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Mr Speaker took the Chair at 2 p.m.
Prayers.

BUSINESS STATEMENT

Hon Dr MICHAEL CULLEN (Leader of the House): Next week in the House the Government will seek to make progress on the remaining stages of the Corrections Bill and the Border Security Bill. If time is available, the first readings will be taken of the Parental Leave and Employment Protection Amendment Bill and the Disabled Persons Employment Promotion (Repeal and Related Matters) Bill. On Tuesday the first item of business will be the debate on the financial reviews of Crown entities, public organisations, and State enterprises, which is a 3-hour debate. Thursday is Budget day.

JOHN CARTER (Senior Whip—National): Could the Leader of the House advise Parliament whether he expects us to be sitting beyond 6 o'clock on Thursday, either in urgency or extraordinary urgency.

Hon Dr MICHAEL CULLEN (Leader of the House): I will advise the Business Committee on Tuesday of my intentions. The member can take a very broad hint, given the nature of the Standing Orders.

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

Justice—Double Jeopardy Rule

1. DARREN HUGHES (Labour—Otaki): to the **Minister of Justice:** What changes are being proposed to the rule of double jeopardy and why?

Hon PHIL GOFF (Minister of Justice): The Government is proposing two limited exceptions to the rule of double jeopardy. Firstly, a retrial will be allowed where it is found that an acquittal at the original trial was tainted by the accused perverting the course of justice. Secondly, in very serious cases there may be a retrial when fresh and compelling evidence comes to light that strongly suggests that an acquitted person was in fact guilty. These changes will appropriately balance the general principle of double jeopardy with the principle that the victim and the public have the right to see justice done.

Darren Hughes: What safeguards are proposed for the new "fresh and compelling evidence" exception that he is proposing?

Hon PHIL GOFF: There are a number of safeguards. Firstly, the exception applies only to the most serious crimes—that is, those crimes where the maximum penalty is up to 14 years' imprisonment. Secondly, the evidence must be new and unable to have been discovered at the time by due diligence in the original investigation. In other words, poor police work will not be enough to reopen the case. Thirdly, the evidence must be compelling—that is, highly suggestive that the acquitted person is in fact guilty. Finally, the reinvestigation by the police must first be approved by the Solicitor-General on the basis that it is in the interests of justice, and the retrial can take place only with the agreement of the Court of Appeal; again, if the retrial is judged by the Court of Appeal to be in the interests of justice.

Richard Worth: Does the Minister agree with the statement made by Victoria University criminology lecturer Trevor Bradley that: "I don't think it's too cynical or sceptical to say that the political impact is one of the motivating factors for the change"; if not, would the Minister name one New Zealand case in, say, the last 10 years that would fit the Minister's so-called second exception—because there are none?

Hon PHIL GOFF: I do not agree with that particular statement made by the university academic whom the member named, but the academic made another statement, in which he said: "We seem to be living in the era of the victim, and protecting the victim." I agree 100 percent with that statement.

Nandor Tanczos: How does the Minister propose to deal with and protect against the perverse incentive this may provide to fabricate new evidence when a conviction fails, given that we have some highly publicised cases of police planting evidence, such as the Arthur Allan Thomas case?

Hon PHIL GOFF: It can never be ruled out that evidence could be planted, but the member has mentioned the exception, fortunately, rather than the norm in New Zealand. We have every reason to have confidence in the integrity of the police; for the police to fabricate evidence is to pervert the course of justice. That is a serious offence, and the full weight of the law would come down on any such person who tried to do what the member has suggested.

Murray Smith: Does he intend to compensate people who, having been found innocent a second time because the so-called new and compelling evidence does not stack up, and who, many years later, had to again suffer the stress and anguish of a lengthy trial, a huge legal bill to defend themselves, and renewed public humiliation; or is he suggesting that the Solicitor-General and the Court of Appeal are quite capable of reliably determining a person's guilt without the inconvenience of subjecting the evidence to the rigours of a defended hearing?

Hon PHIL GOFF: I am confident that the protections that are built in and that have been advised to the House will prevent such a case from happening. In terms of compensation, compensation is available to those who have been wrongly convicted and who serve a term of imprisonment. Inevitably, quite a percentage of people face trial and are acquitted. Those people may be eligible for compensation for court costs. Right now, they are not automatically eligible for any other compensation.

Rt Hon Winston Peters: To avoid saying whether there is truth in the academic's comments—that this is pure political window-dressing—can the Minister advise what percentage of perjury cases known to the police have the police failed to prosecute in, say, the last 10 years?

Hon PHIL GOFF: In terms of perjury cases, there is a very clear case involving a man by the name of Kevin Moore in New Plymouth, a gang leader, who murdered somebody and then had a witness give false testimony as to where he was at the time of the murder. That came to light. He was convicted of an administrative crime, and he is serving 7 years for that. But, of course, he should be serving life for murder, because that is what he was guilty of. Because of double jeopardy, that man can never be brought to trial for the crime he committed.

Rt Hon Winston Peters: I raise a point of order, Mr Speaker. That was all very illuminating, except it did not answer the question. In last 10 years, what percentage of perjury cases known to the police have the police failed to prosecute?

Hon PHIL GOFF: Obviously, I do not have that figure at my fingertips, but I can say that I would expect the police always to prosecute where they are aware that perjury has been committed.

Taxation—Company Tax

2. Hon RICHARD PREBBLE (Leader—ACT) to the **Minister of Finance**: Does he recall telling the Asia Society in Hong Kong that the Government would reduce the 33c company tax rate when "fiscal conditions permit"; if so, how many billions does the surplus need to be before "fiscal conditions permit" the desired company tax cut?

Hon Dr MICHAEL CULLEN (Minister of Finance): Yes. However, Budget forecasts will show that the Government anticipates running only a very small cash surplus this year.

Judith Collins: Oh!

Hon Dr MICHAEL CULLEN: I am sorry to let the member down about that! Although gross debt to gross domestic product is projected to continue to reduce slowly, nominal debt will actually rise, requiring a modest borrowing programme over the next 3 years.

Hon Richard Prebble: When the Minister was quoted as saying that the Government plans to lower the 33c in the dollar tax rate on business when the country's coffers are healthy enough, did he also take into account that, according to Treasury, it would cost only $420 million to reduce the company tax rate from 33c to 30c in the dollar; and is it not a fact that he could do that, except that he wants to distribute hundreds of millions of dollars to social welfare beneficiaries?

Hon Dr MICHAEL CULLEN: Apart from the fact that the member typically misquoted what I actually said in the speech, which is not unanticipated from the member, in fact the member's figures, I think, are a little under the estimate. In any case, there are higher priorities for that. I emphasise that the Budget will show not billions of dollars of spare cash hanging around but, in fact, a modest borrowing programme for the coming 3 years.

Hon Richard Prebble: The Minister has claimed that I misquoted his press statement. I seek the leave of the House to table a press statement from the *New Zealand Herald* of 13 April, which I think will show that I quoted him absolutely accurately.

Mr SPEAKER: Leave is sought to table that document. Is there any objection? There is.

Hon Dr MICHAEL CULLEN: I seek leave to table the actual speech, which shows exactly what I said.

Document, by leave, laid on the Table of the House.

Clayton Cosgrove: Is the corporate tax rate in New Zealand high, by international standards?

Hon Dr MICHAEL CULLEN: No, at 33 percent it is just 0.7 percent above the OECD average. But New Zealand has a clean tax system, by international comparison. There are no major payroll taxes and no overall capital gains tax, and of course there is an imputation system, so the total tax impost on companies is likely to be significantly lower than in many overseas jurisdictions, including Australia.

Hon David Carter: Is the Minister aware that since Labour became the Government, more than two-thirds of all OECD countries have lowered their company tax rate by an average of more than 5 percent, and why does he think they have done that?

Hon Dr MICHAEL CULLEN: Well, some have had right-wing Governments.

Rt Hon Winston Peters: Having regard to the Minister's comment that the accounts will be in such a parlous state that he will begin a nominal borrowing programme over the next 3 years, is this a case of a former Prime Minister and Minister of Finance's words coming back to him, when he said: "They can't promise anything because I've spent it all."? Does he recall the aftermath of that, when the next election turned up in 1972?

Hon Dr MICHAEL CULLEN: That particular Prime Minister was running, I think, an 8 percent of GDP cash deficit in his last year as Minister of Finance. We will be running 7 percent, according to Mr Jones.

I think the member will find it is 7 percent on an accruals basis when recalculated, which is an 8 percent cash deficit of GDP. We will be running a very small deficit,

much of which will be used to finance such things as, for example, student loan advances, which are an asset in terms of net debt.

Gerrard Eckhoff: Why should New Zealanders not believe that the real reason he cannot reduce company tax is that it is all going into his welfare Budget next week?

Hon Dr MICHAEL CULLEN: The member is going to be terribly disappointed next week when he finds out how much is going to families who are in employment, as opposed to those who are on welfare benefits.

Heather Roy: Is the Minister aware of the January 2004 KPMG survey that said of New Zealand: "The company tax rate of 33c in the dollar is above the average for the OECD for Asia-Pacific countries, and even for Europe.", and that the KPMG survey has recorded a steady decline in average corporate tax rates across the OECD in recent years from just under 37 percent in 1997 to 30 percent now, and will he act to address New Zealand's high company tax rate in next week's Budget?

Hon Dr MICHAEL CULLEN: There were two parts to the question, and the answers are yes and no, for a very simple reason. New Zealand has no substantial payroll tax, unlike Australia. It has no general capital gains tax, unlike Australia. It has an imputation system on dividends, unlike the United States. In fact, if the member cares to look at other developed countries she will find New Zealand has one of the lowest rates of tax in total on the corporate sector, as a proportion of GDP. Even corporate tax in New Zealand, as a proportion of GDP, is lower than in Australia.

Heather Roy: I seek the leave of the House to table the KPMG corporate tax rate survey of January 2004.

Document, by leave, laid on the Table of the House.

Traffic Congestion, Auckland—Auckland City Council

3. JEANETTE FITZSIMONS (Co-Leader—Green) to the **Minister with responsibility for Auckland Issues**: Has she received any reports on Auckland City Council proposals that would increase traffic congestion in Auckland?

Hon JUDITH TIZARD (Minister with responsibility for Auckland Issues): I have received a copy of a report from Transit New Zealand discussing the potential impact on the transport network around Auckland City's proposal to hold a V8 supercar race around Victoria Park and other Auckland City streets, starting in 2006.

Jeanette Fitzsimons: Does she believe that Auckland City Council's proposals are consistent with Government policy to reduce traffic congestion, improve energy efficiency, reduce vehicle emissions, and play our part in combating global climate change?

Hon JUDITH TIZARD: The Government's negotiations with Auckland have resulted in a package that will see over $297 million annual investment over the next 10 years, which will go into public transport, roading progress, and roading connections. That will make a real difference to Auckland's congestion problems. If this race goes ahead, it will be expected to take about a week. While it will contribute to Auckland's economic well-being, I do not think it will necessarily improve congestion problems, but it will not be a long-term problem.

H V Ross Robertson: What is the Government doing for passenger transport in Auckland?

Hon JUDITH TIZARD: As I have already said, this Government has committed over $297 million on average, each year, for the next 10 years. We believe that passenger transport, which will be a key component of the solution, will be funded out of that. We are looking at building the North Shore busway, improving bus transport,

ferries, and trains, along with improving road connections and building more roads. That will make a real difference to Auckland.

Dail Jones: Is not the Minister's answer yet another example of her failure to do anything for Auckland, which is really based on doing too little, far too late?

Hon JUDITH TIZARD: That, from a member of a Government that cancelled Auckland's rail project in 1976, is a little rich. This Government will see good public transport and roads built, which were cancelled in 1976.

Paul Adams: Does the Minister agree that a high-profile, central city street race in Auckland would produce enormous benefits to Auckland City, such as increased revenue, employment, and prestige, and if the current circuit is shown to have an adverse effect on traffic flows, would she be supportive of an alternative route that would achieve the same benefits while mitigating the impact of traffic congestion?

Hon JUDITH TIZARD: This race is estimated to bring economic benefits of over $40 million, and in Australia attracts between 140,000 and 300,000 spectators, but whether it is of benefit is a matter for the Auckland City Council. The council will have to apply for a consent, and it has assured me that it will bring in independent commissioners to consider the consent process. If necessary, it can go to the Environment Court. All of those issues will be, and should properly be, considered by the Auckland City Council.

Jeanette Fitzsimons: Does she see any irony in the Government being asked for billions of dollars of special funding for the eastern highway one week, and the next week the same council giving millions in interest-free loans to create a 3-week traffic jam?

Hon JUDITH TIZARD: This Government has made no commitment to the eastern corridor highway. We have made a real commitment to public transport and roading projects, which will address Auckland's congestion problems. Special events in Auckland—such as the Santa parade, the America's Cup, or APEC—have been managed perfectly well in the past, and I am sure will be again in future, if this race gets consents.

Hon Steve Maharey: On behalf of myself and the member for Rangitikei, would this V8 race not be better located in the Manawatu region, where we would host it well, look after it, and it would cause no trouble to traffic?

Hon JUDITH TIZARD: I understand from the promoters of this race that they are in active negotiations with the good people of Manawatu and Rangitikei. I am sure they could also run a very good race, which could be an addition to the Auckland one.

Jeanette Fitzsimons: Is the Minister advocating that we should have V8 races in every New Zealand town?

Hon JUDITH TIZARD: As a resident of the inner-city and MP for Auckland Central, I would perhaps have a different view, but petrolheads may get their way for a week a year, over the next few years.

Tertiary Education Commission—Objectives

4. SIMON POWER (National—Rangitikei) to the **Associate Minister of Education (Tertiary Education)**: Has the Tertiary Education Commission achieved his objective of ensuring "we have a cohesive and innovative system that encourages learning and uses resources strategically" and creating "a tertiary education system with a greater sense of connection to important national goals"; if not, why not?

Hon STEVE MAHAREY (Associate Minister of Education (Tertiary Education)): If the member had quoted fully the statement I made at the launch of the Tertiary Education Commission, he would know that "our plans for achieving these vital goals are all set out in the tertiary education strategy, which provides a clear

picture of what the sector needs to achieve over the next 5 years". The Tertiary Education Commission has been in existence for 16 months, and I am pleased with its progress.

Simon Power: How can a course, such as Cool IT, which received $15.3 million in funding, be seen to encourage learning, when the acting chief executive officer of the polytechnic running the course said she had "no idea" how many people had finished the programme, and that "there was no assessment, so there was no reason for them to get back to us."?

Hon STEVE MAHAREY: To be fair to the acting chief executive officer of the Christchurch Polytechnic Institute of Technology, what she actually said was that there were four levels to the Cool IT programme, and until they were finished, the polytechnic would not know how many people had completed that programme. I say to the member opposite that the profile the polytechnic is currently negotiating with the Tertiary Education Commission means that in future its funding will be accorded to those courses that the commission funds. In the 1990s, under the "bums on seats" approach run by the National Party Government, that could not have happened. Now it can.

Dr Ashraf Choudhary: Given that the Tertiary Education Commission has been in existence for only 16 months, what has it achieved during that time?

