formed by way of a Coalition Agreement between the New Zealand Labour Party and the New Zealand First Party, and a Confidence and Supply Agreement between the New Zealand Labour Party and the Green Party of Aotearoa New Zealand. The government took office when I swore in the Prime Minister the Right Honourable Jacinda Ardern, the Deputy Prime Minister, the Right Honourable Winston Peters, and other Ministers from the Labour, New Zealand First, and Green parties.

The government enjoys the confidence of a clear majority of members in the House of Representatives. It also enjoys the confidence of a majority of New Zealanders who voted in the general election. Its formation marks an important moment in the evolution of the mixed member proportional representation system – a system that was designed to ensure that governments could only be formed with the support of a majority of voters.

This new government was formed by negotiation – but it was a negotiation that allowed each party to remain true to its values and honour its core election commitments. This government will not be a government of parties acting separately, it will act clearly as one government in the best interests of all New Zealanders.

Honourable members.

The programme I will outline today is ambitious. It draws on the priorities of the parties. In the first 100 days, this government will put in place the building blocks for this programme of work.

This government is committed to major investments in housing, health, education, police, and infrastructure. The Government will protect the environment, create more jobs and lift the incomes of families to reduce child poverty, while running surpluses and paying down debt.

In the last nine years, New Zealand has changed a great deal. Ours is a great country still. But it could be even greater. In our society today, no one should have to live in a car or on the street. No one should have to beg for their next meal. No child should be experiencing poverty. That kind of inequality is degrading to us all.

This will be a government of inclusion. All who live in this country are entitled to respect and dignity; all are entitled to live meaningful lives; all are entitled to care and compassion. Everyone should have a roof over their head and be warm in winter. Everyone should have food and a table to put it on.

This will be a government of transformation. It will lift up those who have been forgotten or neglected, it will take action on child poverty and homelessness, it will restore funding to education and the health systems to allow access for all, it will protect the environment and take action on climate change, and it will build a truly prosperous nation and a fair society, together.

This will be a government of aspiration. It aspires to make this a nation where all cultures and human rights are valued, where everyone can have decent housing and meaningful work, where education is free and good ideas flourish, where children live surrounded by creativity and love, and are encouraged to reach their full potential, and where we become world leaders on environmental issues and climate change.

This government aspires for this to be a country where all are accepted, no matter who they are, where they come from, how they live or what their religious beliefs are.



To do this, we must focus on what is most important to us and what unites and connects us. For we are all connected, and the way we live has an impact on others. And so, this government will take an approach that looks across all areas to truly understand the interconnections. This government knows that the economy cannot be looked at separately from its impacts on the environment and society.

Honourable members.

This government is committed to building a strong economy, to being fiscally responsible and to providing certainty. It will work within the Budget Responsibility Rules that include running sustainable operating surpluses across the economic cycle, reducing net debt to 20% of GDP within five years and keeping government expenditure as a percentage of GDP in line with historic trends. There will be a clear focus on sustainable economic development, supporting regional economies, increasing exports, lifting wages and reducing inequality.

This government will work with business to deliver shared prosperity for all. It will encourage the economy to flourish, but not at the expense of damaging our natural resources or people's well-being.

New Zealand needs to measure success in new ways. We need to move beyond narrow measures and views of value and broaden the definition of progress. The economic strategy will focus on how we improve the wellbeing and living standards of all New Zealanders. As agreed between Labour and the Green Party, this government will develop a comprehensive set of environmental, social and economic sustainability indicators to better show how we are doing as a country.

There will be a progressive tax system where everyone pays their fair share, according to their means, so together we have the resources to provide quality public services for all New Zealanders.

The government will review the tax system, looking at all options to improve its structure, fairness and balance, including better supporting regions and exporters, addressing the capital gain associated with property speculation and ensuring that multinationals contribute their share. Penalties for corporate fraud and tax evasion will increase. Personal income taxes, taxes on the family home and GST will remain at the same rates as they are today.

