

## Speech From the Throne

**Delivered by the Right Honourable Dame Patsy Reddy GNZM, QSO, Governor-General of New Zealand, on the Occasion of the State Opening of Parliament on Thursday 26 November 2020**

E aku hoa i te ara o te whai,

Kia kotahi tā tātou takahi i te kō, ko tōku whiwhi kei tō koutou tautoko mai.

Ko tāku ki a koutou, hei whakapiki manawa mōku.

He horomata rangatira te mahi, e rite ai te whiwhinga a te ringatuku, me te ringakape ake, i ōna painga.

Hei ruruhau, hei kaitoko i te ora, hei kaiurungi, hei kaiwhakaawe taumata hou.

He mea pai, i oti tahi

Nāu, nāku, nā tātou.

Honourable Members of the House of Representatives.

It is my privilege to exercise the prerogative of Her Majesty The Queen and open the 53rd Parliament.

In the October election, New Zealanders elected a majority Government for the first time under our Mixed Member Proportional electoral system.

The Government not only enjoys the confidence of a clear majority of members in the House of Representatives, it is also privileged to have the confidence of a majority of New Zealanders who voted in the general election.

The Labour Government took Office when I swore in the Prime Minister the Right Honourable Jacinda Ardern.

New Zealanders voted for stability and certainty at the election. They have placed huge trust and responsibility in the Labour Government by providing it with a majority mandate to implement the policies it set out during the campaign, while responding to the issues that will inevitably arise, and bringing to bear the same values and strong leadership established in its first term.

To add further stability to the New Zealand Government, the Labour Party has agreed to work together with the Green Party of Aotearoa New Zealand through a Cooperation Agreement. This agreement commits the Government to working in the best interests of New Zealand and New Zealanders, working to honour Te Tiriti o Waitangi, and working together on specific policy areas where the Green Party can continue to add expertise and where both parties can achieve mutual gains that advance the goals of the Government.

The Labour Government takes office at a time of unparalleled international crisis. It faces the greatest public health emergency since the global flu pandemic a century ago. The ensuing economic shock represents the largest global downturn since the Great Depression.

The health risk posed by the pandemic is greater now than it was when we first closed our borders. The global economic outlook continues to worsen.

New Zealand will not be immune to these deteriorating conditions.

In this year of crisis, protecting New Zealand and the lives and livelihoods of New Zealanders has been the urgent and abiding consideration. It remains so.

But that does not mark the full extent of what a government can do, and it does not mark the full extent of what this government means to do.

Crises do not form an orderly line waiting to be addressed. Three of the country's longest-standing and hardest issues demand continued and determined action: affordable housing and homelessness, child poverty, and the global climate crisis.

On each of these areas there is a need to do more and go further. Problems that are decades in the making are not easily or quickly solved. But this Government is committed to relentlessly pursuing progress.

The government means to build on the foundations laid in the first term. New Zealand must continue to tackle these issues, at gathering scale, at gathering speed, and with gathering effect.

The Labour Government will have three overarching objectives:

- To keep New Zealanders safe from COVID-19
- To accelerate our economic recovery
- To lay the foundations for a better future

The scale and pace of the recovery offers an opportunity to reshape the way things are done in New Zealand, to innovate and improve our position and our economy.

New Zealand's success in fighting the virus means we are better positioned for recovery than many other countries. Already we have seen employment, export and growth numbers that are better than expected.

The programme outlined today seeks to make the most of our head start.

### **Keeping New Zealanders Safe From COVID-19**

The first objective of the Government will be to keep New Zealanders safe from COVID. In keeping New Zealanders safe, we protect jobs, livelihoods, and strengthen our economy. A strong health response has given the New Zealand economy the best chance at coming back stronger.

The Government remains committed to a strategy of elimination, but will always remain open to evolving ways of achieving it.

No system is perfect. That is why we look to continually improve. As we learn more about the virus and other countries' experiences, and as new technologies are developed, there will be opportunities to improve our response. Our response has never been static and we will continue to innovate and learn.

The Government will retain and enhance the multiple lines of defence to keep COVID at bay and stamp it out with minimal disruption to the economy and to our everyday lives.

The first layer of defence is our border. With COVID cases increasing around the world, in a growing number of countries, the risk of travellers arriving at the border with COVID increases. The Government will continue to strengthen border protections. Testing, infection control procedures, and professional and quality staffing will remain cornerstones of the response.