Hon STEVE MAHAREY: Let me give just 20 examples. It has successfully established a complex organisation. It has negotiated 500 tertiary education charters. It has established the Performance-based Research Fund. It has allocated funding to private training establishments on a strategic basis. It has allocated a 19 percent increase in industry trainees, including the Modern Apprenticeships programme. It has allocated funding for the Partnerships for Excellence programme. It has overseen the roll-out of the Gateway programme—

Mr SPEAKER: Order!

Hon STEVE MAHAREY: Well, they want to know. That was just a little of what the commission has done.

Simon Power: Will the Tertiary Education Commission's financial review of the Cool IT programme be performed by one of its 324 employees, or will it be performed instead by a consultant or contractor, like one of those on whom the commission spent $6.8 million last year, and why is it that only after sustained investigation by Opposition members, that the commission has decided to review this course at all? [*Interruption*]

Mr SPEAKER: The comment was made after the question was asked, but there are to be no interjections while questions are being asked. I warn Government members.

Hon STEVE MAHAREY: The Tertiary Education Commission will undertake this review through its normal staffing. I say to the member opposite that establishing an organisation like this over the last 16 months—a large intermediate body that is common in many countries that run tertiary systems like our own—will, of course, mean that it hires contractors who later move on. As the member well knows from the questions he has asked, most of those staff are inherited from Skill New Zealand, the Tertiary Advisory Monitoring Unit, and the Ministry of Education.

Simon Power: Does the Minister believe that national goals will be enhanced by the Eastern Institute of Technology course in food and wine matching done by correspondence from "the comfort of your own home" as part of the Correspondence Certificate in Wine advertised as "educate your palate"; if not, why not?

Hon STEVE MAHAREY: Yes, I do. The reason is that if, for example, one were the Minister of Finance, one would know that one was living in one of the regions of the country that has identified food and wine as one of its centres of excellence. Can I say to the member opposite that correspondence teaching is essentially what the university in

his own area is a specialist in—extramural teaching in a wide range of courses is exactly what it does. I know he is getting up and down very quickly, but he is overheated about nothing.

Simon Power: Why should the Tertiary Education Commission be trusted to fix any of these problems when it has bungled or missed deadlines on so many of its tasks already, including the Performance-based Research Fund, the landscapes document, and the much-awaited charters and profiles report?

Hon STEVE MAHAREY: It has not bungled the Performance-based Research Fund; that is regarded as one of the stand-out pieces of policy by the sector itself. It has not bungled the landscapes paper; it has just released the differentiation paper to the applause of the sector. I know that the member on the Opposition benches likes to criticise this organisation, but once again I say to him that every system in the world that runs a strategically focused tertiary education system has an intermediate body like this. That is his problem—this is the future of tertiary education.

Transport Infrastructure—Ministerial Confidence

5. Rt Hon WINSTON PETERS (Leader—NZ First) to the **Minister of Transport**: Is he satisfied with the transport infrastructure in New Zealand?

Hon PETE HODGSON (Minister of Transport): No, that is why the Government is spending billions of dollars to improve it after years of neglect by the Tories.

Rt Hon Winston Peters: Given that the Labour Party on 20 July 1993 agreed with the sale of New Zealand Rail, why is it that, having raised on 6 March the serious issue of brake parts falling off the New Zealand Tranz Rail trains and his predecessor's assurance that this was a once-in-30-years event on which he had conducted an investigation—

Hon Paul Swain: No, I didn't.

Rt Hon Winston Peters: Yes he did. What has happened to the investigation and what are its findings?

Hon PETE HODGSON: I regret I do not have that information with me.

Rt Hon Winston Peters: I raise a point of order, Mr Speaker. To help the Minister I want to table right now the *Hansard* of 6 March, so that he can be informed as to what his predecessor said.

Mr SPEAKER: Leave is sought to table that. Is there any objection? There is.

Hon Mark Gosche: What plans does the Government have to fix the problems caused by the privatisation and neglect of the rail network?

Hon PETE HODGSON: The Government is committed to spending $200 million over the next 5 years to upgrade the track network, which we expect, courtesy of the negotiations of my colleague the Minister of Finance, to own very soon.

Hon Maurice Williamson: Is the Minister concerned about the finding of the infrastructure audit released yesterday—that the Resource Management Act is resulting in delays of 10 years between road project conception and commencement, and that this has had a particularly negative effect on Auckland—if so, what action will he recommend to amend the Resource Management Act?

Hon PETE HODGSON: The Resource Management Act has been put under review, partly as a result of that infrastructure report—

Hon Dr Nick Smith: Oh, 4 years late.

Hon PETE HODGSON: —and, as members want to talk about the Resource Management Act, I point out that we will see useful changes to improve the efficiency of that Act. However, since that report was written my colleague the Minister for the Environment advises me that waiting times for Environment Court business have been reduced magnificently.

Rt Hon Winston Peters: Does the Minister regard it as a serious matter that brake shoes are falling off New Zealand's trains all over the place—[*Interruption*]; obviously the clown who preceded him does not—and given that when a member of the public tried to bring this to Tranz Rail's attention, it threatened him with a trespass order, and that there has been an inquiry, the results of which we do not know, when will he start regarding this as a very serious matter that could endanger the public safety of New Zealanders?

Hon PETE HODGSON: The member seems to be unaware that the Government in its term of office has not only carried out an inquiry into rail safety but has responded to it with legislation, which currently sits before a select committee and will be reported back to this House presently.

Jeanette Fitzsimons: In view of the Minister's concern about the state of the rail infrastructure, is he also concerned that Transfund has systematically unspent its alternatives to roading funds; and is it not time that the funding system caught up with the new Land Transport Management Act?

Hon PETE HODGSON: Yes, and yes.

Rt Hon Winston Peters: If the Minister thinks that the matter has been properly investigated, why are members of the public finding brake shoes all over this country—in this case, within 200 metres of the scene that led to the last complaint made to his predecessor, Mr Swain, who said he would do something about it—and when will he stop regarding this as a laughing matter and start taking New Zealand public safety seriously? I have four sets of brake shoes here—all found within 200 metres of the place brake shoes were discovered the last time.

Hon PETE HODGSON: Rail safety is a very important issue, and it has been under considerable inquiry in this country and in quite a few others. I say to the member that legislation is going through the select committee process now, and I think the member will find that it will address his concerns adequately.

Rt Hon Winston Peters: I seek leave to table these four sets of brake shoes, and I hope they do not fall on his head.

Items, by leave, laid on the Table of the House.

Electricity—Infrastructure Audit

6. Hon ROGER SOWRY (National) to the **Minister of Energy**: Does he believe the infrastructure audit carried out by PricewaterhouseCoopers accurately states the issues facing the electricity sector in New Zealand at present; if not, why not?

Hon PETE HODGSON (Minister of Energy): No, I do not, but it did accurately state the issues facing the sector when it was written.

Hon Roger Sowry: Why has the Government not moved to clarify the situation with regard to carbon taxes, given the findings of the infrastructure audit report, which states: "Their failure to do so has resulted in electricity generators holding back decisions on new generation."?

Hon PETE HODGSON: The uncertainty over the future of the world price of carbon was substantially managed 2 years ago when the Government decided to put a ceiling on the price in the New Zealand economy of $25 per tonne of carbon dioxide over the first commitment period. If the member thinks we should have more certainty, was he expecting a floor, as well?

Mark Peck: What other reports has the Minister seen about issues facing the electricity sector?

Hon PETE HODGSON: I have seen many, many reports, including some particularly interesting ones suggesting that the changes made by the National

Government in the 1990s were a mistake. Those suggestions came from the National member for Rakāia, Brian Connell.

Brent Catchpole: Is the Minister dissatisfied with the infrastructure audit report because it fails to take into account the fact that reserves of hydro storage would last only 6 weeks, and that the storage is not being properly monitored?

Hon PETE HODGSON: I am satisfied with the report. I think it is a very good report. It is out of date already, and the 6-week storage reserve of our New Zealand hydro has been known to most New Zealanders for many decades.

Jeanette Fitzsimons: Does the Minister believe that the audit report's failure to mention the domestic sector—which uses a third of all electricity—at all, and its failure to mention the very significant neglected opportunities for energy efficiency across all demand sectors, are an accurate reflection of the issues facing us?

Hon PETE HODGSON: The member is absolutely right that the report, right through the various types of infrastructure, is very supply-side driven. We asked for that. That does not mean the Government is in any way downplaying the very significant role that the demand side can make. It is making quite a lot of it already. It can make quite a lot more.

Gordon Copeland: Is the Minister prepared—if not right now, then maybe in the future—to look at abandoning the Max Bradford reform, by allowing both electricity-generating and line-owning companies to move back to full vertical integration, provided that generation, distribution, and retailing activities are ring-fenced through subsidiaries?

Hon PETE HODGSON: The problem with that is that if we were to do a both-ways shift around again, apart from the fact that lawyers would get rich for another 2 years in a row, we would end up with a non-competitive structure, because we would end up with regionalism. We would end up with fully integrated services in, say, Auckland or Hamilton, and rather little competition as a result. That is the problem with the Bradford reforms. Not only were they wrong, they were substantially irreversible.

Hon Roger Sowry: Will the Minister take any action as a result of the finding by the infrastructure audit report that the Electricity Commission—which is his Government's solution to the electricity supply problems—is the cause of ongoing uncertainty amongst electricity generators, and is having the effect of causing them to postpone investment decisions?

Hon PETE HODGSON: That report was written about October or November of last year. The commission took up its office in about September of last year. It was new. It is now May of the following year—

Hon Roger Sowry: Nothing has changed.

Hon PETE HODGSON: The member says that nothing has changed.

Hon Roger Sowry: They are still saying the same thing.

Hon PETE HODGSON: They are still saying the same thing! Leaving aside the fact that it has since completed and put into place the entire rule structure, the member said that nothing has changed. I think he needs a new portfolio.

Courts—Workload

7. LIANNE DALZIEL (Labour—Christchurch East) to the **Minister for Courts**: What is being done to address workload pressures in the courts?

Hon RICK BARKER (Minister for Courts): This morning I announced a $73.5 million budget package designed to ease pressures on courts. Expenditure on modern technology is an important part of this package. In particular, I was pleased to announce that $30 million will be spent over 4 years to increase the use of digital audio technology for evidence recording and transcription in 35 high and district courts. This

will cut down waiting times by allowing judges to hear more cases faster. Judges are very positive about the new technology.

Lianne Dalziel: What else is being done to speed up court processes?

Hon RICK BARKER: In this Budget, a further $1.56 million is being invested in piloting the use of mediators to help resolve custody, access, and guardianship proceedings in four family courts, as recommended by the Law Commission. This will allow judges to get on with hearings and provide another avenue for families to sort out the issues between them in a way that better meets their needs.

Hon Tony Ryall: Why has it taken the Minister a year to act on the suggestions that I gave him at that time?

Hon RICK BARKER: That is the most outrageous rewrite of history I have ever heard. That member tries to adopt this Government's ideas as his own. I suggest to him that he catch up with the programme.

Hon Tony Ryall: To make an immediate impact on the case backlog, will the Government consider asking the five Supreme Court judges to sit on the High Court to assist in clearing the crisis level of the backlog before that court?

Hon RICK BARKER: There is a separation in the powers between the executive and the judiciary. It is not for me to tell judges when and where they will sit, and not for me to tell them what cases they will hear. But I am happy to tell the member that in a number of courts, the judiciary recognises pressure. For example, in the civil courts, there has been quite a significant reduction in cases being filed. Those judges have transferred themselves and their time to criminal courts, and are doing an outstanding job.

Hon Tony Ryall: I seek leave to table documents that show it is taking 2 weeks longer, on average, to get cases through the High Court, and a month longer, on average, in the district courts in the last year.

Mr SPEAKER: What documents are these?

Hon Tony Ryall: They are answers to written questions.

Mr SPEAKER: Is there any objection? There is.

Glenelg Children's Health Camp—Children's Medical Examinations

8. KATHERINE RICH (National) to the **Associate Minister for Social Development and Employment (CYF)**: When did the former Department of Social Welfare and its Minister first become aware of allegations regarding the medical examination of children without parental consent at Glenelg Children's Health Camp?

Hon RUTH DYSON (Associate Minister for Social Development and Employment (CYF)): According to the available files, the then Minister of Social Welfare, Jenny Shipley, first became aware in September 1993 of allegations regarding the medical examination of children without parental consent at Glenelg Children's Health Camp. In a letter dated 27 September 1993, the then Associate Minister of Health, Katherine O'Regan, advised Mrs Shipley that the Parents Against INjustice Society (NZ) had asked her to conduct a ministerial inquiry into the camp, but stated she believed there were insufficient grounds to initiate such an inquiry at that time.

Katherine Rich: Did the former Department of Social Welfare and its Minister consider any official or unofficial recommendations that the ethics of carrying out internal examinations of children without parental consent should be investigated; if so, when, and what steps did the Minister at the time take to follow up those recommendations?

Hon RUTH DYSON: Given the age of both the original allegations and the first point of notification to the Ministers, and despite extensive searching of the available records, neither of those incidences has been produced. If the member has any issues

and can provide the information that I require to follow them up, I would be very happy to do so.

Deborah Coddington: If the Minister was the parent of a 7, 8, or 12-year-old girl who had been repeatedly examined in an inappropriate way while in the care of the State and then separated from her father by the State, would she not want an inquiry into that; if not, why not, and if yes, why will she not order an inquiry?

Mr SPEAKER: The Minister can be asked about the inquiry.

Hon RUTH DYSON: My understanding is that none of the young people involved were actually in the care of the State at the time of the alleged abuse. Their going into the care of the State came as a result of the allegations of sexual abuse by their fathers, which were not confirmed after a police investigation. If I were a member of one of the families, or if I were any of the individual people involved, I would have taken a case to the Medical Council, as was recommended in 1993, and I am really unsure as to why that was never proceeded with.

Katherine Rich: When, if at all, did the former Department of Social Welfare and its Minister consider any official, or unofficial, recommendations that allegations that staff at Glenelg Health Camp presumed every child had been sexually abused should be investigated; if so, what steps did the Minister at the time take to examine those issues?

Hon RUTH DYSON: The only record of correspondence in relation to the then Minister of Social Welfare that has been made available to me is the letter from Katherine O'Regan that I referred to in answer to the primary question, and then a subsequent letter, again from Katherine O'Regan, to the then new Minister of Social Welfare, the Hon Peter Gresham, on 16 December 1993.

Katherine Rich: Check the file.

Hon RUTH DYSON: I have checked the file. Last week Mrs Rich made similar allegations about information that had not been provided to me in answer to a letter. I have asked her to provide it, and I am still waiting for it.

Deborah Coddington: Is the real reason why the Labour Government will not order an inquiry into Glenelg Children's Health Camp and the behaviour of a doctor there who examined children that the inquiry would criticise the actions, or inactions, of previous Ministers of Health, including the Rt Hon Helen Clark?

Hon RUTH DYSON: No.

Prisons—Ministerial Confidence

9. RON MARK (NZ First) to the **Minister of Corrections**: Is he satisfied with the way State prisons are being administered?