As pledged during the election campaign, any significant decisions on tax changes will not take effect until the 2021 tax year.

Contributions to the New Zealand Superannuation Fund will resume immediately to help safeguard the provision of universal superannuation at age 65, and as part of the Agreement with New Zealand First, the government will introduce a new-generation SuperGold smartcard containing entitlements and concessions.

Building a truly prosperous country means sharing the wealth generated by our economy with a wider range of New Zealanders. As agreed in the coalition agreement between Labour and New Zealand First, the government's 100 Day Plan includes a commitment to raise the minimum wage to \$16.50 an hour from April 1, rising to \$20 an hour by 2020. We must aspire to be more than a low wage economy.

Honourable members.

A shift is required to create a more productive economy. This government will support those who produce goods and services, export and provide decent jobs for New Zealanders. This does not mean increasing productivity through more people working more hours to increase outputs, while eroding our natural and social assets.

This means working smarter, with new technologies, reducing the export of raw commodities and adding more value in New Zealand. For example, by securing the supply for forestry processing, greater investment in fishing and aquaculture, increasing skills and training, and more research and development to add value to dairy and other products and to create new technologies.

Monetary policy will be reformed. The Reserve Bank Act will be reviewed, and a new objective added to include a commitment to maximising employment. The Bank's decision-making processes will be changed so that a committee, including external appointees, will be responsible for setting the Official Cash Rate, improving transparency. Price stability will continue to be a focus, with the same inflation goals as now.

High quality trade agreements that benefit our exporters, at the same time as protecting New Zealand's sovereignty, will be supported. This government will make sure New Zealand always retains the right to make laws in the public interest. This includes seeking to renegotiate the Trans Pacific Partnership to exclude investor state dispute mechanisms and avoid their inclusion in all future agreements. This government will also pursue new trade opportunities, including with Russia and its Custom Union partners, Europe and the United Kingdom post-Brexit.

The benefits of economic prosperity will be fairly shared with the regions, so people have the resources they need to deliver on their potential, wherever they live. This government will invest in regional infrastructure and broadband.

The coalition agreement between Labour and New Zealand First commits this government to a \$1 billion per annum Regional Development (Provincial Growth) Fund. This includes significant investment in regional rail and other large capital projects. The future of the upper North Island Ports, including examination of whether Ports of Auckland should be moved to Northport, near Whangarei, will be considered as part of a wider ports strategy,

Some government services will be regionalised. The New Zealand Forestry Service will be re-established and located in regional New Zealand. This government is committed to a new planting programme, planting 100 million trees a year to reach a billion more trees in ten



years. This New Zealand First initiative also connects directly to this government's determination to take action on climate change.

Honourable members.

Climate change is the greatest challenge facing the world. If we do not urgently reduce our emissions of greenhouse gases, warming will disrupt the climate which our agriculture and other industries depend upon, and sea-level rise will affect our coastal cities, along with other profound changes.

New Zealand must do its part, as the cost of doing nothing is too high. This government will set a target of a Net Zero Carbon Emissions Economy by 2050, with legally binding emissions reduction targets and carbon budgets to keep New Zealand on track to this goal.

An independent Climate Commission will be established to recommend interim emissions reduction targets and provide advice, focusing on policy development and initiatives in transport, urban form, energy and primary industries.

This government will restore an effective pricing mechanism for climate pollution, with the Climate Commission to determine more details, including how to transition to 100 per cent renewable electricity by 2035, and how to bring agriculture into the scheme.

This government will support a just transition for workers in industries that need to reduce emissions, and it will support the creation of jobs in sectors that are carbon-free or carbon sinks, such as forestry. Farmers operating at best practice will be credited for emissions reductions.

The agreement between Labour and the Green Party also provides for up to \$1 billion of new investment to be stimulated in low carbon industries by 2020, kick-started by a government-backed Green Investment Fund of \$100 million.