For those countries where the virus is successfully managed, the Government will look for opportunities for freer travel. Planning for quarantine free travel zones is currently underway with the Cook Islands, Niue and Australia. We will look to continue to advance these opportunities, but with safety as our priority.

We will continue to welcome New Zealanders home.

We will also create opportunities for businesses to access the skills they need. The Government will ensure that up to 10 percent of places in our managed isolation facilities are used by people granted exceptions to enter New Zealand to contribute to accelerating our recovery.

The Government will continue to enhance the next layer of defence, our contact tracing and testing systems, to ensure in the event of cases entering the community it can quickly circle the virus and stamp it out. This will involve investment in ongoing technical enhancements to the COVID Tracer App and looking for ways to increase the use of technology.

We have expanded the surveillance testing programme to provide extra protection against pathways for infection. This term we will look for opportunities to take advantage of developments in technology to expand the reach of our early warning system.

Finally, the Government is working to deliver effective and free vaccines to New Zealanders as soon as they are available and safe to administer.

Recent news of the progress in vaccine development is welcome and a bright spot on the horizon. This will be a central focus for the Government next year.

The Government is working hard to secure supply for New Zealand and to design an immunisation programme to support distribution in New Zealand. New Zealand also has an important role in supporting Pacific countries with access to a COVID-19 vaccine and their rollout of their immunisation programmes. New Zealand's obligations to the Pacific are a core part of the Vaccine Strategy.

We are hopeful that 2021 will be the year of the COVID vaccine.

### **Accelerating the Recovery**

The Government's COVID recovery plan is already underway. It will now be accelerated as the plans for recovery set out in Labour's election manifesto are implemented.

The New Zealand economy has held up better than expected. Aggressive action to eliminate the virus; strong and early efforts to save jobs and support businesses; and innovative and nimble responses from our businesses have positioned the economy well. But the global picture is bleak.

The ongoing impact of COVID on the global economy is the most significant risk to our future growth. The virus' spread abroad will have a downstream impact on our exporters and impact economic activity domestically.

New Zealand will be cushioned from that slump by the Government's five point economic plan to foster jobs and growth:

- \$42 billion of infrastructure investment to future proof the economy
- Training and job creation opportunities to support workers and businesses
- Support for small business to grow and thrive
- Programmes to bolster our exports
- And policies that prepare New Zealand for the future by making the most of our competitive advantage in renewable energy and waste reduction.

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Investing in infrastructure is at the core of the Government's economic plan. As we begin this term, we already have a record \$42.2 billion on the books for infrastructure investment over the next four years in roads and rail, schools and hospitals, houses and energy generation.

Waka Kotahi NZ Transport Agency will receive \$9.6 billion to invest in new roads and public transport projects that reduce congestion and travel times, support businesses, open up new areas for housing, and increase choice, including safer options for walking and cycling.

\$3.8 billion is being spent on education facilities, including building new schools and classrooms for 100,000 students and starting the planned upgrade of around 180 schools right across the country over the next 10 years.

\$3.6 billion has been committed to health, including new hospital facilities in Dunedin, Christchurch, New Plymouth, Auckland and Counties Manukau.

Kainga Ora will invest \$9.8 billion across the next four years and the Government is on track to deliver a total of 18,000 public and transitional homes.

The Three Waters programme will see a \$710 million investment to initiate an overhaul of the nation's drinking, waste and stormwater infrastructure.

These investments in housing, transport, schools and hospitals will help future proof our economy as well as create jobs. It also provides a pipeline of work that will provide businesses with confidence and certainty to invest in capacity to undertake these projects.

In addition, over 150 smaller community infrastructure projects will roll out over the coming months and across the term. The Government will invest in community projects like pools and stadiums, local fire stations and surf clubs, and libraries, art galleries, marae and museums - facilities across the country that bring people together to provide support and strengthen communities.

Improving our planning system is also a priority. It will create jobs by making it easier to deliver construction projects while protecting our environment and building the right thing in the right place. The current system is too costly, takes too long, and has not adequately protected the environment. The Government will ensure that New Zealand's resource management system is fit for the future by repealing and replacing the Resource Management Act. The Randerson review provides a sound platform for the Government to advance this work. In the first six months of 2021 the Government intends to release an exposure draft of key elements of the first bill.