Hon PAUL SWAIN (Minister of Corrections): Generally, yes.

Ron Mark: Why is it that on 2 May when I first asked how many female prison officers had been counselled or disciplined for having sexual relationships with male inmates, he answered three, a week later he answered five, and 2 weeks later the number he gave was 17; and with regard to inappropriate relationships between male prison officers and inmates, can he explain the difference between the number he gave in answer to my recent written questions and the number now reported in the *New Zealand Herald* this morning?

Hon PAUL SWAIN: Because the original information given to me was wrong, and I will look into it.

Martin Gallagher: Is there clear evidence that programmes provided by the Department of Corrections have been shown to reduce reoffending?

Hon PAUL SWAIN: There most certainly is. The department is doing a great deal to reduce reoffending. For example, treatment of offenders by the department's own highly qualified psychologists has been proven to reduce subsequent offending by

between 18 and 22 percent over a 5-year period. In addition, studies of the department's Kia Mārama and Te Piriti sex offender programmes have been consistently shown to halve the reoffending rate of sex offenders. They are world-leading programmes.

Marc Alexander: How can the Minister have confidence in the State management of prisons when last year seven prisons reported that at least one-fifth of their inmates tested positive for drugs, and that Wanganui Prison, New Plymouth Prison, and Manawatū Prison have a positive drugs-test rate of over 30 percent?

Hon PAUL SWAIN: Drugs in prisons is unacceptable. However, the reality is that they are also found in private prisons, as well. It is an international problem and we are doing our best to get on top of it.

Hon Tony Ryall: Does the Minister believe that the situation of sexual harassment within prisons will be improved by the fact that the department for which he is responsible has appointed to the position of sexual harassment officer in that area, a man in Canterbury who put his penis on a bar and allowed his manager to hit it with a bottle?

Hon PAUL SWAIN: I have expressed my concern to the department about that matter.

Ron Mark: Does the Minister concede that he simply does not know how many prison officers, male or female, have been involved in inappropriate relationships with inmates, because the management of our prisons is in total disarray, and is that not in itself reason for him to agree to my request for a full comprehensive and independent commission of inquiry into this whole sordid affair?

Hon PAUL SWAIN: No, and no.

Nandor Tanczos: Given the Minister's support for the rehabilitative aspects of prison, could he tell the House how much the Department of Corrections spends on rehabilitation within prisons, and does he consider that an adequate amount given the relatively high rate of reoffending by people when they come out of prison?

Hon PAUL SWAIN: I cannot exactly recall the dollars and cents, but the department spends around $45 million a year on rehabilitation programmes. Is it enough? No. I am now concerned about the resettlement programmes, from prison to the community. We are going to pilot some things, and we are going to make sure we get it right. After that has been done, I hope to go back to the Minister of Finance to discuss options and possibilities with him.

Ron Mark: If the Minister does not believe that any commission of inquiry is necessary, can he tell the House whether there is any truth in the allegation that in Paparua prison an investigation is currently going on as to an inmate who had an inappropriate sexual relationship with a female prison officer and that the same inmate has had an inappropriate relationship with a male prison officer?

Hon PAUL SWAIN: I do not know the specific cases, but if investigations are going on, the system is working.

Domestic Violence—Home Detention

10. Hon TONY RYALL (National—Bay of Plenty) to the **Minister of Corrections**: How many men convicted of assaulting their wives or partners have been granted home detention that involves them residing at the same house as the person they abused, and is this practice consistent with Government policy on domestic violence?

Hon PAUL SWAIN (Minister of Corrections): I am advised by the New Zealand Parole Board support services that it has not been possible to provide the information requested within the time available. This is because it requires a search of all cases where home detention has been granted. However, I will provide the information to the

member when it is available. All decisions relating to release on home detention are the responsibility of the statutorily independent New Zealand Parole Board.

Hon Tony Ryall: When the Minister first became aware of this case, what action did he take: imprisoned for beating his wife so badly, this offender had to give his wife cardiopulmonary resuscitation to keep her alive, was sentenced and released on home detention to live with the woman whom he originally bashed, only to bash her again within weeks of his release on home detention, with the woman telling the Department of Child, Youth and Family Services that she was too scared to refuse having her husband back home on home detention?

Hon PAUL SWAIN: Of course the decisions that the member talks about are the decisions of the New Zealand Parole Board, not me. However, if that is one of the two recent cases in Tauranga, I can advise the member that the probation service, in its reports to the board, indicated concerns about the suitability of offenders residing with their victims. Ultimately, however, the decision rests with the board.

Hon Tony Ryall: Since the Parole Board makes decisions in accord with Government policy, is the Minister not putting the victims of domestic violence in an invidious position, where effectively they have the risk of deciding on the early release of the man who bashed them?

Hon PAUL SWAIN: It is the responsibility of the department that I am responsible for, to provide information to the Parole Board. It is the Parole Board, independent of the Minister, that makes those decisions.

Stephen Franks: What is the Government's policy on home detention, and does it justify the release next Monday of Greg Hunt, who was sentenced only 6 months ago to 4 years' jail for stabbing a taxi-driver 30 times, including in the brain, and assaulting another taxi-driver 7 weeks after threatening yet another taxi-driver with having her throat cut, when those three went to the Parole Board last week and were told 1 day later that the 4-year sentence was to turn into home detention the following Monday?

Hon PAUL SWAIN: Firstly, the policy of home detention was developed by the previous National Government, supported by ACT—[*Interruption*] Oh, yes it was. Most definitely it was. Secondly—

Mr SPEAKER: That question was asked by a member who sits at the back of the Chamber. Other members have been interjecting. I want that member to be able to hear the answer.

John Carter: I raise a point of order, Mr Speaker. The problem we have is that if the Minister, in his answer, is going to give inaccurate statements, then of course you will get a reaction from the Opposition. That statement was absolutely incorrect, and of course you will get a reaction from the Opposition, because it is the only defence we have.

Mr SPEAKER: It is not the only defence the member has. There is provision for other steps to be taken if the answer is inaccurate. I do not mind the odd interjection, but I want the member who asked the question to be able to hear the answer.

Rt Hon Winston Peters: I raise a point of order, Mr Speaker. The practice of Ministers of comparing their performance with the performance of previous Governments may be all right in year 1, year 2, or even year 3 of its term in office, but not in year 5. In particular, today we heard from the Hon Judith Tizard, who cited a 1976 example, and got that wrong, as well. Hugh Watt's hare-brained idea won no one's support in this House. She went back as far as 1976 and raised that as an issue. I am beginning to ask myself, when is it appropriate—[*Interruption*] It was in 1976. That member was at kindergarten at the time, but it is a fact. The member's old man might have told her that. The reality is that that is what she actually said in answer to a

question. When is a Government going to be responsible for the policies that, in its second term, it is implementing?

Mr SPEAKER: That is a debating point. I ask the Minister to answer Mr Franks' question. He can start again.

Hon PAUL SWAIN: In answer to the second part of the question, it is the decision of the Parole Board.

Marc Alexander: Does the Minister agree that the victims of domestic violence often find it difficult to leave their abusive partners or notify the police, which means that a sentence of home detention for the abusers actually becomes a sentence for their partner-victims, and this Government is doing nothing about it?

Hon PAUL SWAIN: Yes, I do agree with the basis of the member's question. It is the responsibility of the probation service to provide reports to the Parole Board outlining those kinds of concerns and issues. Ultimately, though, it is the Parole Board that decides on what happens to a particular person.

Question No. 5 to Minister

DAIL JONES (NZ First): Following the tabling of a brake shoe a little while ago, we have received yet another brake shoe—as a result of publicity, I suppose—and I seek the leave of the House to table it.

Item not tabled.

Maritime Safety Authority—Coastline

11. LYNNE PILLAY (Labour—Waitakere) to the **Associate Minister of Transport**: What actions has the Maritime Safety Authority taken to protect the coastline around one of New Zealand's busiest shipping routes?

Hon HARRY DUYNHOVEN (Associate Minister of Transport): This week the International Maritime Organization approved the Maritime Safety Authority's appeal to ban vessels from travelling close to the shoreline between Bream Head and Cape Brett, north of Whangarei. This is a world-first decision by the International Maritime Organization, which means that this unique marine area will be protected and preserved, and it is a precedent that I am very proud of the Maritime Safety Authority for setting.

Lynne Pillay: What evidence does the Minister have that this announcement addresses the concerns of conservationists?

Hon HARRY DUYNHOVEN: I have received reports that marine conservationists, such as Wade Doak, have welcomed the ruling by the International Maritime Organization as a victory for New Zealand, particularly given that New Zealand was unable to apply such a ban without the weight of an international organisation. The Northland Regional Council has also strongly welcomed the announcement, with the Whangarei harbourmaster estimating that it will allow an extra 6 hours to respond to potential oil spills in an environmentally very important area.

Prisons—Corrections, Department

12. MARC ALEXANDER (United Future) to the **Minister of Corrections**: Is he satisfied with the management of prisons by the Department of Corrections; if so, why?

Hon PAUL SWAIN (Minister of Corrections): Generally, yes. As I have said before, the department's primary job is to keep the public safe, and it has consistently performed well when compared with other jurisdictions.

Marc Alexander: Can the Minister confirm that Antonie Dixon attempted to take another inmate's life by setting fire to him over the weekend, and did any incident of that nature occur when he was in Auckland Central Remand Prison?

Hon PAUL SWAIN: No, and no.

H V Ross Robertson: How do New Zealand's prisons compare internationally?

Hon PAUL SWAIN: Very well, indeed. It is important to note that in New Zealand prisons the rates of escapes, suicides, and major assaults have been continually reducing in recent years, and compare most favourably with the relevant overseas jurisdictions. I refer the member to pages 23 and 31 of the department's annual report. That represents an excellent performance in a difficult sector.

Marc Alexander: Can the Minister confirm that the departmental committee examining professional ethics and organisational culture in State prisons includes amongst its members the prison staff member who produced his penis for another man to hit, who is now a sexual harassment officer, as alluded to before, and Paul Rushton, the man who gave blanket approval to the actions of the "goon squad"; and what does that say about the integrity and confidence that the New Zealand public is expected to have in his ministership of the Department of Corrections?

Hon PAUL SWAIN: As far as the "goon squad" is concerned the member will know that there is an inquiry into that matter, which was actually begun under the previous National Government. As far as the second point is concerned, the public prison service does a very, very good job in a difficult situation, and I would ask that member to show a little more support for the difficult job that the men and women in that service are doing on our behalf.

Nandor Tanczos: Can the Minister confirm that many of the comparisons made between the public sector prisons and the private management of the Auckland Central Remand Prison by the member who asked the original question, and by members of the National Party and other parties, are entirely misinformed, because when one compares the reoffending rate that does not apply with regard to a remand prison, because when they compare costs and say that the private prison is cheaper to run, that is based on a complete misunderstanding of how to compare costs between the public prison service and the private prison, and because the fact is that the remand prison has a managed muster?

Mr SPEAKER: The member's question was far too long. It involves commenting on other party's policies, and is out of order.

Rt Hon Winston Peters: I seek leave for Nandor Tanczos to have a fair time to elucidate upon his question, because it will give us a chance to see how his mind works.

Mr SPEAKER: Perhaps I was a bit too rough on Mr Tanczos. I now want him to ask his question, but it is to be directed to the Minister's responsibilities, and it must not include all that massive injection of fact at the end, which was out of order. I will give him another chance.

Nandor Tanczos: Can the Minister confirm that comparisons between the public sector prisons and the privately run Auckland Central Remand Prison are often based on a misunderstanding of how to compare costs between the two institutions?

Hon PAUL SWAIN: Yes, I have heard some amazing figures over the last few days, as we have discussed the Corrections Bill. What I can advise is that when one compares apples with apples, which is not something that members of the Opposition do, one finds the costs of the public prison service are $36,000 for remand inmates and $43,000 for the Auckland Central Remand Prison inmates.

Ron Mark: In the spirit shown by my leader when seeking a second opportunity for Nandor Tanczos to ask a question, I seek the leave of the House to be allowed to ask the Minister one further supplementary question.

Mr SPEAKER: The member has used up his allocation, but he is entitled to seek leave. Is there any objection? There appears to be objection.

VOTING

Correction

Hon RICHARD PREBBLE (Leader—ACT): I seek leave at the first available opportunity to ask the House to allow the ACT party to correct its vote last night on the Social Security (Child Benefit) Amendment Bill from 7 votes to 6 votes. I apologise to the House for the error.

Mr SPEAKER: I am sure no one will object to that being done. The vote will be so changed, and I thank the member.

CORRECTIONS BILL

In Committee

Debate resumed from 18 May.

Schedules

The question was put that new schedule 1AA set out on Supplementary Order Paper 213 in the name of the Hon Paul Swain be agreed to.

A party vote was called for on the question, *That new schedule 1AA be agreed to.*

Ayes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Noes 54

New Zealand National 26; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

New schedule 1AA agreed to.

The question was put that the amendments set out on Supplementary Order Paper 213 in the name of the Hon Paul Swain to schedule 1 be agreed to.

A party vote was called for on the question, *That the amendments be agreed to.*

Ayes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Noes 54

New Zealand National 26; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Amendments agreed to.

A party vote was called for on the question, *That schedule 1 as amended be agreed to.*

Ayes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Noes 54

New Zealand National 26; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Schedule 1 as amended agreed to.

A party vote was called for on the question, *That schedule 2 be agreed to.*

Ayes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Noes 54

New Zealand National 26; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Schedule 2 agreed to.

A party vote was called for on the question, *That schedule 3 be agreed to.*

Ayes 54

New Zealand National 26; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Schedule 3 not agreed to.

The question was put that new schedule 3 set out on Supplementary Order Paper 213 in the name of the Hon Paul Swain be agreed to.

A party vote was called for on the question, *That new schedule 3 be agreed to.*

Ayes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Noes 54

New Zealand National 26; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

New schedule 3 agreed to.

Clause 1 Title

LINDSAY TISCH (Junior Whip—National): I raise a point of order, Madam Chairperson. Towards the conclusion of the debate on Part 3 on Tuesday night I raised a point of order about the closure motion being accepted by the Chairperson—you were not in the chair. I made the point that a number of Opposition members were seeking the call when the closure motion was moved. The closure motion was accepted, and we are not relitigating that fact. But I did make the point, and it was accepted by the Chair, that when we move to clause 1—which we are about to debate now—fair consideration should be given to those members, and to all parties that wish to participate in this debate. I am asking that a fair debate take place on clause 1, "Title", because that was certainly the indication given by the Chairperson on Tuesday evening. I am seeking that you will honour that undertaking.

The CHAIRPERSON (Ann Hartley): I thank the member for his point of order, and I have noted what he said.