This ambitious plan to take real action on climate change will involve all New Zealanders. This government will act as a role model, showing leadership by requiring State-owned enterprises and other government organisations to pursue low-carbon options and technologies, including electric vehicles for all Government vehicle fleets. Young people will be encouraged to take part in a Youth Climate Change Challenge.

There are other environmental challenges to be faced. This government is conscious of increasing pressure on our natural resources, as environmental pressure points are reached. It is clear New Zealand needs to improve the way it manages natural resources.

Our lakes and rivers need to be protected and restored, which can only happen if all water users and the government work together. The government will offer young people without jobs the opportunity to work to improve the health of this country's waterways, with the aim of restoring them to a swimmable state within a generation.

Support will be given to regional councils to better monitor and control nutrients and sediments in waterways. The agriculture sector will also be assisted to improve water quality and to shift to more sustainable land uses, such as forestry.

Existing Crown investments in irrigation will be honoured, but government support for irrigation will not grow. Commercial users who profit from bottling water and exporting it overseas will pay a royalty. Action will also be taken on improving cities' water quality, with higher water quality standards for both urban and rural areas.

Other environment initiatives include a commitment to minimising waste to landfill and a fund to take action on old tyres.

This government will increase funding for the Department of Conservation, to reduce the extinction risk for 3,000 threatened plant and wildlife species. More support will be given for National Science Challenges, including piloting alternatives to 1080 and countering myrtle rust and kauri dieback. There will be no new mines on conservation land.

This government will take steps to improve our resource management system, with better spatial planning and better enforcement. An urban development agency will be introduced, and more emphasis placed on public transport and light rail.

This government will remove the Auckland urban growth boundary and free up density controls. New developments, both in Auckland and the rest of New Zealand, will be able to be funded through innovative new financing methods like infrastructure bonds. This government will also give Auckland Council the ability to implement a regional fuel tax.

To help ease pressures on our housing, infrastructure and public services, this government will make sure we get our immigration settings right. It will cut down on low quality international education courses and will ensure work visas issued reflect genuine skill shortages.

Housing is a top priority for this government. Action will be taken to address homelessness. State house sell offs will stop. And the State will take the lead in building affordable houses. Through its Kiwibuild programme, this government pledges to build 100,000 high quality, affordable homes over the next 10 years; half of them in Auckland.

A Housing Commission will work with the private sector, councils and iwi to cut through red tape, undertake major projects and ensure new, affordable homes are built rapidly.

This work will begin immediately, as part of this government's 100 Day Plan. To boost the workforce, employers will be financially supported to train 4000 young people as apprentices, including on-the-job construction training.

High demand for housing will be dealt with by cracking down on speculators who are pushing prices out of reach of first home buyers. Foreign speculators will be banned from buying existing New Zealand homes. A comprehensive register of foreign-owned land and



housing will be created, and the Overseas Investment Act will be strengthened.

The 'bright line test' will be extended, so income tax is paid on any gains from the sale of residential property bought and sold within five years. Speculators will also no longer be able to use tax losses on rental properties to offset tax on other income.

This government will make life better for renters. A 'Rent to Own' scheme will be developed. All rental properties will be required to meet standards for insulation, heating and drainage. Funding for home insulation in general will be boosted and a Winter Energy payment will be introduced for superannuitants and those receiving main benefits. This government aims to ensure that every New Zealander has access to a warm, dry, safe home.

Honourable members.

This government will address the social deficit in this country and it will start with children. About 290,000 children live in poverty in New Zealand, in many cases without adequate food, healthcare and housing. Poverty hurts everyone, but it hurts children the most. Every child should be able to grow up free from poverty. To show the importance of this issue, the Prime Minister the Right Honourable Jacinda Ardern will take on the newly created role of Minister for Child Poverty Reduction.

Child poverty is a moral issue but it is also an economic one. Infometrics has estimated that poor investment in children in their early years costs the country between \$6 billion and \$8 billion per annum.

