



# New Zealand Gazette

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## 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 WEDNESDAY 21 DECEMBER 2011

Honourable Members of the House of Representatives. It is my privilege to exercise the prerogative of Her Majesty The Queen and open the 50th Parliament.

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

Following the General Election in November, negotiations between political parties have resulted in the formation of a National-led Government 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, the Maori Party, and the United Future Party.

These agreements will enable the Government to operate in an effective, stable and inclusive manner.

Beyond these agreements, my Government anticipates co-operating with other parties in Parliament on issues of mutual interest.

Honourable Members. The driving goal of my Government is to build a more competitive and internationally-focused economy with less debt, more jobs and higher incomes.

A strong economy in turn provides the resources necessary to protect the vulnerable in society, maintain the rule of law, provide high-quality public services, look after the environment, and provide opportunities for young people.

Good progress has been made already, despite some very testing times. New Zealand has experienced three challenging years, including a major recession, the worst global financial crisis since the Great Depression, and a devastating series of earthquakes that destroyed whole parts of Christchurch.

But in the worst of times we have seen the best of New Zealanders, as they have risen to these challenges.

The economy is recovering, having grown in eight of the past nine quarters, and 63,000 more people are employed now compared to two years ago. This recovery is forecast to continue.

Looking forward, the biggest risk to the New Zealand economy is from the European debt crisis. The outcome of this crisis is uncertain and, as a result, the economic outlook for the whole world has deteriorated.

However, New Zealand is in a relatively good position to deal with any fall-out in the near term, and my Government is firmly focused on improving New Zealand's longer-term productivity and competitiveness.

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

My Government intends to return to an operating surplus in the 2014/15 financial year and start to reduce net core Crown debt as a proportion of GDP. This will be

achieved through tight fiscal discipline, including new operating allowances of only \$800 million in each of the next two Budgets.

As agreed with the ACT Party, legislation will be introduced to limit the growth in core Crown operating spending, with some adjustments, to a rate no faster than the combination of population growth and inflation.

Once in surplus, a KiwiSaver auto-enrolment exercise will be initiated.

My Government will maintain a new, lower cap on the number of staff in core government administration. It will be focused on achieving results, seeking new and better ways to deliver public services, and continuing to contain and reduce costs. Particular attention will be paid to the recommendations of the Better Public Services Advisory Group.

My Government will extend the mixed ownership model under which Air New Zealand currently operates to four State-owned enterprises – Meridian Energy, Mighty River Power, Genesis Power and Solid Energy – and will reduce its stake in Air New Zealand.

In each case, the Crown will retain at least 51 per cent of the company, and New Zealanders will be at the front of the queue for shares.

Proceeds from extending the mixed ownership model will go into a new fund – the Future Investment Fund – to pay for capital projects that help grow the economy and improve public services.

As agreed with the United Future Party, legislation will be introduced to limit any sale of public assets – that is, of State-owned enterprises and Air New Zealand – to no more than 49 per cent of the shares in the company, together with a limit on ownership by a single entity.

Honourable Members. My Government believes in a more active welfare system which supports people who can work, back into work, and does not trap them in a life of limited income and limited choices.

Legislation will be introduced to reform the current system of benefits. New benefit categories will be created, and a greater proportion of beneficiaries will be required to make themselves available for work. Changes will also be made to clamp down on beneficiaries whose recreational use of drugs affects their ability to work, and those who commit benefit fraud.

As agreed with the Maori Party, a separate appropriation and governance structure will be established for Whanau Ora.

The Government will introduce changes to support disengaged young people back into education or training. It will also have a more hands-on approach with 16- and 17-year-old beneficiaries, and with 18-year-old teen parents, including wrap-around support from third parties, and an expectation that they will be in some form of education or training.

As agreed with the Maori Party, a Ministerial committee on poverty will be established to improve the co-ordination of government activity in alleviating the effects of poverty.

Honourable Members. My Government believes that high-quality education is vitally important. It provides the opportunity for children from all backgrounds to make the most of their lives, and is an essential requirement for a skilled and productive workforce.

The Government's focus will be squarely on raising achievement, in particular for those groups of students who have historically underperformed.

The Government will 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.

Performance measurement and accountability in schools will be strengthened. In addition, the Government will work to improve the quality of initial teacher education, introduce more effective appraisals of teachers and principals, and reform and strengthen the Teachers Council.

\$1 billion from the Future Investment Fund will be invested over the next five years to build new schools and modernise existing buildings, including with new, 21st Century teaching spaces. It will be easier for schools to employ trades specialists to deliver courses, and to set up trades or service academies.

As agreed with the ACT Party, the Government will allow for the formation of charter schools in areas where educational underachievement is most entrenched.

Tertiary education providers will be funded in a way that takes into account their performance against indicators of achievement. It will continue to drive better value for taxpayers from the interest-free student loan scheme, including an expanded campaign to recover overdue debt from borrowers living overseas.

Honourable Members. My Government believes that a competitive economy, trading successfully with the world, is the best way to build sustainable economic growth that creates jobs and grows incomes.

The Government will restructure and expand Industrial Research Ltd into an advanced technology institute to work alongside the high-tech manufacturing and services sector. It will also invest in a series of national science challenges, in areas where science can address some of the most important longer-term challenges to New Zealand's development.