Hon TONY RYALL (National—Bay of Plenty): The National Party remains strongly opposed to the provisions of the Corrections Bill, and throughout the part by part debate on this bill I think that the Opposition, across the Chamber, has effectively focused on the extraordinary weaknesses provisioned in this legislation. Not only have we highlighted the inconsistency of the Government on the matter of private prisons, not only have we highlighted the cost to taxpayers of the Government's ideological aversion to private prisons, not only have we talked about the fact that victims are ignored throughout this legislation, not only have we talked about the fact that this bill

overprescribes the management of our prison service, not only have we talked about the new and extensive rights and entitlements given to prisoners by this legislation—in marked contrast to the lack of rights and entitlements given to victims—but also we have talked about the fact that this is a Government department under pressure, underperforming, under-resourced, and under complete scrutiny by the Opposition in the House.

We are seeing, time and time again, situations where this Minister, Paul Swain, is failing in his responsibilities to provide a safe and secure corrections system for this country. As we sit here today, it is just 24 hours since another couple of prisoners escaped from a prison in the Minister's own electorate, and it is just minutes since the House in question time asked this Minister why it is Government policy that a man who bashes his wife can go back, on home detention, to the very house with the woman who is too scared to say no, because it is a question of: "Do I get the bash now or later?". This Government does not deserve the privilege of writing corrections law for this country. The Minister does not deserve the right to write corrections law for this country.

The thing that galls me the most about this legislation is that the Government plans to do away with the one bright spark across the whole corrections system—a system that I describe as "good people, bad Minister, bad system"—and that is the private prison in Auckland. That is a prison where it costs $43,000 a year per inmate, compared with an equivalent cost in the public service of $54,000 a year. It is a prison that is putting more emphasis on rehabilitation, the holistic care of the prisoners in terms of the issues they face. It is a prison that does not require these new powers to allow prison officers to control inmates. This Government plans to do away with that private prison.

During the part by part debate we asked the Minister, time and time again, to take a call and explain why the Government wants to abolish the involvement of the private sector in the prison system. There is a lack of consistency from this Government. It does not want private enterprise involved in the supervision of prisoners in jail, but it is quite happy for the private sector to be involved in the incapacitation of prisoners between a court and a prison. There seems to be a real inconsistency there.

During the part by part debate the Opposition focused on the lack of rights for victims in this legislation. In this bill there are 75 lines that describe the purpose and role of the Department of Corrections. Do members know how many lines actually refer to the victims of crime in terms of the purpose of this department? Just 2½ lines—that is all! That department is prepared to tell the families of offenders when a prisoner is being moved, but it is not prepared to tell the families of victims when the offender is being moved. This is a Government that does not deserve the confidence of the House.

Hon MATT ROBSON (Deputy Leader—Progressive): This part of the Corrections Bill is the tidying up, and after looking at Parts 2 and 3 members are supposed to be discussing the overall purpose of the bill. But, clearly, the Opposition, sensing that there may be some votes in scaremongering and worrying people with fears they need not hold, is using this opportunity in its usual irresponsible manner. Opposition members are not dealing with the real issues that either the Department of Corrections or the Ministry of Justice needs to deal with. Instead, they are hopefully stampeding some misinformed or ill-informed people into voting for them, when really, when those members are in Government, they face the same problems every Government does, which is to try to use the best practice to reduce the prison population—or at least that is what Governments should do. So in the speeches on this bill, I am not surprised at the low level of the Opposition's contributions and the misinformation it has supplied on most of the major issues.

The bill has been in its genesis for quite some time, including during the time when National members of Parliament were corrections Ministers. I discussed this bill with the Hon Clem Simich, who was my predecessor, and I had some sensible discussions—some, but not all—with the Hon Nick Smith on this matter. Those discussions were rational because they were in private. I must say that Clem Simich is always rational, even when he is allowed by the National Party to discuss these matters publicly, but in private those members recognised that there were some very pedestrian matters to deal with.

The first pedestrian matter this bill deals with—which is why it is called the Corrections Bill—is the updating of the Penal Institutions Act of 1954 and those sections of the Criminal Justice Act that apply to the Corrections Bill. Most of those are largely matter of fact. Secondly, what the bill does is build upon those parts of corrections practice that we know work; not because a politician has decided they will work, but because professional people in the field, victims, and offenders have been able to comment on what aspects of corrections practice are most effective—and they are in the bill.

If people took the trouble to work through the bill, they would also be able to see that we have incorporated best practice not only from our own corrections system but also from overseas jurisdictions. But it does come down to questions of ideology for those parties that say that the most effective form of corrections system is to have a total punishment regime. I am—or I thought I would be—surprised by the concentration on punishment by so many speakers in the Opposition, including the Hon Tony Ryall, Mr Stephen Franks, and Mr Marc Alexander. I wonder whether most of those speakers had a very, very severe background in terms of educational upbringing in boys' boarding schools. It seems so. But that focus on punishment, even if it meets some psychological need of those people, does not work in practice, and the focus in a corrections system has to be on the question of what happens when people leave the prison system. So, quite sensibly, the Corrections Bill, in its philosophical framework, deals with what can be best done in a prison for the different range of offenders there, and also points to the re-integrative practices that have to come into being.

We should celebrate—and I believe that victims in particular will—the fact that restorative justice processes are now an integral part of the corrections system. In terms of practice, most New Zealand prisons have been carrying out restorative justice processes for quite some time, and they have had some amazing results. But now that is part of the Corrections Bill. It is also part of three other major planks in the criminal justice system, and also in Acts that deal with victims. So that is a substantial victory for common sense and for best practice in this particular bill.

The issue of the private prison has loomed large for a number of reasons. I accept that some members have just fallen prey to the spin of the private company that manages the Auckland Central Remand Prison. That private company could manufacture bicycles, nuclear weapons, or run prisons; it is purely for profit. The ideology came in when the National Government introduced the provision to allow for the contracting out of prisons. It was absolving itself of the responsibility of the social issues that go with prisons.

RON MARK (NZ First): I have heard some ridiculous things come from the mouth of the former "Minister for Sex in Prisons", Mr Matt Robson. I have heard him say some stupid things, but the notion that private prisons—

The CHAIRPERSON (Ann Hartley): The member needs to refer to members by their correct portfolios.

RON MARK: He is the former Minister of Corrections, who advocated that prisoners should have sex in prisons.

Jill Pettis: Oh, don't be ridiculous!

RON MARK: Well, that is what he did. That Government member, instead of parroting on, needs to go and read a few newspapers. That man was widely quoted all over New Zealand as advocating conjugal rights for inmates. Now, either that member is here on false pretences because she does not do any work, or she is simply ignorant and does not read the papers. It is one or the other, and members can take their choice. The facts are the facts. Matt Robson is the man who, as the former Minister—

The CHAIRPERSON (Ann Hartley): Would the member come to the bill, please.

RON MARK: I am just responding to interjections. I thought I was entitled to do that.

Jill Pettis: The member is absolutely incorrect, and he knows it.

RON MARK: Members can see what I mean. To try to lead this Committee to believe that private companies that run prisons use inmates to manufacture nuclear weapons is absolutely ridiculous—absolutely absurd! I have never heard of such a nonsensical, unsubstantiated, baseless comment in all the time I have been here—and I have heard some comments.

In this part of the Corrections Bill, members are here to reflect on the bill's purpose and intent. If I go back through the explanatory note of the bill, I see it states that this bill is designed "to reflect modern policies and practices". Modern policies and practices are the very things that are witnessed at the Auckland Central Remand Prison. They are the very things that have led to the high performance that this Government, in this very bill, wants to get rid of. The most modern practice that this Government could undertake in order to enhance its sordid and sorry performance in the corrections area is to take Dom Karauria, the former manager of the Auckland Central Remand Prison, and put him in charge, as a State employee, of the Department of Corrections. I tell the Minister that one would then see a more modern and enlightened approach than we see today from some of the dinosaurs in the department, whom the Government has to stoically defend whilst it knows, in the core of its very being, that it has problems in that department with regard to modernity.

Let us go to the second bullet point in the explanatory note. This bill is supposedly designed to insert powers to drug test inmates. Well yes, it does, except that it does not deal with the people within our Department of Corrections who are studiously manipulating the drug-testing regime, so that their prisons come out looking good. What they are doing is deliberately drug testing inmates whom they know do not use drugs. When prison officers say they should go and drug test Mr Inmate Bloggs, managers tell those officers not to dare to test that inmate, because he would come up with a positive result. But does this bill deal with that issue? No. We simply allow the prisons, the Department of Corrections, and their current managers to avoid the issue. But not all prison managers do that. If we look at the returns that have come out today, we see that some prisons are reporting a 30 percent usage or positive return rate. I suggest that the managers in those prisons are doing the job correctly. Those prison managers are honest, and the figures they represent are accurate. But I would look with grave suspicion upon some of the prisons that are mysteriously plucking brand-spanking-new, good figures out of the air, because I would question their regimes.

Let us turn to the third bullet point of the explanatory note, which states: "the law governing the administration of the corrections system needs to be compatible, in its philosophy as well as in its specific provisions, with the Sentencing Act 2002 and the Parole Act 2002." Well hello, some of us voted against both those Acts. Some of us said they would be an abysmal failure, and some of us opposed them all the way through the House. Any legislation that is designed to be in keeping with those Acts will clearly meet opposition from New Zealand First, because we do not believe that some of the

things that are happening under parole today—excuse me if I mention Mr Isherwood as one example—are right. If the Parole Board is doing such a fantastic job, how is it that a man who drugged, raped, and forced into prostitution a young woman was allowed by our Parole Board back out on the street to, within 12 days—not 12 months; not 12 years—do the very same thing again? And Government members sit there on the other side of the Chamber and tell me the Parole Board is doing a wonderful job of taking into account the safety of the community. What rubbish that is!

Dr WAYNE MAPP (National—North Shore): This bill will become a monument to ideology. The last speaker for the Government, Mr Robson, went on—

Hon Matt Robson: The honourable.

Dr WAYNE MAPP: The Hon Matt Robson, the former Minister of Corrections, was proud of conjugal rights—let us remember that reality. He is so obsessed with the idea of private prisons that he can only condemn them by suggesting that nuclear weapons would be manufactured in them. One assumes that he did actually visit the private remand prison in Auckland. I can tell the Minister, because I have visited it, as well as Mount Eden Prison and Pāremoremo prison, that there was a truly remarkable difference between those institutions and the remand prison. If the member had taken the time and trouble when he was the Minister of Corrections to visit it, we would not have this bill before us today.

The reality is—and the Minister in the chair today, Mr Swain, knows this—that this Government will be judged on this ideological perspective. That is how this bill will go down in history. The former Minister may well talk about the need to modernise the corrections law, and no doubt there was a case for consolidating and updating it, but I do not think that there was any need to put in the legislation things like the requirement for prisoners to have clean bedding, and to state that bedding had to be laundered carefully and thoroughly.

Brian Connell: What about separate beds?

Dr WAYNE MAPP: And separate beds—no topping and tailing, I guess. In addition to that, the legislation specifically provides that prisoners have to be fed—as if somehow New Zealanders would lose their collective sense of responsibility, and as if somehow we would mistrust our corrections service so much that we would think it would, firstly, starve prisoners to death and, secondly, put them in cells with absolutely no bedding whatsoever. To have that sort of thing in legislation, frankly, brings this House into discredit. Actually, it does not bring this House into discredit; it brings into discredit the Government responsible for that kind of legislation.

National is deeply opposed to the ideological perspectives of this bill. We are opposed to the whole idea of ignoring best practice. The Ministers know full well that the private prison in Auckland, the remand prison, has been both effectively and well managed, and has done its job more cheaply than the public sector prisons. For instance, the cost of keeping a prisoner per annum in the private prison was $45,000, compared with $54,000 in the public sector. [*Interruption*] Government members may well deny those kinds of figures, but that was what the report stated. Yet, for the sake of ideology, they would turn their backs on that experience.

The other thing I note is that we have been going through a long-running prison construction programme, including a prison in the northern Waikato, costing approximately $250 million per prison. It is noteworthy that the private remand prison in Auckland cost $40 million. So we would have to wonder why its cost was less than is expected for the Waikato prison. Auckland Central Remand Prison is regarded as an excellent prison. Even though it is primarily for remand prisoners, it is the sort of prison that can actually be used as a long-term prison. Why do I say that? One of the wings, in

fact, has sentenced prisoners in it—those who undertake the work in the prison. And those prisoners apply to go to that prison.

Judith Collins: They do; it's a privilege.

Dr WAYNE MAPP: It is a privilege, as has been noted by my colleague Judith Collins, for sentenced prisoners to go to that remand prison to undertake the work there. That surely is a testament to the quality of the management of that prison, and I am sure the Minister will well know the incredible enthusiasm the staff of that organisation has had, which is in marked contrast to the tone of the public prisons. So this bill is a monument to the Government's ideology.

I want to conclude on this point: we will reverse the Government's policy, and we will be able to do that within 12 months, because there will be a change of Government.

STEPHEN FRANKS (ACT): I rise for the ACT party in the debate on the title, purposes, and principles of the Corrections Bill. I have put forward two amendments, both of which are intended to highlight the fact that the title "Corrections Bill" does not describe the bill, at all. This bill is a triumph of the philosophy that Mr Robson has just demonstrated. He thought his most withering attack on those on the Opposition side of the Chamber might be that we were not really responsible for our malign opinions. Of course, in the way that Government members approach almost everything in life—that no one is to be held accountable or responsible for anything—he decided to excuse all of us over here on the Opposition benches, on the grounds that we might have been to boarding school. It is a slightly different theory from potty training and those other theories.

Ron Mark: Didn't Michael Cullen go to boarding school?

STEPHEN FRANKS: Dr Cullen did go to a private boys' school. That may account for the absence from office now of the former Minister, Matt Robson.

The purposes and principles are set out in this bill. This bill very clearly reflects the ideology of those who have held the corrections portfolios since 1999. I may have missed some of them, but this is really a Tariana Turia bill, a Matt Robson bill, and a Margaret Wilson bill. And now it is a Paul Swain bill. This bill goes into endless detail about elementary management practice, and misses three of the four purposes of punishment. Those purposes are classically known. All the literature about imprisonment talks about protection or incapacitation. The bill states in perhaps one small provision that one of the purposes of punishment is the maintenance of public safety. It is possible that that is the way the Government refers to protection or incapacitation. Of course, if one is on the Labour side of the Chamber, it is very ugly to talk about "incapacitating" prisoners. Let us remember that Labour starts from the basis that if we are really nice to criminals, they just may be nice back to us. "Incapacitation" is a word that would be far too direct and far too ugly to put into the bill, so instead it uses the phrase "the maintenance of public safety".

The second recognised purpose of punishment is rehabilitation. That is usually seen as the very last purpose, because it is very hard to achieve and because the other purposes must be achieved. Rehabilitation, if we can get it, is desirable, but it has to come second, third, or fourth. Yet in this case, the rest of the bill is all about rehabilitation. It contains nothing more about deterrence, though every person who writes about punishment systems and prisons states that deterrence has to be one of the principal objectives, and it has nothing about the price for the crime: denunciation. Punishment, denunciation, and the price for the crime—every culture expects its justice system to denounce crime, to provide a price for crime, and to make sure that the victim does not end up feeling that the criminal is better off after the crime. Yet this bill does not even record the need for denunciation. It makes denunciation illegitimate, because it purports to be a comprehensive code.

