

Speech From the Throne

DELIVERED BY LIEUTENANT GENERAL THE RIGHT HONOURABLE SIR JERRY MATEPARAE GNZM, QSO,
GOVERNOR-GENERAL OF NEW ZEALAND, ON THE OCCASION OF THE STATE OPENING OF PARLIAMENT ON
TUESDAY 21 OCTOBER 2014

Honourable Members of the House of Representatives.

E nga Mema Honore o te Whare Paremata o Aotearoa, tenei aku mihi mahana ki a koutou, tena koutou katoa.

Following the General Election, a National-led Government has been formed with a majority in the House on confidence and supply.

Confidence and supply agreements have been signed between the National Party and, respectively, the ACT Party and the United Future Party. A Relationship Accord and confidence and supply agreement has been signed with the Māori Party. These agreements will enable the Government to operate in an effective, stable and inclusive manner.

Honourable Members, the Government has a comprehensive policy agenda and a substantial legislative programme that it will put before the House in the forthcoming session.

The Government is focused on returning to surplus and its long-term fiscal objective remains to reduce net core Crown debt to 20 per cent of GDP by 2020. Around \$1 billion of the operating allowance in each Budget will be used to increase spending, with the remainder set aside for tax reductions and further debt repayment, depending on economic and fiscal conditions at the time.

ACC levies will be reduced in 2015, and more reductions are expected from 2016, as the three levy accounts are now fully funded.

The Government's plan to build a more productive and competitive economy, supporting more jobs and higher incomes, is set out in the Business Growth Agenda. This contains around 350 individual initiatives. These initiatives will be progressed, and more will be added, in this term of Parliament.

The Government will continue to pursue high-quality trade agreements, including negotiations with Korea and the Trans-Pacific Partnership, while ensuring that New Zealand's best interests are always served. More investment will be made in New Zealand Trade and Enterprise, to expand the number of businesses it works with and increase its international footprint.

The Government will continue to provide the environment and incentives to increase business-led research and development, with a goal of raising this to 1 per cent of GDP by 2018. More funding will be provided for the R&D grant programme. The Government will also establish a Food Safety Science and Research Centre, as well as four additional Centres of Research Excellence, with one of the Centres focused on Māori research.

The Government will progress legislation to increase flexibility and fairness in the labour market, extend flexible working arrangements and improve collective bargaining. The enforcement of New Zealand's minimum employment standards will be strengthened, and paid parental leave extended from 14 weeks to 18 weeks by 2016. Legislation to improve health and safety at work will be progressed.

The Government will complete the implementation of the Financial Markets Conduct Act, and will progress legislation to strengthen competition laws, and improve the accounting and audit industries.

The overhaul of Inland Revenue's business systems and information technology will continue, which among other things will make tax compliance faster and easier for businesses.

Net migration to Australia has dropped considerably and the unemployment rate in New Zealand is lower than that across the Tasman. The Government will arrange job fairs for New Zealand employers in Sydney, Melbourne and Brisbane, to recruit skilled expatriate New Zealanders to return home and work in areas where there are shortages.

Job fairs will complement the Government's skills training programme here in New Zealand, which involves strengthening and improving foundation learning, vocational training and tertiary education. Additional investment will be made this term in training more engineers, creating 2,000 more places in Māori and Pasifika Trades Training, and launching three ICT Graduate Schools.

The Government will continue its programme of investment in modern infrastructure.

In this term of Parliament, a number of projects in the Roads of National Significance programme will be completed, including the Waterview Tunnel, the Tauranga Eastern Link and the Mackays to Peka Peka route north of Wellington. The Government will progress the remainder of the Roads of National Significance programme, together with a package of state highway projects in Auckland and across the regions. New funding will be allocated for urban cycleways.

The Ultra-Fast Broadband programme will be extended to reach 80 per cent of New Zealanders. In addition, \$150

million will be set aside to improve mobile coverage and broadband connectivity in rural and remote areas.

Honourable Members, the Government believes that balanced and sensible management of our natural resources can meet environmental responsibilities while creating economic opportunities.

The Government will continue to encourage petroleum and mineral exploration while adhering to strong environmental and safety provisions. This approach includes investment in new data acquisition projects such as aeromagnetic surveys and petroleum basin analysis.

Investment in regional water infrastructure will continue, to help these projects get underway. New water storage and irrigation projects can make land more productive and boost exports, while at the same time providing positive environmental outcomes.

The Government is committed to improving water quality and the way fresh water is managed. Water reform will continue through advancing the recommendations of the Land and Water Forum. The Government will also introduce a requirement for dairy cattle to be excluded from waterways by 1 July 2017. Coupled with this, the Government has set aside \$100 million to voluntarily buy and retire areas of selected farmland next to important waterways to create an environmental buffer.

Legislation will be introduced to amend the Resource Management Act to provide more certainty, timeliness and cost-effectiveness around resource allocation decisions. The Environmental Reporting Bill will also be progressed.

The Government will introduce legislation to improve the responsible use, management and conservation of New Zealand's ocean environment. This legislation will allow for a wider range of marine protected areas, including recreational fishing parks in the Hauraki Gulf and Marlborough Sounds.

The Government will work with international partners to put in place a comprehensive new global agreement on climate change by the end of 2015. It will also continue to participate in international research programmes, with particular emphasis on the Global Research Alliance on agricultural greenhouse gases. The Government will invest additional funding to encourage and support new forest planting, and will continue to focus on managing New Zealand's emissions.

Honourable Members, the Government will continue to deliver high-quality public services. It will remain focused on getting results, seeking new and better ways to deliver public services, and continuing to contain and reduce costs.