Also vital to the recovery is our investment in trades training and apprenticeships. Education is the greatest enabler in our society and one of the biggest levers we can use to improve the productivity of the economy.

In the early stages of our COVID response the Government focused heavily on growing training and apprenticeships. It launched a comprehensive support package for apprentices and their employers, assuring job security for existing apprentices and creating openings for new ones.

Already thousands of New Zealanders have embraced the opportunity to take up a trade and train for free. These New Zealanders are acquiring new skills and exciting prospects, and at the same time addressing the need to build the workforce that will be required to carry the vast workload of the coming infrastructure projects.

The Government will also complete the reform of the vocational education system. As the country rebuilds and more people are looking to retrain, it's now more important than ever that we have a vocational education system that's responsive to the needs of industry and learners.

The Government recognises the need to welcome skilled people from overseas to support New Zealand's economy, and will work alongside industry to help provide for that but it will, as a priority and a starting point, seek to develop New Zealand workforces to meet those skills needed here at home. With many New Zealanders looking for work, we need to do all we can to fill existing job opportunities.

While unemployment is lower than expected, the economic fallout has had an impact. The Government will remain focused on creating opportunities for people to get back into work.

History shows that significant economic events have a disproportionate impact on women, Māori and Pacific communities, and our focus will ensure our recovery responds to that.

The Government will reinstate the Training Incentive Allowance to assist sole-parents, disabled people and their carers with the costs of getting a degree level tertiary qualification.

It will continue the successful Mana in Mahi and He Poutama Rangatahi programmes which are providing skills and qualifications to unemployed young people. It will also continue to rollout Tupu Aotearoa's expansion across the regions and provide wraparound support for Pacific communities to secure sustainable employment and educational pathways for Pacific peoples of all ages.

The government will lift abatement thresholds to ensure that people are not punished by transitioning from a benefit to paid work. It will also support those at risk of long-term unemployment through funding up to an additional 40,000 New Zealanders into work through the Flexi-wage programme.

As well as creating jobs, the Government will remain focused on growing the incomes and wages of New Zealanders, especially those earning the least.

It will increase the minimum wage to \$20 per hour next year, extend Living Wage guarantees to cleaning, catering and

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security guards who the public service pays through contractors, implement Fair Pay Agreements to set minimum standards for pay and conditions, and extend sick leave provisions.

The Government will leverage our successful COVID response to position New Zealand globally as a safe and secure place to trade with, to invest in, and eventually, to visit again.

The Government will pursue high quality and comprehensive trade agreements that diversify our trade relationships. It will continue to open new opportunities, including through trade deals with the EU and the UK, and the Agreement on Climate Change, Trade, and Sustainability; and by expanding the CPTPP and the Digital Economic Partnership Agreement.

The Government will continue to progress our trade relationship with the United States, including into new areas such as digital and green technology.

An important milestone has been accomplished with the conclusion of the China FTA Upgrade, which will provide access into new services markets in China, including e-commerce. The New Zealand Government will continue to support New Zealand exporters doing business with China.

The Pacific regional trade and development agreement PACER Plus will enter into force in December this year. The agreement positions Pacific countries to better engage in international trade. It will make trade easier, will grow jobs, boost sustainable economic growth and contribute to a safer and more prosperous Pacific.

In the Indo-Pacific region, the Government will work to implement the signing of RCEP; and through chairing APEC in 2021, New Zealand will lead on the world stage to drive initiatives for strong regional economic recovery.

The Government will work with industry through Industry Transformation Plans to support the transition and grow high-value export firms. It will continue its investment in innovation, including through the research and development tax credit programme.

It will work to implement the primary sector roadmap Fit For a Better World to accelerate the productivity, sustainability and inclusiveness of the primary sector. It will work to support our tourism sector in its transition to a sustainable, low carbon, high skill and high wage industry.

It will expand the Innovative Partnerships programme and New Zealand Trade and Enterprise's dedicated international investment attraction team to attract companies to invest and establish in New Zealand.

Small businesses are at the heart of New Zealand's economy and the recovery. The Government will continue to support small businesses with practical support. That will include tackling barriers to innovation and growth as identified by the Small Business Council's Small Business Strategy.

The Government has already extended the Small Business Cashflow Scheme for a further three years and extended the interest-free period for another year, and will investigate permanent financing for smaller businesses.