A sensible prison manager whom I met several years ago said that she would not recommend people for home detention, because it was not fair on the victims, as the prisoners looked forward to home detention so much that it was self-evident it was not a punishment. That prison manager reflected the normal common sense of every culture, not the gobbledygook of the self-anointed elite that has taken control of our prisons—and, in fact, of our entire justice system—in the last 30 years. That manager had common sense, yet nowhere in this massive bill do we see any reflection of the possibility that a sentence should denounce criminals, and enable victims to feel that there was a price to be paid for committing crime. This bill expressly rules out the possibility of hard labour, which 92 percent of New Zealanders voted for in the Withers referendum. Could anything be more direct than stating that what the Government calls "afflictive labour" is illegal? This bill makes solitary confinement, which is one of the most humane forms of prison discipline, only a management—

Hon RICK BARKER (Associate Minister of Justice): I move, *That the question be now put*.

MARC ALEXANDER (United Future): I hope I will be given more than one call, owing to the fact that I was not given the courtesy of a call when we dealt with Part 3. Prior to starting, I want to pay tribute to the comedy stint of Matt Robson as a former Minister of Corrections. That material is ripe for New Zealand On Air funding as a satirical series, but I do not think the people of this country would find it very funny, and I do not think the victims of this country would find it very funny, at all.

If we look at the kind of system this Minister intends to support, to the exclusion of any possible alternative—an alternative that is beneficial to the correctional system—we see that it requires an in-depth look at "goon squad" activities, which happened in a State-managed correctional facility rather than in the private one. The interesting thing is that most of the leaders of the "goon squad" not only remain at work but have been promoted. The man who gave blanket approval for the emergency response unit to act in that way, Paul Rushton, is now a member of the committee looking at prisons, professional ethics, and organisational culture.

That is what this Minister is trying to defend, with the complicity of the Greens, who have spent plenty of time railing against this very thing. There was the rape of an inmate at Hawke's Bay Regional Prison while the inmates were drunk and out on a work party, and the pitchfork killing of an inmate in Rimutaka Prison while working in its faith unit. Then there was the judgment of the behaviour management regime. As a result of Justice Ron Young's decision in the Wellington High Court, Taunoa and three other behaviour management regime inmates can now ask for damages, along with other prisoners held unlawfully for a few weeks more than supposedly required. That is something that happens under the State management of prisons.

What about the assault at Pāremoremo, when prisoner Toko Manahi was restrained by a number of guards, including senior officers and unit managers, such as Murray Sweet and Trevor Tohill? I want to quote the following at some length: "Four inmates gave evidence on Mr Sweet kicking Manahi. One prison officer even acknowledged the corrections officer kicked the inmate while he was restrained. Mr Sweet himself, in his own review with Reti Pearse and David Pomeroy on November 13th last year, acknowledges kicking Manahi." I want to know what disciplinary action was taken against Mr Sweet, given that Manahi was restrained at the time he was kicked. There was none. I do not see the Minister in the chair, Paul Swain, jumping to the defence of his own department.

There were some shocked reactions from different sections of the public that want to maintain the present privately managed prison. A letter sent to the Hon Paul Swain from Te Warena Taua, chair of Iwi Whanui o Tāmaki-makau-rau, who raised serious

concerns over the Department of Corrections' controversial behaviour modification programme, states that nine inmates launched legal action against the Crown and the Department of Corrections, claiming that they had been subjected to psychological torture, unlawful solitary confinement, and numerous other breaches.

We are not talking about prisons in Iraq. It is a Department of Corrections facility. The Minister runs that department, yet he wants to close down the only other alternative—one that has the highest international recognition and standards. Why? Because of a belief in an ideological policy he supported before he had the chance to find out empirically how good privately managed prisons could be. Anybody who is not willing to change an opinion given fresh evidence ought to have his or her head examined. It makes absolutely no sense whatsoever.

I continue to quote the letter: "Now is not the time to reward the department with a monopoly on prison management, or to take away the competition which is forcing the department to finally start lifting its game. When we get rid of the privately-managed prison, we will get rid of the whole impetus for the Department of Corrections to start seeing beyond its prehistoric methods."

Hon DAVID CUNLIFFE (Minister of State): I move, *That the question be now put*.

BRIAN CONNELL (National—Rakaia): Thank you for a call on the great bedding debate. Talk about micromanagement! My colleague Mr Mapp has already mentioned clause 71(2). I remind members what detail we are getting down to. That subclause states: "A prisoner's bedding must be laundered as often as is necessary to maintain cleanliness." This week, our wishy-washy, Chardonnay-sipping, insipid, mealy-mouthed, PC Government has been absolutely pathetic on crime. Next thing we know, the Minister in the chair, Paul Swain, will be legislating for prisoners' mummies to come in and make sure they have clean underwear. That is the sort of detail that the Minister is putting into legislation.

The Minister in the chair is so hopeless that he had to table a Supplementary Order Paper of 50 pages—

John Carter: How long was the bill?

BRIAN CONNELL: It was 158 pages. A third of the bill has been corrected. It is certainly the "Corrections Bill", is it not? It is the "Corrections of the Corrections of the Corrections Bill". That Supplementary Order Paper was sneaked in at the last moment so that we could not have a quality debate on it. Do members know why? It is because that Minister is absolutely ashamed of this legislation. He has been rolled by Matt Robson and his union mates. He does not believe one iota of it, and it gets worse. That Minister, who maintains that his Government is concerned about victims, has completely ignored victims in this legislation, other than in a passing reference. In a bill that is 158 pages long, there is one slight, passing reference.

Hon Tony Ryall: And 50 pages of amendments.

BRIAN CONNELL: And 50 pages of amendments. When we raised it, what was his answer to the Opposition benches? He said they had the Victims' Rights Act. Anyone who believes that is anything but a Clayton believes in garden fairies, as well. This Government is soft on crime. Five out of eight of the principles mentioned in clause 6 provide for offenders, and there is one passing reference only to victims. This is a pathetic excuse for legislation, and the Minister is hanging his head in shame because he knows it does not stack up to close scrutiny. It is a bill that is being perpetrated on Parliament by unions and crooks. Actually, that is a tautology, is it not?

The greatest travesty of all is that the bill closes down the private management of prisons. The Auckland Central Remand Prison is the best performing prison in this country by a long shot. What is it getting as a consequence of its outstanding

performance? It is getting the great terminator. It is not getting Arnie—it is getting Paul Swain, terminator.

Ron Mark: "Swainy and the boys".

BRIAN CONNELL: It is getting "Swainy and the boys". He will be the Governor of California next. That is what he is aiming for. He is going to terminate the best-performing prison in this country. The decision to terminate the prison is on no other basis than ideology. Had the Minister cared to look at any sort of criteria at all, he would have found that that prison is far more efficiently run and far cheaper than anything else in this country, but he would not listen. With the cost of capital and overheads accounted for, the cost of care per day for an inmate in a private prison is only $130, compared to $270 a day for an inmate in a Crown prison.

The Minister in the chair should take a call to acknowledge whether those figures are right, because they are. He will say that that is not true. We know that, because management in the Department of Corrections would tell him so. Who would believe them?

JILL PETTIS (Senior Whip—Labour): I move, *That the question be now put*.

MARC ALEXANDER (United Future): Does anybody believe that this Government is listening to the people? I do not think that it is. It is not listening to Māori or the public of New Zealand, and it is certainly not listening to the victims of this country. It does not listen to Eru Thompson, a prison counsellor, who wrote: "It surprises me that Nandor Tanczos, the Green spokesman on corrections, thinks that prison culture in our publicly managed prisons is going to improve overnight. Here we have a prison"—referring to the privately managed prison—"that is functioning superbly for inmates, our community, and the Government." However, the backing of the Greens is going to reverse the progress, and that will result in negative outcomes for inmates, all for the sake of politics.

I have a transcript of a note to Nandor Tanczos from Toi Maihi, who said: "We are shocked and appalled to hear that you are supporting Paul Swain in his attempts to outlaw private prisons in this country. We thought you understood our feelings."—and then a warning—"Be assured that if this bill passes, because of your stance, we will ensure that every Māori radio station in this country will be broadcasting that fact, as will emails and any other media vehicle. In the past the Green Party has picked up quite a few from Māori, but if you consign our unfortunates to the prevalent so-called corrections culture, I wouldn't count on you having much of a political future."

The Greens are not listening to Māori, to the public of this country, and that is strange. Contrast that with some of the comments that have come from its members. Comments from Jeanette Fitzsimons and Rod Donald in 1999 included: "We say prisons are dinosaurs of the modern age. In no other area—health, education, accounting, banking, sport, or whatever—do we allow 19th century philosophy and practice to dominate." Now, the Greens are going to turn around and support it; what an about-face! What did they get for it? What little political sop did they get for this about-turn? At the election next year the Greens will be punished severely by the population, by Māori, and anybody with a remote sense of common sense.

They go on to say that the Greens support alternatives, and it is called Auckland remand, but they now want it killed. It is an absolute irony. Nandor Tanczos himself said in July 2001: "If the Minister and the public are to have any faith in this department and in the process surrounding this proposed prison, the whole thing needs to be independently investigated to the full." That is referring to Ngāwhā Prison.

There is an unholy alliance between the Labour Party ideologues and the Green Party ideologues who now want to get rid of the one best thing in our Department of Corrections. Now they want a review—not a review to find out the truth and then base a

decision upon it, but a review as a kind of sop to Māori, as if "Yes, we are taking your view into consideration, but guess what, we've already pre-determined the decision; we made the decision ahead of time." Who in their right mind does that? Nobody with half a brain could make a decision before he or she found out the facts that related to it. That is what Labour and that is what the Greens are doing.

Hon Tony Ryall: This Minister can.

MARC ALEXANDER: That is right. That Minister can. I hope that if the Government has a review, it will base it on independence, and look at iwi partnership, health, mental health, risk assessment, suicide prevention, alcohol and drugs, education and rehabilitation, and Māori culture and prison culture, with an open mind, but I bet it will not. It will have predetermined positions on all of this, and it will squash all the benefits that have emerged so far in the privately managed prison.

We heard from the National Party that when it returns to Government, this legislation will be one of the first things it will repeal. I tell members that my vote will be there. National can count on my vote to reverse the shocking ideological vote of Labour, the Greens, and the redundant Alliance leftovers—the dogsbodies, the Progressives—will be on.

Hon Matt Robson: I raise a point of order, Madam Chair. That was a hurtful comment. The Standing Orders state that members cannot use hurtful comments. When that member's leader was just a one-person party in this Parliament, we were very kind to him. Sometimes we forgot his name, but we were kind. I am sure that the Standing Orders do state that members cannot make hurtful comments, and if they do not, they should.

The CHAIRPERSON (Ann Hartley): I did not catch that comment. I was talking to the Clerk at the time. Did the member refer to another member in derogatory terms?

MARC ALEXANDER: I would not have called it derogatory. I would rather have called it truthful.

The CHAIRPERSON (Ann Hartley): Did the member refer to the member by anything else but his name?

MARC ALEXANDER: Not specifically to the member, but I did refer—

The CHAIRPERSON (Ann Hartley): The member knows that he cannot use an unbecoming term to refer to another member.

MARC ALEXANDER: I withdraw and apologise.

The CHAIRPERSON (Ann Hartley): Thank you.

MARC ALEXANDER: I will then rephrase whatever I might have said and refer to the party as the dogsbody. That party will certainly not be around after the next election and neither will the comical former Minister of Corrections.

Hon Tony Ryall: Did the member hear Jill Pettis say that his party was mad?

Jill Pettis: No, I said the member.

MARC ALEXANDER: I am continually reminded that when Jill Pettis starts to screech and scream, she sounds very much like a car door has slammed on her genitals.

Hon GEORGE HAWKINS (Minister of Police): I move, *That the question be now put*.

JUDITH COLLINS (National—Clevedon): I have been looking at this bill yet again and I wonder whether we should call it the "Mistakes Bill". It is not really about corrections. A whole third of the bill has to be acknowledged even by the Government as a mistake and changed again. Let us have a look at some of the mistakes. First off, there are 8,280 lines in this bill and its Supplementary Order Paper.

Hon David Cunliffe: Bring back Mike!

JUDITH COLLINS: I ask Mr Cunliffe how many of those lines deal with victims. Two lines and one word deal with victims. That is all this Government and the Greens think about victims.

John Carter: How many?

JUDITH COLLINS: Two lines and one word out of 8,280 lines talk about victims.

John Carter: Only two lines about victims?

JUDITH COLLINS: Let us be fair, it is two lines and one word. That is what the Government thinks about victims. That is not the only mistake in this bill. When the Hon Matt Robson was the Minister of Corrections—and he has been wanting to tell us all about it today—he wanted conjugal visits for prisoners, as if there were not enough of them anyway. That was definitely a mistake. Then there was the other Minister, the Hon Margaret Wilson. She was probably just a mistake. Then there is the Minister the Hon Paul Swain and his boys—"Swainy and the boys"—who are apparently supposed to deal with some of the "girlies" in Labour. What does he do? He stands up every day in Parliament and has to correct his answers to this House, which he says have been given to him by the Department of Corrections. That is for sure. It surely is the "Department for Mistakes", and he is the "Minister for Mistakes".

When we asked him about the different costs involved in private prisons and the public sector, all he talked about was fruit. All he could talk about was apples and oranges. That is about as far as he can go. He then came up with another little line. He said remand prisons were not as tough as some other prisons. Any of us who really understand what remand is all about realise that the remand prisoners are the ones charged with the worst offences. These are the people with the worst histories. These are the people where the court says: "We're not even going to presume that you can be staying out in the community until your trial. We don't trust that to happen. We want you in that prison now." These are the worst prisoners.

The private prison is the same one where William Bell went—the Returned Services Association killer. That was the only place secure enough to hold him in remand. He could not go anywhere else. It is where Mr Zaoui has to be held, because it is the most secure unit. What does this Minister say? He talks about apples and oranges, and every day he has to correct himself in this House.

This is the same department that has encouraged the "goon squad" mentality to operate. We have an inquiry still going on into the "goon squad". What has happened to those people? What has happened to those people under the 5 long years of a Labour Government with its puppy-dog friends? They have all been promoted. That is what has happened. At least those who mistreated the Iraqi people have actually been dealt to, but, no, these ones have been promoted.

Punishment does not enter into this bill. The Government says that prison is not about punishment. Government members should ask the 92 percent of the people out there what they think prison is all about. They know that it is very seldom that it rehabilitates anyone. They certainly know that prison is to keep prisoners locked up and to punish them for their crimes.

This is another example of a private-public partnership being thrown out by this Government. Do members remember when the Government first came into office? Its members talked about how they wanted private-public partnerships. That is called sucking up to business. This is the example of what they do to it. They get rid of it, and they do not believe in business.

Hon MARK GOSCHE (Labour—Maungakiekie): I move, *That the question be now put*.

The CHAIRPERSON (Ann Hartley): The question is that the question be now put.