The Government has 10 priority goals and targets in the areas of long-term welfare dependency, supporting vulnerable children, boosting skills and employment, reducing crime and improving interaction with government. Good progress is being made on these targets, and two of them - in the areas of crime reduction and educational achievement - will be made more challenging.

The Government is committed to helping more people get off a benefit and into work. It will work to reduce the number of people receiving a benefit and reduce the lifetime costs of the welfare system. Legislation will be introduced to extend the Youth Service approach to 19-year-old sole parents, and to many other 18- and 19-year-old beneficiaries who need more support, or who are at risk of long-term welfare dependence.

As agreed with the Māori Party, ongoing investment will be made in Whānau Ora. The Government will continue to have a focus on poverty, especially child poverty, and will coordinate cross-government activity in this area through the Ministerial Committee on Poverty.

The Government will also have a focus on housing in this Parliamentary term.

More special housing areas will be created - and therefore more new housing developed - as a result of Housing Accords signed between the Government and local councils. Changes to the Resource Management Act will assist housing supply in the longer term.

The new KiwiSaver HomeStart Grant will be introduced next year to double the support a first home buyer can get if they are buying or building a new home, which will encourage the supply of more affordable new housing. House price limits around the country will be increased. Legislation will also be introduced to allow first home buyers to withdraw their KiwiSaver member tax credit to put towards a deposit. The Government's extended home insulation scheme will make another 46,000 low-income households warmer and healthier.

The Government will continue working to ensure that vulnerable New Zealanders have access to good quality housing, whether those houses are owned by Housing New Zealand or by community housing providers. The Government sees community housing providers playing a greater role in the provision of social housing over this term of Parliament.

The Government will extend free doctor's visits and prescriptions to children under 13. More will be invested in lifting the number of elective surgical procedures, particularly hip and knee operations, and in creating new, primary care multi-disciplinary teams to help people in pain from bone, muscle and joint conditions.

A new cancer treatment target will be introduced, for 90 per cent of patients to receive their first cancer treatment within 62 days of being referred by their GP. And the Government will invest extra funding to allow hospices to expand their care and services across the wider health system.

As agreed with the United Future Party, the implementation of the National Medicines Strategy will continue, including the enhanced role of pharmacists in medicines management and primary care.

The Government will extend the Enabling Good Lives approach so that disabled people have more choices, controls and flexibility over support and funding in their everyday lives.

The Government will this term implement its initiative to raise teaching quality and school leadership to deliver a better education to every student. This will keep the best teachers in the classroom, and establish new teaching and leadership roles to spread best practice across communities of schools.

The Government will also provide more in-class support to special needs students, by funding up to 800,000 more teacher aide hours each year. More funding will be supplied to support deaf and hearing-impaired children, and a contestable fund will be established for schools to establish or enhance Asian language programmes.

The Government will continue its work to lift participation rates in early childhood education, with a target of 98 per cent of new entrants in school having previously attended an early childhood centre. The Government also has a target of 85 per cent of 18-year-olds achieving a minimum of NCEA Level 2. Significant investment will be made in new schools and classrooms, including major projects in Auckland and Christchurch.

As agreed with the ACT Party, the Government will further develop the model, and expand the trial, of Partnership Schools to improve educational outcomes for disadvantaged students.

The Government will continue to focus on crime prevention. The crime rate is at a 35-year low, and violent crime, youth crime and re-offending are all declining. Across law and order agencies, a stronger response will be developed to prevent family violence, including a focus on gangs and gang lifestyles. The Government will progress legislation to address cyber-bullying, organised crime and online child abuse. It will progress the Parole Amendment Bill, introduce a Public Protection Order Bill, and intends to progress reform of the Privacy Act.

Every publicly managed prison will be made a working prison by 2017, so prisoners can take part in a 40-hour week of rehabilitation and reintegration activities. Specialist after-care will be delivered for those released or paroled prisoners who have undertaken a drug treatment programme while in prison.

Honourable Members, the Government recognises that Māori face unique opportunities and challenges in maximising their economic potential. This is reflected in the creation of a new ministerial portfolio of Māori Development. Reforms to Te Ture Whenua Maori Act will be progressed, so Māori land can be governed effectively and profitably for all its owners. The Government will also continue to resolve outstanding Treaty of Waitangi settlements, and intends for all willing iwi to have deeds of settlement by 2017.

Starting next year, New Zealand will take its place on the United Nations Security Council for a two-year term. This will be a challenging time for the Security Council and New Zealand is determined to make a positive contribution and in particular to represent the perspective of small states.

The Government is committed to a strong security and intelligence community which operates within a clear legal framework and with the security of New Zealanders at its heart. Under legislation passed last year, a review of the intelligence and security agencies, their legislation, and their oversight, will commence by 30 June 2015.

The Government has already commenced work on a review of settings in relation to foreign terrorist fighters taking part in, or returning from, conflict zones. The rapid rise of the Islamic State of Iraq and Levant poses international, regional and local risks which the Government will respond to in a responsible way.

As has been well-signalled, the Government will put a possible change of New Zealand's flag to a public vote this term. There will be no presumption of change, but there will be a very open process which will welcome and encourage full public input and debate.

Honourable Members, the Government is continuing to stand beside the people of Canterbury as good progress is made on the earthquake rebuild. The rebuild will continue to occupy a great deal of Government attention in this term of Parliament. Big strides will be made this term on anchor projects and horizontal infrastructure. Next year, the Canterbury Earthquake Recovery Authority will be brought into the Department of the Prime Minister and Cabinet, and a transition plan developed to hand over CERA's responsibilities and powers in an orderly way.

Honourable Members, over the course of the forthcoming Parliamentary session, other measures will be laid before you.

The Government is privileged to have won the trust and goodwill of New Zealanders for a third Parliamentary term, and will seek to re-earn that trust and goodwill every day over the next three years.