This government will put child poverty at the heart of government policy development and decision-making. It will establish targets to reduce the impact of child poverty and it will put these into law. A work programme will be put in place across all relevant areas of government to achieve these targets. Heads of government departments will be required to work together to deliver real reductions in child poverty.

To deliver genuine change for children, transparent mechanisms are needed to hold the government to account on poverty reduction. This government will also change the Public Finance Act so that, every Budget, New Zealanders will hear about how many kids have been lifted out of poverty and we can all see clearly what more needs to be done.

If we put child well-being at the heart of what we do, then the well-being of all New Zealanders will be lifted.

This government will invest in children and in families, increasing working for families, extending paid parental leave and bringing back the family benefit in the form of the Best Start package. This legislation will be introduced in the first 100 days, to take effect from July 1.

This government will repeal the tax cuts proposed by the previous government which would have seen \$400 million a year going to the highest income earners. Instead, the government's new Families' Package will see 70 per cent of families with children better off, and will lift 30,000 more children out of poverty.

This government will ensure access to entitlements and remove excessive sanctions in the welfare system. But it will also go further. This government will consider the long-term changes which need to occur to our systems of welfare and employment and education, to look at how we value people, how we define decent employment and how we ensure people have sustainable incomes. It will eliminate the gender pay gap within the core public sector and encourage the private sector to do the same.

Honourable members.

One of the keys to better lives is education.

As well as being committed to increasing skills and training, this government will ensure our education system provides what is needed for the young people of New Zealand to do well in this rapidly changing world.

This government will revolutionise education by placing young people and their needs at the centre of the system and increasing funding at all levels. It will invest an additional \$6 billion over four years in modernising our education system, including \$1.8 billion to deliver more teachers, better professional development and more learning resources. This scale and focus of investment will be both transformational for the development of our future generations and will strengthen the economy.

It will remove or reduce financial barriers to access, by offering more funding to schools that do not charge fees, by making the first year of tertiary education free, with the intention of making the first three years free in future terms, and by increasing student allowances and living cost payments. Those tertiary education changes will come into effect from January 1 next year, as part of the 100 Day Plan.

This government will develop a 30-year strategic plan for education. It will support quality teaching and education that equips students for the 21st century. It will not include charter schools and will support high quality public education accessible to all.

It will end bureaucratic national standards and replace them with new forms of assessment that meaningfully reflect student achievement. It will ensure that all students have access to technology to support their learning, and it will ensure that every child with special needs and learning difficulties can participate fully in school life.

This government will modernise and re-develop a comprehensive system of careers advice and guidance that is integrated into learning and will ensure every student has a career plan that is regularly updated through their schooling.



This government will offer all high school students free driver training and financial literacy, as part of a toolkit giving all school leavers valuable practical skills.

It will pilot counsellors in primary schools, and it will rebuild outdated or unsuitable classrooms. It will grow the number of early childhood centres, and fund them to employ qualified and registered teachers.

It will support apprenticeships with incentives for employers to take on unemployed young people as apprentices. It will reinstate funding for night classes. And it will encourage lifelong learning.

Honourable members.

Health will also be a top priority. This government will restore funding to the health system to allow access for all. It will invest in the health system to provide the highest levels of care, support and treatment, wherever people live in New Zealand.

This government will put a real focus on primary health. GP fees subsidies will be increased to cut fees by \$10 a visit, and the longer term funding system will be reviewed to ensure doctor visits remain affordable into the future. Free doctor visits will be extended to everyone under 14, with teen health checks for all Year 9 students. Seniors will be entitled to an annual free health and eye check as part of the new SuperGold Card.

Funding for alcohol and drug addiction services will increase, and drug addiction will be treated as a health issue. Medicinal cannabis will be made available for people with terminal illnesses or in chronic pain. As part of the Confidence and Supply Agreement with the Green Party, this government is committed to holding a referendum on legalising the personal use of cannabis at, or by, the 2020 election.