RON MARK (NZ First): I raise a point of order, Madam Chairperson. I probably have two points of order now. I had to call for a point of order seven times to get your attention, and you deliberately looked the other way and continued on. I want to register my concern and dissatisfaction with that. The reason I was originally seeking the point of order was to draw your attention to this before you made that decision. Successive Chairs have sat in that very seat and given the Committee an assurance that calls would be allocated on a proportional basis. I know that you have already proceeded on the voting path, and that it is a very deliberate act and cannot be overturned, but I ask you to look at your figures as to who took calls and were granted calls. New Zealand First representation in this Parliament is half that of the National Party and almost twice that of United Future. On that basis, I would have thought New Zealand First would have been granted half the number of calls that National got and twice the number that United Future was granted. But that has not happened. I have sought the call, time and time and time again, and I absolutely take exception to your deliberately ignoring me and denying me that opportunity.

The CHAIRPERSON (Ann Hartley): The decision on the closure is mine entirely. I take into account what Mr Tisch raised about the previous debate on clause 3 last night. The debate on the title, as members know, has recently been changed. I took that into account. All factors are taken into account, not just proportionality. I have ruled on that, and I will not entertain further debate on my decision.

JOHN CARTER (Senior Whip—National): I raise a point of order, Madam Chairperson. I am a senior member of this Parliament, and I do not often take points of order unless there is an issue that needs to be raised. I will not have my point of order dismissed.

The CHAIRPERSON (Ann Hartley): I will call the member for a point of order, but I would make the point that it is not a debatable motion.

JOHN CARTER: That is correct, and I understand that, Madam Chair. I am well versed in the Standing Orders of this House. But I want to make the point that while it is true that proportionality is only one part that needs to be taken into consideration, at some stage I would ask you to give a considered ruling on Standing Order 102. The reason I do so is that I was involved in the discussions in the Standing Orders Committee when this whole issue was debated. It was debated for the purpose of addressing the rule that in the past, anyone who had not spoken in a debate was given priority over anybody who had. Part of the problem then was that often the larger parties could cut out contributions from smaller parties. As a consequence, we changed that rule in the Standing Orders for the very purpose of trying to allow, as one of the factors, proportionality. I accept that it is only one of the factors, but it may be something you can give a considered ruling on in due course, and I ask you please to do so, given the background of why we arrived at the Standing Order as we have.

Today in the debate Mr Alexander of United Future made two contributions. By my calculations, therefore, New Zealand First should have been allowed a further two calls, and National should have been allowed a further four. On that basis, the Greens could have made a contribution had they sought to. ACT also should have been given a further allocation. So we should really have had at least another seven contributions. Accepting that, I think we need a system, to help the Chair, whereby proportionality is a significant factor. I accept that you are right, Madam Chair, that there may be other factors—such as a member being in charge of a bill—that you need to give emphasis to, but it is probably appropriate that we get a considered ruling on this, not now—

Hon Tony Ryall: And members who have moved amendments.

JOHN CARTER: Yes, the factors include members moving amendments, as Mr Ryall has, and I accept that Mr Alexander certainly has done that. But there are other

factors, and I would ask that you at some stage, perhaps next week when we are in Committee, or the next time we are in Committee, give a considered ruling on how we are to deal with this relatively new Standing Order, which is an important one for us all to understand.

Ron Mark: Point of order—

The CHAIRPERSON (Ann Hartley): I am not going to entertain any more discussion on this matter. I will rule on the point of order. The member will please be seated. I just remind members that there should be silence while I am ruling, and also while a member is speaking on a point of order. I note the points made by Mr Carter. It is a question that is raised from time to time. However, I refer the member to the Review of Standing Orders. Certainly, it contains quite a lot about the title debate. I suggest that members have a look at that again. I will put the question on the closure motion.

Ron Mark: Point of order—

The CHAIRPERSON (Ann Hartley): I have made my decision. There will be no further debate on the closure motion.

Ron Mark: We seem to get into the habit of having clairvoyance guiding us on occasion—

The CHAIRPERSON (Ann Hartley): If it is a new point of order, it is acceptable.

RON MARK (NZ First): I raise a point of order, Madam Chairperson. It is a request, through a point of order, of you, Madam Chairperson. It is this: when members feel they have been deliberately ignored by the Chair—and there are people here who would attest to such an observation—when members, having stood to seek a call, feel that the Chair has made eye contact with them on two previous calls and when the Chair is well aware that that member was seeking a call; when members feel that the Chair has given consideration to one other party of smaller size, when members feel they have been deliberately ignored, what rights of recourse do members have other than to recall the Speaker? Can you tell me what rights I have?

The CHAIRPERSON (Ann Hartley): The member will be seated. The member is relitigating my decision. He knows his rights perfectly well, but I will not have this point of order relitigated.

RON MARK (NZ First): I move, *That the Speaker be recalled*.

House resumed.

Speaker Recalled

The CHAIRPERSON (Ann Hartley): Mr Speaker, you have been recalled because members have expressed concern about the closure motion on the title debate. I have made my ruling. I have taken nine speakers in this debate, which I considered had covered the issue. The Chairperson presiding when Part 3 was debated said he would take into consideration the need for more speeches. I have done that in calling nine speeches.

Mr SPEAKER: Does anyone else wish to make a very brief contribution?

John Carter: I would like to.

Mr SPEAKER: I heard the member's contribution when I was outside the Chamber.

JOHN CARTER (Senior Whip—National): Indeed, Mr Speaker, and can I make a helpful suggestion. I think this is important, because otherwise we may well have this matter relitigated time and time again. The problem is that while proportionality is only one factor under Standing Order 102—and I accept that you, Mr Speaker, were present at the debate on this whole issue—it seems to me that it might be useful if at some stage we could have a considered ruling on this. I did ask for a considered ruling to be given,

but the Chairperson did not comment on that part of my point of order. I ask that you now give a considered ruling. What might be useful is some sort of guide as to how we are to deal with the issue of proportionality, because there is no question that in the debate today we did get out of proportionality in terms of the parties that were seeking the call. I think it is important that we do the best we can to comply with the intent of the Standing Orders, and I ask you to comment on that, or give a ruling in due course.

Mr SPEAKER: I am ready to rule. I do not think I need to hear any further comments. I refer members to Speaker's ruling 58/8: "The [chairperson] is the sole judge as to whether or not he ought to sanction the putting of the closure motion …", and that, of course, is how the matter stands. On the matter that Mr Carter raised, I too was at the Standing Orders Committee, and I understood that the title debate was to be a short one, where there would probably be two speakers from the leading Opposition party and one speaker from each of the other parties, which is the usual going rate that I allow when motions are put from the Chair. If necessary, I am happy to rule in that direction. However, I understand the comment that was made on Tuesday, and I think the Deputy Chair, Mrs Hartley, was pretty generous in extending the debate in that regard, but that was a promise that was given, and it was allowed. As far as I am concerned the Chairperson is the sole judge of relevancy.

RON MARK (NZ First): I raise a point of order, Mr Speaker. It was I who moved the motion to have you recalled. The reason is that I am aggrieved. I cannot question or challenge the decision of the Chair. But what I would like to have addressed is what I believe was the unfair way in which I was treated by the Chair. The Chair knew full well, some three calls prior to that, that I was seeking a call. The Chair looked at me directly in the eye on all occasions and awarded the speaking slots to other members. Now that is the Chair's right and it is perfectly appropriate. I was keeping tally of the numbers of calls that each party was given. I then sought the call again, but my question to you is: what recourse do I have when the Chair deliberately looks the other way, starts to issue a statement, and not only ignores my first point of order, but ignores my second, third, fourth, fifth, sixth, and seventh points of order, and then goes on to tell me that I cannot challenge her decision? Somewhere in here there has to be some protection for members who want to get their points of orders made, and want to get equal representation in this House, as they are entitled to according to the proportionality of seats they hold.

Mr SPEAKER: I want to say quite specifically that a Chairperson is not bound to give members advice on what recourse they have under the Standing Orders. That is for MPs to research themselves.

Hon TONY RYALL (National—Bay of Plenty): I raise a point of order, Mr Speaker. I seek a clarification of your ruling. You said that the title debate is now to be a short debate.

Mr SPEAKER: No, I said that was what the Standing Orders Committee recommended. That is entirely the responsibility of the Chair, not mine.

Hon TONY RYALL: So when you indicated that the nine calls that the Chairperson accepted in this debate was generous in light of the undertaking that was given on the Tuesday night, are you suggesting that, in future, debates on the title will be fewer than nine speakers, as a rule?

Mr SPEAKER: I want to assure the member that I will give this further consideration and come back on the matter.

Dr WAYNE MAPP (National—North Shore): I raise a point of order, Mr Speaker. It is about the precise point that Mr Mark made. He mentioned, and I observed this very closely myself, that he continually requested a point of order. It is my understanding that when a point of order is requested, and it must have been heard, then it will actually

be heard. The precise concern that he has is that he made it many times, and was, frankly, ignored. That is the particular issue for the recall of yourself.

Mr SPEAKER: That was the point that was made, and it is something that happened in the Committee stage. I am in the House now. I will certainly take note, and I will have a look at that and come back to the member if necessary.

RON MARK (NZ First): I raise a point of order, Mr Speaker.

Mr SPEAKER: I have already ruled on it.

RON MARK: I know, but there is something that I omitted to say, and I think it is important. The point is that one cannot challenge the decision of the ruling. But that ruling can only be made if the person in the Chair continues to speak and give such a ruling, despite the fact that a point of order was started before her ruling started. To continue to ignore the points of order in order to get the ruling out is a deliberate ploy, I felt, to prevent me then challenging the decision that was made. I would like your deliberation, and I do not expect an answer right now. But I do feel that that tactic is unfortunate and only leads to total discontent on the part of the House.

Mr SPEAKER: I will certainly have a look at that matter.

In Committee

Clause 1 Title *(continued)*

A party vote was called for on the question, *That the question be now put.*

Ayes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Noes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Motion agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the No New Private Management of Prisons Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The CHAIRPERSON (Ann Hartley): A further amendment in the name of Marc Alexander to clause 1 is out of order.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the State Monopoly of Prison Management Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The CHAIRPERSON (Ann Hartley): Five further amendments in the name of Marc Alexander relating to clause 1 are out of order.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the State Only Management of Prisons Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the State Only Regulation of Treatment of Prisoners Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Existing Management Contracts Cannot be Extended Act."

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The CHAIRPERSON (Ann Hartley): A further amendment in the name of Marc Alexander relating to clause 1 is out of order, as is an amendment in the name of Stephen Franks relating to clause 1.

The question was put that the following amendment in the name of Stephen Franks to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Adoption of United Nations Rules over New Zealand Prisons Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of the Hon Tony Ryall to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (United Nations Standard Minimum Rules for the Treatment of Prisoners and Other Matters) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of the Hon Tony Ryall to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (Rights for Prisoners, Abolition of Private Management, and Integrated Offender Management) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of the Hon Tony Ryall to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (Abolition of Private Management of Prisons and Other Matters) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of the Hon Tony Ryall to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (Integrated Offender Management and Other Matters) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of the Hon Tony Ryall to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (Rights and Entitlements for Prisoners and Other Matters) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 52

New Zealand National 24; New Zealand First 13; ACT New Zealand 8; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (No Private Management and Other Matters) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 51

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (State Only and Other Matters) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 51

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (Monopoly of Functions and Other Matters) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 51

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (Regulation of Inmates) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 51

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (Crown only Regulatory Control of Inmates) Act.

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 51

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (No New Contracts and Other Matters) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 51

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (Correctional Unions Employment Regulation and Other Matters) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 51

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

> to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the Corrections (Control of Inmates and Other Matters) Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 51

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The question was put that the following amendment in the name of Marc Alexander to clause 1 be agreed to:

to omit the words "This Act is the Corrections Act 2002", and substitute the words "This Act is the State Management of Corrections Act".

A party vote was called for on the question, *That the amendment be agreed to.*

Ayes 51

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6; Independent: Awatere Huata.

Noes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Amendment not agreed to.

The CHAIRPERSON (Ann Hartley): Two further amendments in the name of Marc Alexander are out of order.

A party vote was called for on the question, *That clause 1 be agreed to.*

Ayes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Noes 51

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6; Independent: Awatere Huata.

Clause 1 agreed to.

Bill reported with amendment.

VOTING

Correction

Mr SPEAKER: Leave was given for the ACT vote on the second reading of the Social Security (Child Benefit) Amendment Bill to be amended from 7 votes against to 6 votes against. The amended result of the vote is Ayes 30, Noes 80.

BORDER SECURITY BILL

Second Reading

Hon RICK BARKER (Minister of Customs): I move, *That the Border Security Bill be now read a second time*. This bill is part of a comprehensive approach by the New Zealand Government to keeping New Zealand secure, and to ensuring that our export trade is facilitated expeditiously across foreign borders at all times, including at a time of heightened international security concern. There is no question that we must address national security. The Border Security Bill will put New Zealand's security on the front foot. The bill will enhance New Zealand's international reputation as a reliable, low-risk trading partner, and will help make New Zealand a safe destination for the tourism industry.

I want to thank the members of the Government Administration Committee for their work on this bill. They have proposed a number of amendments that will ensure protection of New Zealand's borders, while still respecting the rights of the individual.

The Border Security Bill amends the Customs and Excise Act 1996 and the Immigration Act 1987 as they affect border trade and security. In summary, the changes will, firstly, improve the security of global travel and trading environments; secondly, strengthen the gathering and sharing of intelligence; thirdly, ensure better use of information to assess risk; fourthly, enhance customs enforcement powers at the border;

and, fifthly, strengthen and enhance immigration processes relating to persons intending to travel to New Zealand.

I want to deal firstly with cargo security. Our export destinations are increasingly taking measures to ensure they do not import anything undesirable. The United States, for example, is introducing an approach that will put imports into either a red lane or a green lane. To qualify for the green lane, the US must recognise the exporter as a trusted trader, and his or her country of origin will count in that assessment. Otherwise, the goods face automatic red lane scrutiny, and the likelihood of added costs. The majority of customs administrations around the world, including APEC members and the European Union, are also working on trade security measures.

These measures have the potential to slow down our trade and add costs to traders, unless we go on the front foot. This Government wants to ensure that New Zealand's export trade is seen as trustworthy, and is moved expeditiously through the green lane of overseas border controls. To achieve that, we must take responsibility for ensuring we are not exporting risk, and we have to demonstrate that security assurance to our trading partners.

The Customs Service has a four-part strategy to achieve that: accurate electronic information about all goods entering, transiting, or leaving New Zealand; intelligence-based risk assessment of those goods; targeted, smart, and low-cost examination of cargo identified as a potential risk, using non-invasive or X-ray technology; and voluntary agreements to reduce risk—the Secure Exports Partnership programme. The Border Security Bill underpins that strategy. The legislation enables the Customs Service to access electronically the computerised cargo management systems of organisations in the trade and transport chain, such as freight forwarders and consolidators. The bill also establishes the legislative environment for the Secure Exports Partnership scheme, where Government and business work together to protect the interests of New Zealand traders. The bill, and the systems behind it, will enable the Customs Service to give assurance to overseas customs administrations that goods exported under the scheme are packed securely and pose no security threat, and that there are no other goods packed with them. They then have to be conveyed securely and without interference to a place of shipment, and then shipped.