The Government will continue its programme of investment in modern infrastructure. On current forecasts, \$12 billion will be invested over the next 10 years in new State highways. The most immediate priorities will be the construction of the Waterview Connection and the completion of Auckland's Western Ring Route.

KiwiRail's Turnaround Plan will continue to be supported and there will be an investigation into the use of Clifford Bay as a new sea freight terminal.

Ultra-fast broadband and the Rural Broadband Initiative will continue to be rolled out. A Crown-owned company will be established to invest in irrigation and water storage, drawing on the Future Investment Fund.

The Government has set aside \$5.5 billion in the Canterbury Earthquake Recovery Fund to pay for its share of rebuilding essential local infrastructure in Christchurch and its surrounds.

It will provide certainty to affected homeowners in Canterbury by finishing the red zone classification process. It will continue to release land for residential subdivision and ensure there is an adequate supply of land to rebuild on.

My Government will allow for choice in accident insurance covered through the Work Account, including an expansion of the Accredited Employer Scheme. It will consider the feasibility of introducing choice into accident insurance covered through the Motor Vehicle Account and the Earners' Account.

Legislation will be introduced to implement a new "starting-out wage", set at 80 per cent of the adult minimum wage, to ensure young people are not priced out of the job market. Legislation will also be introduced to extend flexible working arrangements and to improve collective bargaining.

The Government will progress legislation to overhaul securities law and to criminalise anti-competitive behaviour. It will introduce tougher consumer credit legislation to target loan sharks and protect consumers.

Honourable Members. My Government believes that balanced and sensible management of our resources will protect the environment while promoting stronger economic growth.

The Government will continue to advance the Fresh Start for Fresh Water programme, and will introduce new environmental reporting systems. Legislation will be introduced to set a six-month time limit for the consenting of medium-sized projects, and to improve the Resource Management Act as part of the second phase of reforms.

As agreed with the ACT Party, legislation will be introduced to ensure there is only one resource management plan in each district.

The Government will also introduce legislation to amend the Emissions Trading Scheme. This will include moving to full obligation in three equal steps for the energy, transport and industrial sectors. It will also introduce offsetting for pre-1990 forest land owners to enable greater flexibility of land use.

My Government will encourage oil and gas exploration with a competitive new system for processing permits. It will also progress legislation to better manage the environmental effects of activities in New Zealand's Exclusive Economic Zone, and will introduce legislation to reflect the updated Liability for Maritime Claims Protocol.

As agreed with the United Future Party, legislation will be introduced to stop helicopter hunting on the conservation estate involving the shooting of game animals from helicopters and the herding and hazing of game animals as part of the hunt. The Game Animal Council Bill will be progressed.

Honourable Members. My Government will continue to maintain an independent and bipartisan foreign policy. It will further focus New Zealand's aid efforts on the Pacific, and will campaign to win New Zealand a seat on the United Nations Security Council for a two-year term starting in 2015.

The Defence White Paper and Capability Plan initiatives will be implemented, and legislation will be introduced to ensure the three services of the Defence Force are able to work together more effectively.

The Government will continue to pursue high-quality trade agreements, ensuring as it does that New Zealand's best interests are always served. There will be a comprehensive programme of Government-led trade delegations to China, India, and the Association of Southeast Asian Nations.

Honourable Members. My Government will continue to deliver high-quality public services.

It will work with local primary care networks throughout the country to provide free after-hours general practitioner visits to children under six. A comprehensive after-hours telephone health advice service will be developed.

The Government's target is that 95 per cent of all eight-month-old children will be fully immunised with three scheduled vaccinations. It will also roll out a nation-wide rheumatic fever programme targeting vulnerable communities. Alcohol and drug treatment services for young people will be expanded, as will specialist mental health services for young offenders. The Voluntary Bonding Scheme will be extended.

More people will get elective surgery, and waiting times will be reduced for cancer treatment, first specialist appointments, diagnostic tests, elective surgery, and for people waiting in emergency departments.

As agreed with the Maori Party, further work will be done on plain packaging and other anti-smoking initiatives.

My Government will continue to ensure that State houses are located in the areas of greatest need, and are going to families who need them most, for the duration of their need. It will work to increase the supply of social housing, including progressing options for iwi housing providers.

The current home insulation and clean heating programme will continue, with a specific focus on low-income households, as agreed with the Maori Party. Every State house built before 1978 that can be insulated, will be insulated.

My Government will introduce legislation to strengthen sentencing, parole and bail laws. It will be harder for those accused of the most serious offences to get bail, the penalties for child pornography will be increased, and Civil Detention Orders will be introduced.

The Search and Surveillance Bill will be progressed, as will the Victims of Crime Reform Bill. The penalties for breaching a protection order will be doubled, and funding will be available for security improvements in the homes of family violence victims.

My Government will continue to progress the review of constitutional arrangements.

It will also continue to make the full and final settlement of historical Treaty of Waitangi claims a priority.



Over the course of the forthcoming Parliamentary session, other measures will be laid before you.

Honourable Members. The fact that this is the 50th Parliament gives us cause to celebrate. New Zealand can boast of an unbroken parliamentary democracy stretching back to the 1850s and universal suffrage from 1893.

My Government is privileged to have won the trust and good will of New Zealanders for a second Parliamentary term.

It will seek to earn anew that trust and goodwill every day over the next three years.