The Government will regulate Merchant Service Fees to reduce costs on retailers, and will support small businesses to digitise through digital training or short-courses as part of a new Digital Training programme.

The new Minister for the Digital Economy and Communications will work with the technology sector, including through the Digital Technologies Industry Transformation Plan, to help speed growth in jobs and incomes in that important sector.

New Zealand's COVID-19 recovery provides an opportunity to reshape our economy and prepare for the future through investment in energy and waste projects.

The Government is committed to the shift away from fossil fuels in order to build a new low-carbon future. It is a shift that will create jobs, improve the environment, and enhance New Zealand's global brand which our exporters trade on.

This term the Government will lay the foundation for the electrification of New Zealand's economy by bringing forward our 100% renewable electricity target to 2030, prohibit the building of new thermal baseload electricity, investigate dry year storage options such as pumped hydro, and invest in emerging technologies like green hydrogen.

It will remove barriers to renewable energy generation through a National Policy Statement and also investigate regulatory or market barriers to the uptake of solar micro-generation on residential and commercial buildings.

The Government will invest in electrifying and decarbonising industrial and process heat, including by preventing the installation of new low and medium temperature coal-fired boilers, and supporting businesses to replace fossil fuels in industrial heat processes by connecting to the grid.

The Government will implement the recommendations of the Prime Minister's Chief Science Advisor by phasing out hard to recycle single-use plastic items and supporting the development of alternatives through a Plastics Innovation Fund. It will also invest in waste infrastructure and projects to enable more efficient recycling, and work with industries to establish regulated product stewardship schemes for priority products.

This economic plan is underpinned by continued responsible management of the Government books. As a consequence of the wider economic outlook and fiscal constraints, it is more important than ever to ensure a balanced approach. This requires investing in our priorities while ensuring that all Government spending decisions are made with particular consideration for the sustainability of the Crown's long-term fiscal position.

The Government will continue to ensure vital public services are supported, while keeping a lid on debt. Investments

to accelerate the recovery will be prioritised. Ensuring our health and education systems continue to be supported will also be a priority.

This will include implementing the Government response to the Health and Disability System review. The efforts of many hardworking and committed health professionals and the health of New Zealanders are hampered by a system that needs fundamental reform. Initial decisions on policy will be taken in 2021.

### **Laying the Foundations for a Better Future**

The Government has marked out the need and importance of taking a broader view of success. Wellbeing will continue to be a priority for Government this term with a focus on reducing child poverty, tackling climate change, and addressing housing.

New Zealand's response to COVID would be insufficient if it were to simply return us to the way we were before the virus.

Recovering and rebuilding entails determined and connected action by government. That action can, and will, be used to reshape the economy to be more productive, more sustainable, and more equitable.

Over the next term it will place a particular focus on sustainability, and pursuing carbon neutrality.

The Government will respond to the first set of Climate Budgets recommended by the Climate Commission, which will set the total emissions permitted for the next fifteen years.

The Government will take steps to decarbonise the transport fleet. It will introduce vehicle emissions standards for imported vehicles and incentivise and accelerate the uptake of electric and other low emission vehicles, including by increasing the Low Emissions Vehicles Contestable Fund.

In line with the direction set out in the latest Government Policy Statement, it will prioritise investment in public transport, walking and cycling so users have a more accessible, affordable and reliable service, and implement region-specific plans to increase the number of people using public transport and walking and cycling. Supporting the use of public transport is a key element to reducing New Zealand's transport emissions.

Given the importance of public transport to New Zealand's future transport system, it will require only zero emissions buses to be purchased by 2025, and aim to decarbonise the public transport bus fleet by 2035.

New Zealand's farmers and growers are creative, innovative and constantly looking to improve their practices. They are taking steps to improve freshwater quality, protect biodiversity and reduce emissions. This will create real value for our exports and is a core part of our New Zealand brand.

The Government will bolster these efforts through increased investment in world leading research that helps us reduce emissions and will support farmers to use integrated farm plans to simplify processes, reduce compliance costs and meet reporting requirements in a coherent way.

The economic impact of COVID will have a disproportionate effect on those least equipped to deal with it. That will require a continued focus and determination in reducing inequality and addressing child poverty.

Progress has been made, but there remains much to do. The Government will continue the work from last term that has already seen improvements to the weekly income of around 85,000 sole parents by an average of \$100 a week.