The aim of a supply chain security strategy is that all New Zealand trade will have the Customs Service seal of approval—either through the Secure Exports Partnership scheme or through risk assessment and examination prior to shipment. Our trade will then be regarded by overseas customs administrations as low-risk, thereby minimising inspection, disruption, and delay, and facilitating clearance on arrival. It will be up to individual exporters whether they participate in the Secure Exports Partnership scheme, but it is clear from the level of interest that they are willing to do so. The Customs Service has over 90 applications from businesses interested in the scheme, so far.

The only concern that has been raised is over the funding of this and other parts of the supply chain security strategy. That is an issue that has been raised right across the industry, both in submissions to the select committee and in consultation meetings with the Government. It is a fact that securing the supply chain costs money. However, the benefit for traders from trade security is the facilitation of trade in an increasingly uncertain global environment. For New Zealand, the main cost of enhancing trade security is in providing the Customs Service with the capability to screen shipments deemed to be at risk. To achieve this with the minimum disruption to trade flow, the Customs Service needs cargo X-ray technology and more staff. The Government has already provided capital funding of $22 million to purchase equipment, and set-up costs of $9 million in the current financial year.

In recognition of the benefit to business of the facilitation of the movement of cargoes across international borders, the Government will be looking to industry for a contribution towards the new costs of the trade security programme. Those new costs are approximately $20 million per annum for import, export, and trans-shipment clearance services. However, partly as a result of representations made by exporters and others, the Government has decided to take several significant steps to meet some of the concerns raised by the export sector over the level of contribution it might be expected to make, both now and in the longer term.

First, the Government believes that, given the rapid pace of change in international security requirements, and given the significant changes in the international trading environment that have occurred since 11 September 2001, there should be a review of all Customs Service goods clearance charging. The review will examine the quantum and apportionment of charges for imports, exports, and trans-shipments, and the basis on which Customs Service charges should be levied. The review will start after promulgation of regulations enabled by this bill, with the results of the review being implemented no later than the first half of 2006.

Second, the Government will continue to contribute significantly to the total cost of goods clearance, including a share of the new costs of the trade security programme. To help reduce the impact of the new charges on top of the other costs that exporters are facing, and while the review is taking place, the Government will provide an additional $8 million over the next 2 years towards the costs of Customs Service export clearance. That represents 50 percent of the new costs for export clearance being met by the Crown, and 50 percent by exporters. The Crown will, as a result, be contributing 60 percent of the total funding requirement for export clearance in that period. The detail of how these charges will be collected is currently being discussed between business interests and the Customs Service. Once this bill is enacted, the Act will require further consultation to be undertaken before the new charges are finally set.

Let me turn now to other aspects of border security. International crime and terrorism involve the transnational movements of people, goods such as explosives, and money, to facilitate criminal and terrorist activities. New Zealand needs to be sure it is adequately equipped to manage all of those threats at the border. We have seen a great deal of debate recently about individuals, their presence in New Zealand, and whether they pose a risk. As Minister of Customs, my goal is that the Customs Service be able to identify, intercept, and effectively deal with those people at the border. For the service to be able to do that, advance passenger information is essential.

There are two elements to the travel information provisions provided for in the legislation. For immigration purposes, the following will apply. Firstly, airlines and cruise ship operators will be required to use electronic means to submit passport details for persons boarding craft for the purposes of travelling to New Zealand, in advance of their arrival. The full implementation of the legislation will mean that passport and visa details will be checked automatically against electronic records held by the New Zealand Immigration Service. Any matches will trigger an advisory back to the airline about whether that person should be allowed to embark for New Zealand. As well as checking that passengers have met the legal requirements to enable them to travel to New Zealand, this pre-boarding screening will assist in the direct detection of forged visas and passports, so that fraudulent passengers do not get to New Zealand. While the Advance Passenger Processing system improves the likelihood of identifying fraudulent passengers, or those who have not met requirements for travel to New Zealand, the bill does not change any of the existing requirements regarding who is permitted to enter New Zealand. This form of screening of data is the best way to reduce New Zealand's exposure to risk from people travelling here, while at the same time maintaining a high

flow of arrivals to New Zealand at any one time. There will be no refusal of holders of valid New Zealand passports or returning residents visas.

The second, equally important aspect of travel information gathering and analysis in this legislation is the provision for the Customs Service to access electronically the computerised passenger booking systems of travel operators and their agents. This will allow access to certain passenger or ticketing information. The Customs Service will access this information for the purpose of identifying persons who may present a risk to the New Zealand border. These provisions have been carefully developed to enable New Zealand authorities to have access to information without jeopardising the privacy of legitimate travellers. Again, I am aware of the very detailed consideration that the Government Administration Committee gave to balancing the rights, freedoms, and privacy of individuals with the rights of the State to protect its citizens and its interests.

Airlines around the world are responding to similar legislation from other countries. Here, Air New Zealand has voluntarily led the compliance, and all airlines are now providing the information voluntarily.

The Border Security Bill also strengthens the Customs Service's powers and controls over people crossing our borders illegally. Right now, if a customs officer encounters a person who is unlawfully arriving from, or leaving for, a remote location, and is not currently on a craft, such a person is not subject to the normal level of scrutiny that a person arriving legitimately in a Customs Service - controlled area is subjected to. It is obvious that this translates to a considerable security risk for us and for our immediate neighbours, so we are toughening up on the controls, and we are empowering customs officers to deal with those situations. We are particularly targeting those suspected of being involved in transnational organised crime—terrorists, people-smugglers, etc.

I commend the bill to the House.

SHANE ARDERN (National—Taranaki - King Country): I rise to speak in opposition to the Border Security Bill. It is with a great degree of sadness that I have to do this. I acknowledge the work of the officials for the Government Administration Committee—of which I was a member for part of the time—because they did a thorough job and came back with some very solid recommendations as to how we should enhance and improve security at our borders. Unfortunately, this Government is once again trying to sneak in a sneaky, back-door tax—like another sneaky, back-door tax I can think of that was introduced in Parliament recently. Here we are again with another sneaky, back-door tax.

I acknowledge that the Minister has backed down a little bit and is now prepared to wipe $4 million off the proposed $8 million per annum that the Government was going to charge exporters. The Government made that announcement today on *Intranews* at 4.18 to coincide, of course, with the second reading of this bill. But it is a long way from where the Minister needs to go.

The National Party said at the select committee—it is what we have thoroughly investigated and still believe, and what we have put in our minority report—that the $19.753 million in extra tax is an arbitrary figure based on nothing that we could find. The Treasury papers we saw certainly demonstrated that there was no thorough investigation into what these border investigations would cost.

Further, this bill once again shows the grey area this Government is trying to introduce in terms of part user-pay charges. In New Zealand, security costs have historically always been a public good met by the State. As the Minister said in his opening comments, these changes came about primarily as a result of the 9/11 attack in the US, and our need to be able to get through the extra security measures that the US has put in place. These are absolutely a security cost, and should fall on the taxpayer as

a public-good cost. They should not be shoved on to industry as this Minister is trying to do.

If this bill proceeds as proposed, something like 70 percent of the Customs Service's costs will be now met by users. That percentage is higher than it has ever been in New Zealand, and higher than I can find anywhere internationally, as well. Seventy percent of all security-related costs for the Customs Service will now be met by users. That is a very high percentage. The Minister is not sure whether to nod in acknowledgment of that, or to shake his head, but that is what this shows me.

Treasury guidelines stated—and this was presented to the select committee—that a very high threshold is being set in terms of what is a public good and what is not. I ask the Minister—and perhaps he is prepared to take another call to answer some of these questions—whether this is a public good. Yes or no? Is it a security cost? Yes or no? The Minister will say that exporters would not be able to get through the fast lane without the Government's intervention. Yes, I accept that that is true. The Government is supposed to intervene when a foreign nation starts to dictate what must happen at our borders. That is what the Government's role is. What is the role of Government if not to provide security to industry and exporters?

Hon Rick Barker: This is the member who voted for the privatisation of prisons!

SHANE ARDERN: The Minister needs to get clear what is in the public interest and what is not, and explain to people how he can draw on private prisons when we are talking about a security cost imposed on a nation by foreign nations in relation to trade—when to comes to getting products in and out of our country. I am sure he will take a call later on to explain that to us.

National strongly opposes new clauses 7B and 8C, which permit the introduction of this underhand, back-door tax. It can be described only in that way; there is no other way to describe it. Industry accepted that the Government would not back down 100 percent, and came back and offered the Government a 50/50 cost split. I thought industry was generous in coming back—it showed a sign of weakness, and it should have stuck to its guns—but that is what it did. That is what the collective exporters, importers, and shippers of New Zealand decided they would do.

They came back to the Government and said: "Look, clearly you're going well beyond where Governments have ever gone before, but we can see that you are not going to back down 100 percent, so we are prepared to meet 50 percent of the cost." What did the Government do? It slammed the door in their faces and said: "No way. At best, we will come up with a reduction of about $4 million per annum on this $20 million tax on the exporters."

The Minister says that is 50 percent. It is 50 percent of the exporters' costs—I accept that—but it is not 50 percent of the total cost. I have not worked out the percentage in total—I am sure someone here who is pretty quick with maths can work that out and make a contribution in a following speech—but the reality is that the Government has introduced a cost that has normally been met by the State. It can only be described as an extra tax. There is no other way of describing it.

The Government, which is enjoying the best economic times in the recent history of New Zealand, and which has massive surpluses, has seen fit, once again, to introduce another form of tax on our exporters, who are the very heart and soul of our economy. They are the engine room that drives our economy, and they have allowed the Government to come up with the best returns a Government has had in a long time. In talks with the Government, they have decided that they will find a way to fast-track our exports with foreign nations, which is something they should be commended for. I thank the Minister for his efforts there, and the officials who advised him on that. So

why can the Minister see the advantage of it at that level, but not see that this cost is a public good that should be met by the State—as it has always been?

In closing, I say to the Minister that he should go back and listen to the concerns of industry leaders. The Prime Minister has indicated that she is willing to listen to some of those concerns, so he should reassess his stance on it. He could do himself a lot more good politically by going back and saying: "Yes, we concede now that this was an arbitrary figure plucked out of the sky, and there is no basis for this charge." He should accept that it is a tax and back down 100 percent on it, which would be the honourable thing to do.

STEVE CHADWICK (Labour—Rotorua): I rise to take a quick call on this bill. I also was on the Government Administration Committee, and I refute the allegations of the member opposite that a sneaky tax was imposed. The Government had to move very quickly. We had to do something new and innovative to protect our export market, and the member opposite knows that. We could not have a secure export partnership scheme without new costs.

The Minister stated clearly today that the Government has listened to industry and has made a shift in its contribution. It will contribute to 50 percent. I was on the committee and heard the need to reconsider. We have reconsidered. If we want to export, we had to move on our secure export partnership scheme. This is a result of that move. This is a very sound bill, worked through very ably by the Government Administration Committee. I support this bill.

DAIL JONES (NZ First): This bill is a kick in the teeth for the exporters of New Zealand, for the workers of New Zealand, for the trade unions of New Zealand, and for everyone out there earning a dollar, all day, 24 hours of the day and night. It is a kick in the teeth for the sailors who go on the ships that take our exports overseas. It is a kick in the teeth for those people who load our exports onto aeroplanes around New Zealand and send them overseas. No wonder New Zealand First will be opposing this legislation!

Not too long ago, the Labour Party was saying in its election manifesto: "Funding such core responsibilities has a far higher priority for us than the meaningless dribs and drabs of tax cuts announced by our opponents." That was a Labour Party election policy in 1999. Where did I get that quote from? It was in an answer to the House by the Rt Hon Helen Clark, the Prime Minister, when on 8 April she was asked a question by Peter Brown, the deputy leader of New Zealand First. How could that have been a high priority for the Labour Party in 1999, but no longer a high priority today?

A Government is elected to ensure the peace, order, safekeeping, and security of a country. In ensuring the security of a country, we ensure its borders from the point of view of both imports and exports. Barely 2 years ago, there was an import bill in which the Labour Party introduced a $20 million tax on imports. Now it is going the other way and imposing a tax on our exporters. That tax will cause a great deal of difficulty to Air New Zealand, and to shipping companies and the like—not only because of the tax itself, but because of how it will be calculated. Added paperwork—added administrative work—is always a problem when yet another tax is introduced.

The Labour Party has reneged on its views in the past. The Prime Minister was asked why the Government was introducing the tax on this occasion. She said that policy was honoured in full in the Government's first term in office; it was not repeated in the 2002 manifesto. As I have always said about political parties, it is not what they say in their manifestos that is important; it is what they do not say. One has to read a political manifesto not from the point of view of what a party says it will do, but what is left out of it. That was left out of the manifesto at the last election, and the lesson is here for us

all. If the Labour Party leaves something out of its manifesto, we can be absolutely certain that it will do it next time round, and this is a classic example of that.

We see no reason why a single dollar should be imposed by way of this legislation. It has traditionally been the responsibility of the State. During the Second World War, did the Government impose a tax because there was a war on? Of course not! That was the responsibility of the State. During the First World War, did the Government impose any tax? I do not know of any tax that was imposed then. Just because something happens in the United States, does that mean we have to impose a tax?

In the Second World War, London was burning. We had all sorts of problems. There were U-boats off the coast of New Zealand. Did we impose a tax? No way! It is a specious argument for the Labour Party to suggest that because something has happened in one country overseas, we should somehow impose a tax as a result. That is an absolutely pathetic argument. As correctly stated, it is just another sneaky tax by this minority Labour Party Government. It has a $7 billion surplus, and it will hand out money left, right, and centre next week.

Where does that money come from? It comes from exporters, and all those people who work their hearts out to try to earn a buck and make a profit. What will happen to them? They will be banged up for another $19.5 million approximately, give or take. We are never quite sure how much the give is, but we can be sure that the Government will take it, again and again. It is another classic example of this Labour Party taxing business left, right, and centre.

New Zealand First will be attacking this legislation in the Committee stage next week. We are looking forward to putting forward various amendments to try to overturn the actions of this minority Labour Party Government and its sneaky tax grab that is kicking all workers in the teeth. We will be vigorously opposing this bill in the Committee stage.

IAN EWEN-STREET (Green): The Greens will be supporting this bill, though it is a decision we have not taken lightly or quickly. The process of consultation on this legislation has been an object lesson in how not to undertake consultation. The bill first came before the Government Administration Committee without any mention at all of cost recovery. It was only after it had been through the select committee process and people had made their submissions that the Minister introduced a Supplementary Order Paper that did include cost recovery. It was only at that point that he asked the Greens—and I think we were the only party left at that stage to support the Government—for our support to get the legislation through Parliament. We said there was no way we would do that, and he should consult with the players. To his credit, the Minister did consult with the players. At that point the bill went back to the select committee, and at least those people's voices were heard. Whether the Government has responded in the way that members of the travel and trade industries would have liked is a different issue, but at least their voices were heard in the select committee. I commend the Minister for having the gumption to say that he had made a mistake, and at least he moved to correct it.

Essentially, the dispute boiled down to the fact that after September 11 in the United States, the US Government moved to increase security. Obviously, it did not want to have containers on board ships that could result in floating bombs, nuclear bombs, fertiliser, or anything like that arriving in ports in the middle of big cities. The idea of having secure containers was very good. The problems arose with the process of getting to that point, and determining who would pay for it.

