

Waiata

DAVID PARKER (NZ Labour—Otago): Madam Deputy Speaker, I congratulate you on your appointment. As a new MP, I feel like Harry Potter arriving at Hogwarts School of Wizardry. I have had no trouble identifying Professor Dumbledore and Hagrid; I am still a little scared of them. My fellow MPs have suggested many candidates for Voldemort, but I will reserve judgment.

On behalf of the people of Otago, I acknowledge my predecessor, Gavan Herlihy. Gavan is a fair and honourable man who served the Otago electorate for 6 years, and I express thanks for his efforts. As Gavan has said, it takes a lot of work to service an electorate the size of Switzerland. Greetings also to Ian Quigley, who won the Otago Central seat for Labour back in 1972.

The coastal part of my electorate borders Dunedin. It extends north, past seaside townships like Karitane, Shag Point, and Moeraki, and past Oamaru, to the Waitaki River. Like the whole electorate, it is rich in history and culture. For example, Karitane—a special place where I spend a lot of time—was occupied by the Ngāi Tahu hapū Kāti Huirapa Puketeraki for centuries prior to the arrival of sealers and whalers. The Māori art still preserved in North Otago limestone caves also bears witness to those pre-European days. Those same limestone deposits were used to build the towering columns and ornate details that grace Oamaru streets.

Between the coast and the mountains, productive farmland earns hundreds of millions of dollars in export earnings, and supports rural towns like Palmerston, Ranfurly, Middlemarch, Ophir, my birthplace of Roxburgh, Alexandra, and Cromwell. Hot dry summers, crystal-clear, sunny winter days, Lombardy poplars in autumn, and schist rock outcrops abound. The big skies and twilight silhouettes captured by Grahame Sydney move anyone who experiences them.

The vineyards and orchards of Central Otago lead on to the jewels of Hawea, Queenstown, and Wanaka. Lakes and rugged mountains are the backdrop for the adventure tourism capital of the world. The electorate extends beyond, to the virgin forests of the Mount Aspiring and Fiordland National Parks.

It is indeed a privilege to serve this electorate. I treasure the opportunity and pledge to do my best, especially for those least privileged.

I owe my presence here to many people. I first acknowledge my mother, Joan, and my father, Frank, in the gallery today. Without their love, guidance, and keen interest in social issues and business I would not be here.

Thanks also to the people I see as my mentors: Jim Guthrie, John Farry, the Hon. Pete Hodgson, and Howard Paterson. A greater bunch of free-thinking friends, advisers, brains, and philosophers would be hard to find anywhere.

I also pay tribute to the people who worked hard for me in what was an intense and effective campaign. It takes great strength of belief and will to persevere, election cycle after election cycle, in seats seen by others as safe National seats. To name names unfairly omits others, but some need special mention: Warren Crawford, Heather Grimwood, Atholea and Tom Shanks, Dougal and Edna Soper, Barbara Duff, Arthur Schep, John Cheeseman, Vern Dunn, Michael Gibson, and Donna Stuu. Thanks also to the activists from Dunedin who collectively walked hundreds of kilometres around the electorate, mostly in sub-zero temperatures. And thanks to the Hon. Richard Prebble, who in advance of the election said that Labour was not fighting any marginal electorate battles. He spurred me on.

My last and most heartfelt thankyou is extended to my wife, Sue, and our three children. Partners of MPs bear an unfair proportion of parental responsibility and domestic drudgery. Neither partners nor children seek election. They do not get the glory, yet they lose the freedom of anonymity, suffer the absence of their partner or parent, and have their own lifestyle choices curbed by our own. Against that reality, the love and support I have received from them is humbling. I cherish them all.

I now wish to touch on local issues. The Queenstown Lakes District Council has only 13,000 ratepayers. Each year, 1.5 million visitors stay more than 2.7 million bed nights.

Most are overseas visitors. Tourism is one of New Zealand's most important and fastest-growing industries. The economic benefits to New Zealand are counted in billions.