The Government will continue the overhaul of the welfare system, building on the changes already made, including the indexing of benefits to increases in the average wage.

It will extend the Free and Healthy Lunch programme to cover 200,000 students and will add 20 more mobile dental clinics to improve access for children and young people to free oral health care.

It will roll out mental health support to all primary and intermediate school age students, and continue to roll out nurses in secondary schools.

It will continue to tackle the prevalence of rheumatic fever by expanding the Healthy Homes Initiative to every DHB around the country to ensure more homes are warm, dry and safe.

A focus on housing will be a priority for this Government. Earlier in the year house prices were predicted to fall. Instead they have increased. Globally, low interest rates are having a similar effect. And the situation has rapidly evolved.

While it is pleasing to see that efforts to stimulate the economy and support jobs and growth in the wider economy have been effective, the perverse impact on housing affordability will require the Government to continue its focus on this issue.

The Government has set out the parameters of what it is prepared to consider during the election campaign. This will not change. But there is room to do more to support both the supply and demand side of housing to see outcomes that are more productive and fair.

The Government will review its housing settings with a view to implementing policies that improve access to the housing market for first home buyers.

The Government will continue to focus on homelessness and implementing the Homelessness Action Plan.

The Government will review and enhance the Tenancy Tribunal, Tenancy Services' Compliance and Investigations team, regulate property managers, and increase funding to proactively monitor compliance with the Healthy Homes

Standards.

In each of these areas, climate, child poverty, and housing, the Government will be guided by its values, and by its commitment to the wellbeing of people, looking beyond GDP to find our measure of success.

As part of this focus on wellbeing and creating a fairer New Zealand we will continue to strengthen social inclusion in New Zealand. This is about supporting our diversity and creating a New Zealand where all people feel safe, have equal access to opportunities and do not experience discrimination. This is important as we prepare to receive and respond to the report of the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques on 15 March 2019.

Wellbeing might not be as readily reckoned as GDP, but that does not mean it cannot be measured and tracked. Imbalances and deprivation can be recognised and remedied and this Government is determined to do so.

Significant levels of government investment in a time of crisis can be a powerful tool for change and it's a tool that is being used. The way we choose to govern is also a tool for change.

### **Māori-Crown Relations**

The Government will strengthen the Māori-Crown relationship to ensure that the Crown can grow to be a better Treaty Partner and work in true partnership with Māori. It will continue to work to settle historic Treaty of Waitangi claims. It recognises the importance of te reo Māori as a taonga and the responsibility it has to protect it.

Te Ao Māori plays a large part not just in defining who we are as a nation, but in setting us apart from the rest of the world. As such the Government will make Matariki a public holiday, creating a holiday that distinctly recognises and celebrates Te Ao Māori.

The Government will ensure Oranga Tamariki partners with iwi, hapū, and Māori organisations to find appropriate solutions for children in need, and will strengthen Māori housing outcomes through collaborative partnerships, home-ownership models, and papakāinga provision.

It will support Whānau Māori enterprise and opportunities through a progressive procurement policy.

It will continue to invest in Whānau Ora and support other agencies to implement the Whānau Ora model to get better outcomes for Māori, continue whānau-centred pathways to break the cycle of Māori reoffending, work with other Māori organisations like Te Kōhanga Reo, and look at ways we can expand the Whānau Ora model into communities.

### **A Government for all New Zealanders**

New Zealand has entrusted the government with the responsibility of bringing the country through a crisis.

Nothing in the programme set out today will come easily. But our opportunities and potential greatly outweigh our problems.

In this pandemic we have shown our willingness and capacity to do what must be done.

We have more freedoms, are a more open economy and have saved more lives than nearly every other country we normally compare ourselves to. We can rightfully be proud of our success to date as a nation, as a team. But we cannot afford to be complacent, nor stand still. We must keep going.

It is the Government's aim to achieve change alongside consensus. That is why it has committed to being a Government that will govern for all New Zealanders.

That does not mean that it can or will represent the views of every New Zealander all of the time. But it does mean it will have a focus on the things that matter most. It means it will be listening to New Zealanders, being pragmatic, doing the things it said it would do and focusing on lasting change.

We can recover and we will recover.

But that is not enough. We can be better than we were.

This government's mission is to make it so.

Nō reira, tēnā koutou, tēnā koutou, tēnā tātou katoa.