There will be a special focus on mental health. A ministerial inquiry into mental health will be set up and the Mental Health Commission will be re-established. A review of mental health and addiction services will identify gaps and what more is needed to better care for people.

New Zealand's high suicide rate, especially for adolescents, is shameful. This government will increase resources for frontline health workers and will put more nurses in schools to make it easier for young people and others with mental health problems to get the help they need. Free counselling will be available for those under 25.

This government wants to foster a kinder, more caring society. This will involve government leading the way and facing up to its responsibilities and the legacies from the past.

There will be an independent inquiry into historical claims of abuse of children in State care with a view to learning lessons to ensure that policy is changed to minimise the risk of this happening in the future.

This government will stand with the families of Pike River and reaffirm its commitment to safe workplaces. The Honourable Andrew Little, alongside the deputy Prime Minister, will be the Minister responsible for overseeing a safe re-entry of Pike River, where 29 people lost their lives in 2010. This is not just about those men and their families. It is about all working people, and the right to return home safe to loved ones at the end of the day.

As part of keeping our society safe, this government intends to add another 1800 new police officers over the next years and will investigate a volunteer rural constabulary programme. Community law centre funding will increase and a Criminal Cases Review Commission will be established. Family violence networks, including Women's Refuge and Shakti, will get more funding.

This government will foster a more open and democratic society. It will strengthen transparency around official information. It will undertake an independent review to enhance the integrity of the electoral process and enrolments, ensure Parliament's processes reflect MMP, and that the make-up of parliament continues to reflect the expressed preference of voters

Honourable members.

This government is proud to have the most Māori and Pacific Island cabinet ministers of any New Zealand government; with eight Māori and four Pacific Island ministers.

When our forebears signed the Treaty of Waitangi more than 170 years ago they did so in a spirit of cooperation.

Whatever else that agreement might have meant, it was supposed to bring opportunity and mutual benefit for tangata whenua and settlers alike. It was supposed to provide a place for all peoples in this country.

Instead what followed was a long process of colonisation, in which one of the treaty partners acquired most of the power and the resources, and the other was sidelined.

For almost 40 years, New Zealand has been addressing past injustices. Most of New Zealand's major iwi are now involved in treaty settlements. This government is committed to bringing others to completion as quickly and fairly as it can.

It is time to start considering what the treaty relationship might look like after historical grievances are settled. To consider how we, as a nation, can move forward in ways that honour the original treaty promise.

A promise of a nation in which Māori values – diverse as they are – stand in their rightful place alongside those of European New Zealanders and other more recent arrivals.



A nation in which manaakitanga and kaitiakitanga and whanaungatanga inform our decision-making.

A nation in which fairness and equality of opportunity are not just aspirations but facts. And a nation in which all communities are empowered.

This government looks forward to working with Māori communities and with other New Zealanders to support them to pursue their aspirations for better health, better housing, and better education for their rangatahi.

It will review the Whānau Ora delivery model so it can achieve its full potential. It will work with hapū and iwi and Māori organisations to ensure that Māori have fair and equal access to housing and opportunities for home ownership.

It will support the teaching of te reo Māori in schools. And it will strengthen programmes to enhance Māori educational achievement.

Honourable members.

People will always be at the heart of this government.

New Zealand has a great opportunity now to become a kinder, more caring and confident nation. This will take courage. We will have to do things differently. But it is possible, if we include each and every person, in each and every town and region of New Zealand.

This government invites you all to join us in creating a better future together. A future with a fair and unified New Zealand, where the wellbeing of all New Zealanders is at the heart of all we do.

Because, after all, what is the most important thing in the world?

**He aha te mea nui o te ao?**

**He tangata, he tangata, he tangata.**

It is the people, it is the people, it is the people.

No reira, tena koutou, tena koutou, tena tatou katoa.

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