The Government was telling exporters from New Zealand that if they undertook to sign up to its plan, then they would have a trade advantage. The Government said that if exporters got their product into the United States, it would guarantee that the container

contained what they said it contained, and that a very strict regime was in place to make sure that the contents of containers complied with the manifest. So the Government was saying that that was an advantage to traders, because when containers or goods arrived in the United States, they go through what the Minister called the "green lane". In other words, they would simply arrive on the wharf and be moved off to their destination, because they would be guaranteed to be free of potential bombs or other terrorist threats. The converse of that is that if New Zealand does not go down the "green lane" and have an approved security measure, then every container would go through the "red lane", which would include processes like taking containers off ships, putting them on wharves, and opening them up and looking at the contents, each stage of which costs money and time. Every trader and every exporter knows that time is of the essence—that when their goods arrive at their destination, they need to get them to the customer.

The Government argued that the security regime was an industry good, because its processes would facilitate trade by getting goods into the US, off the wharves, and into the hands of importers or clients at their destination as quickly as possible. The converse argument of that came from the industry itself, which said that national security for the United States and for New Zealand is a national good—a public good. The industry asked why it should have to front up with money for something that traditionally had been, and should continue to be, carried out under the auspices of the Government. Both those arguments had merit. I am delighted that the Minister has finally relented and said that the Budget will have a halfway stage. As I understand it, the Government will put $4 million a year—certainly, $8 million over 2 years—into the Budget, which will cover 50 percent of the cost that was to have gone to exporters. At the end of 2 years there is to be a review, and we welcome that, as well.

The Greens support taking a principled approach to this legislation. We have been urging the Government to undertake a proper review, not only in terms of the export trade but of passengers, as well. We are pleased to hear that the Minister has finally announced that a review will happen. On the subject of passengers, there is also an element of human rights that we need to consider. We have concerns, along with some of the submitters to the select committee, about privacy issues—and this applies to passengers—particularly around the collection of personal details from travellers under the advanced passenger identification system. The subsequent use of that information could have an unreasonable downside for passengers, particularly if there are inadequate controls on the information that is collected and on how it is used, especially by foreign jurisdictions. We say that there needs to be a very tight rein on the information that is gathered, on whom it goes to, and on what it is used for. That particular point has been, and continues to be, a controversy that is raging between America and the European Union at the moment. It is an issue that we will deal with in the Committee stage.

The bill itself has a rightful place. We do need to improve the security of both inwards goods and inwards passengers into this country, and to do the same with regard to our outgoing goods and passengers. The controversy, as always, comes down to who pays for it. There has been an ongoing argument, which became quite heated, between the industry and the Government about that. The Government urged people to appreciate that the added security was actually an industry good, and, therefore, industry should pay 100 percent of the cost, but, conversely, the industry said that it was a public good and the taxpayers of New Zealand should pay the entire cost of it. I am really pleased that we have come to what at least appears to be a reasonably rational solution, with the Government agreeing to cover 50 percent of the disputed amount over the next 2 years, and a review to follow that. As I said, the Greens support this bill, but not with great alacrity.

GERRARD ECKHOFF (ACT): The word "principle" is occasionally mentioned in this House, but not very often, and even less is it followed through on. Members of Parliament and, indeed, members of the public who are listening to this debate, will understand the concept of a public good. They understand that when the health, life, well-being, or safety of a New Zealander is at threat, there is no demand for cost recovery. When individuals are trapped on the face of Mount Cook or Mount Aspiring, or when they are out in the ocean, the search and rescue people are called in, and they do their damnedest to ensure a successful outcome. Yet no cost recovery is imposed on those people. All of us know that in some circumstance at some time of our life, we may need the benefit of search and rescue or the Government services to help us.

Hon Pete Hodgson: The ACT party is now arguing over subsidies, is it?

GERRARD ECKHOFF: The ACT party has always been in favour of user-pays, but I say to the Minister of Transport that the next time he sends out search and rescue to pluck a person from the ocean or off Mount Aspiring, he should tell that person that there will be a 50 percent cost recovery. That is all I am asking for. That is the principle that is involved here. I say that there is, as every other speaker has alluded to in this House, a fundamental principle that when there is a public good, then the public should pay.

It is quite fascinating to note that the socialists here in the House, who have a philosophy of all sharing in the wealth created in this country, do not seem to accept that philosophy when the costs of creating that wealth occur. So I ask that Minister what the principle is behind this legislation. That is all that New Zealanders are asking, and that is all that the tourism industry and trade industries are asking. They are asking to be given the principle behind this bill. They want to be able to see that what the Government is doing is fair and reasonable. They say that if they can see how they as individuals are to benefit from the whole process, they may well accept it. But there has been nothing in response to that. This Government has yet again seen the cash cow of industry—the wealth producers of this country—and it keeps on milking it. We could argue that a few million dollars here or there will not make a huge difference, but, again, I come back to the principle of continually imposing costs on industry. I wonder where John Tamihere, the Minister for Small Business, is. Why is he not speaking on this bill on behalf of small business—for example, on behalf of the fellow I spoke to who exports high-quality fish to France? He told me that he now has to turn that fish into fish fingers, because he cannot afford to go through the process of guaranteeing security. The costs are just too great for him to do that, so we will lose out on that export. That is absolutely wrong.

The next time we have members of the New Zealand public in need of the police, why should we not then impose a cost recovery regime on them, too? When there is a fire or when some resource is needed, why should we not impose cost recovery on the people involved, as well? Those are huge costs to this country. What about our armed services? Surely, they are the ultimate in a public good. Many of those men and women go overseas to protect New Zealanders, our nation, and our resources, for goodness' sake, as they did in the two world wars. Why should we not impose the cost of wars on everyone, and tax the people who own those resources? The argument is a nonsense one from this Government. That is why industry has stood up and said it has had enough. In some respects I am actually quite pleased that the Government is imposing yet another whack on industry, because it is just another nail in this Government's coffin. Come election time—whenever it may be; hopefully it will be sooner, rather than later—it will be very easy to stand up and speak to the people of this nation, and to tell them what the Government has done in terms of imposing continuing costs on this country.

It is no wonder that people like the McLachlan family referred to in a *Sunday Star-Times* article cannot make ends meet. It is tougher to survive in this world than this Government understands—just competing against the world, without compliance costs being imposed almost weekly by a Government that has no understanding of business. How many members of this Government have actually been in business and paid compliance costs? I do not think there are any.

Hon Pete Hodgson: Me!

David Parker: Me!

GERRARD ECKHOFF: Well, to be charitable, maybe one or two have. That is the real problem. The meat industry and the farming industry—

Hon Members: Ha, ha!

GERRARD ECKHOFF: I guess the Government can laugh at those sorts of things, but the farming industry is not laughing. I can tell Mr Parker that the people of Central Otago will not be laughing when I tell them that Mr Parker thinks this legislation is fine, and that it is wonderful to impose costs on farmers. He may just have a bit of a struggle on his hands at the next election, when I inform them that he thinks it is perfectly fine to constantly impose such costs on them.

I say again that the ultimate responsibility of a Government is to provide security for its people. That is why we pay 39c in the dollar in income tax—not for the Government to turn round and say we are paying $7 billion more in tax than we need to, but it has a $20 million cost here that it is going to grab off us again, so it can fire all that surplus into the welfare Budget next week. That is the real issue, and the people of this country understand that. That is why they have reacted strongly against this bill. They have bent over backwards to accommodate the Government, and the Government has constantly moved away from them. The terrible events of 9/11 have imposed the requirement for additional security, and every country recognises the need to up its security—absolutely; there is no question about that. But the real issue is that if there is a public good involved here, then the taxpayer of this country, who benefits every time resources pass over a wharf or into an aeroplane, will benefit. We will all benefit from that. It is not just the meat industry or the farmer who will benefit; it is also the freezing workers, and the people who have good jobs that have been created by industry. They will benefit from this measure. Every person who pays tax will benefit—indeed, every New Zealander who receives benefit from the Government will receive benefit from this country having first-rate security. That is all we are asking for.

I say, as an ACT party MP who absolutely has a philosophy of user-pays, that I have no problem with regard to paying my fair share. But I do not expect, nor does industry—especially industries like the meat and wool industries—to have to pay twice, and maybe even three times. That is all that the farming community and the export industries are asking for: for the Government to be fair about this issue. But the Government has thumbed its nose at them, walked away, and said they have to pay the costs because it has the power to impose them. Well, if that is consultation, I think it is a really good indication, yet again, that this Government's days are numbered.

PAUL ADAMS (United Future): I rise on behalf of United Future to oppose the second reading of this bill. I find it interesting that all the Opposition parties opposing this bill are not opposing the need for it; rather, they all speak against the cost recovery in it.

There is no doubt that the terrorist strike of 11 September 2001 aroused the United States from a strategic slumber and spurred Washington to act to protect its borders. On that day the United States experienced a terrible new reality: the importation of external terrorism. This reality served to galvanise the US Government—and, indeed, all Governments—to put in place new standards of border security. The Bush

administration eventually moved to overhaul completely its border control security measures against terrorism and other suspicious activities related to cross-border crime. That resulted in the US Container Security Initiative. The bill before us today is driven principally by the need to respond to the US Container Security Initiative, although New Zealand's overall supply chain security is designed to cover all our exports.

It should be noted that the principal driver of security over imports is the protection of New Zealand's domestic interests. The need to increase trade security cannot be disputed. United Future acknowledges this and supports the practical proposals contained in this bill. However, despite our acknowledging the necessity for action and approving the measures proposed, we cannot lend our support to the Border Security Bill in its current form. This is because we fundamentally disagree with the Government on the question of who should fund these important security initiatives. The Government, swimming against the tide of both industry outrage and common sense, has decreed that the private sector should bear a large amount of the cost.

Certain guiding principles form the basis of United Future's rationale for not supporting the bill. We fully recognise that it is for the Government to determine which border and supply chain protection measures are needed to ensure the protection of New Zealand and our critical trade links. The Government would be remiss if, on the back of the measures required by the United States of America, it did not move to protect New Zealand's trade with the US and other trade links where necessary, yet it should be noted that the Government would also be remiss in its duties if it did not move expeditiously to ensure the security of its citizens from threat of acts of terror—whether passing through, or brought into, New Zealand. The defence of the realm is at the very core of any Government's responsibility. We are engaged in a war of terror that will likely last for decades—a war against all New Zealanders.

We do not support the Government's irrational and shortsighted claim that the protection of New Zealand's trading supply chain will benefit only exporters and importers. The protection of these chains of supply is vital to the maintenance of the national economy. This relationship is particularly important in New Zealand, with our heavy reliance on the export economy. We should be supporting the export sector in every way possible. It is definitely a public good, the success or otherwise of which impacts on all New Zealanders. United Future contends that the foundations of this bill are rooted in the overarching principle of national security. It is this particular principle that the Crown, and the Crown alone, has a duty to uphold. Simply stated, it is an extraordinary and untenable position to propose that private exporters and importers should be encumbered with a large percentage of the cost involved.

Added to the weight of the argument against the Government's proposed levy are reports from independent, research-based organisations. Two reports in particular, one from the New Zealand Institute of Economic Research and another from Capital Economics, both strongly and unequivocally refute the Government's argument for private good. Instead, they passionately affirm the obvious public-good characteristics of the initiatives. Even Treasury in its *Guidelines for Setting Charges in the Public Sector*, which sets out very clearly for agencies such as the Customs Service which services are appropriate, the level of any charges, and which parties should pay, is somewhat reluctant to wholeheartedly box in the Government's corner. This speaks volumes as to the error the Government has made.

The overall conclusion of all of this is that the Government not only has fumbled the ball with regard to listening to the concerns of industry, but also has used false logic to justify its decision. Let me restate that these proposed initiatives, though needed, will be there to protect the economic and physical security of the nation as a whole, and the Government should therefore fund their ongoing implementation in line with its core

responsibility of protecting the national interest from the threat of terror, which is really what this bill is all about. United Future is opposed to it because we believe that the public safety is a Crown responsibility. United Future is opposed because, as has been pointed out ad nauseam to the Government by the trade and travel representatives of this country, it is wrong to send our importers and exporters the $20 million bill involved. We are opposed because two independent research reports, one from the New Zealand Institute of Economic Research and the other from Capital Economics, have both unequivocally refuted the Government's private-good arguments. We are opposed because they breach Treasury's own *Guidelines for Setting Charges in the Public Sector*.

Simply stated, the Government has got this one wrong. It appears that it decided to lumber a large cost on our trading sector almost by way of knee-jerk. The subsequent process that it has followed in post factum entering into discussions with representatives of that sector has been deeply flawed from day one. We are disappointed, therefore, that even when those realities became obvious the Government rigidly adhered to its original position. That position is unreasonable and unprincipled, and United Future will be voting against this bill.

PANSY WONG (National): The National Party will definitely vote against this bill. I just want to take a short call to make a very important observation this afternoon. The Opposition members, apart from the Greens, have all stood up and given two very good reasons for not proceeding with this bill. One is on principle, because of the definition of "public good", and the second is that nobody is fooled that this is a levy or cost recovery—it is simply a tax. When a Government cannot justify it, it is nothing but a tax. Yet this bill will pass its second reading because of the Green Party.

It is very interesting to look at the Green Party, whose members always claim they have principles and are the guardians of democracy. They say they stand up for principles. I am not too sure what deal has been struck, but, whatever it is, it must be pretty scary, because that party is prepared to ditch its principles and support the Labour Government's tax grab, which is what this bill is.

This week or next week—soon—we are going to see the Hon Dr Michael Cullen playing Father Christmas. He will be giving away early Christmas presents, in anticipation of next year's election. We were told that the Government is looking at a revenue surplus of $7 billion. But it continues to punish the wealth creators of New Zealand, our primary industries, our exporters, who are already having a hard time because of the high exchange rate that is facing them, the Labour Government's increasing compliance costs, and the 17 other new taxes that have been imposed on New Zealanders, particularly the business sector.

I make the observation that I hope the Green Party between now, the Committee stage of this bill, and the third reading demonstrates once and for all to the New Zealand public that it is a party that stands up for principles, and will not strike a deal to back the Labour Government on this legislation, which is nothing but a tax grab in light of the $7 billion surplus, which this Government will use to buy votes rather than relieve the burden on our farming and export sector, which is our wealth creator. I look forward to the Green Party coming back to its principles, changing its mind, and making sure it sends the right message to the export sector, to the people who already are struggling in terms of making sure their products are sold overseas, to the benefit of all New Zealanders.

A party vote was called for on the question, *That the amendments recommended by the Government Administration Committee by majority be agreed to.*

Ayes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Noes 50

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6.

Question agreed to.

A party vote was called for on the question, *That the Border Security Bill be now read a second time.*

Ayes 62

New Zealand Labour 51; Green Party 9; Progressive 2.

Noes 50

New Zealand National 24; New Zealand First 13; ACT New Zealand 7; United Future 6.

Bill read a second time.

The House adjourned at 5.38 p.m.