But Queenstown's small number of ratepayers cannot afford to fund the infrastructure costs. Already the rates are amongst the highest in New Zealand. Residential rates average around \$1,600. This does not support flash amenities, just basic services. The council has to spend around \$25 million per annum on capital works. This is an enormous amount for a lowly populated district. The council borrows as much as it prudently can. Its debt levels are already high. It already amortises its infrastructure costs over the maximum 30-year period permitted by law. Despite all of this, the council has coped only by selling off substantial land assets. These are now depleted, and the council is approaching a dead end.

The council seeks the right to impose a levy on visitors, to be collected by accommodation providers. It wants to collect only \$1 or \$2 per night, and would be happy for the power to be so capped. I am convinced that the council needs this power. The Hon. Bill English was reported in the *Southland Times* on 21 August as saying that he agreed some such power is necessary. The Otago electorate and I will look forward to his party's support.

Dunstan Hospital at Clyde has 24 beds and a palliative care unit. It serves a population of more than 20,000 people, scattered over a wide area. All stakeholders agree it is an essential part of health services. The hospital is run by skilled staff overseen by a very effective local board. Its efficiency, in terms of both patient outcomes and costs of treatment, is held up as a model for secondary hospitals in other parts of New Zealand.

The hospital comprises a hotchpotch of old buildings long overdue for an upgrade. The oldest parts are over 100 years old. There has been no substantial upgrade for some 50 years. Its time has come. Prior to the election, the local health trust proposed raising a substantial part of the \$6 million upgrade cost from local sources. I have opposed that course. Public hospitals ought to remain in public ownership and receive public funding—be they in a city or in the regions.

I fully endorse the Dunstan Hospital upgrade. So does the district health board. As is normally the case, the district health board cannot afford to fund the upgrade from its normal funding. Government funding will be required. I promise my electorate I will use all of my influence to ensure this wise use of public health dollars is allocated the priority it deserves. I cannot do the impossible, and I am not promising an answer by Christmas, but I do promise an answer during my first term.

The south already produces much of New Zealand's power—certainly, far more than we use. Most of our major rivers have already been dammed and damaged. Project Aqua is Meridian Energy's proposal to take most of the flow from the lower Waitaki River, via a canal, through a series of power stations. Whether the environmental degradation is justified by the nation's need for power is, ultimately, for the Environment Court to decide. If the court says it should proceed, then it is the locals who will suffer the burden of environmental losses.

I will advocate that if the project receives consent, it should be on terms requiring Meridian to pay 5 to 10 percent of the cost of the project into a fund to be used for local initiatives. In my opinion most of that fund should, for a period, be loaned to farmers to establish economic irrigation, to improve the local economy, and to avoid the desperate droughts of the past. Some of the fund should be used to better protect some of the rare estuarine wetland areas the region enjoys. Others will have different, perhaps better, ideas as to how the fund ought to be applied. But on the principle I am firm: if we in Otago are to bear the environmental costs, then a one-off charge of 5 to 10 percent of the project cost is fair mitigation.

I now wish to turn to some economic and labour market issues of nationwide relevance. I agree with some of new MP Mike Ward's earlier comments about the need to minimise waste, including inappropriate consumption. I also believe we need to broaden the economic indicators we use to judge our performance. Measures of energy consumption and other resource depletion should be given more prominence. But I do think we need economic growth.

In terms of financial indicators, I want to talk about gross domestic product (GDP) and gross national product (GNP). GDP, while important, is not the only indicator we should watch. In comparison with other countries, New Zealand pays insufficient attention to per capita GNP and the current account.

The 1990s is a case in point. I am on record elsewhere as criticising the performance of the Reserve Bank, then governed by Dr Brash under National, for imposing inappropriate monetary policy. My views reflect those expressed in *The Economist*, hardly a left-wing rag. Excessively high interest rates choked the productive parts of our economy. Farmers and other exporters suffered internationally high interest rates, which contributed to a high exchange rate. Our GNP and current account deficit took double hits. During this period New Zealand's current account deficits were disastrous, and are counted in tens of billions of dollars. Export earnings were suppressed at the same time as international lenders, seeking to profit from extraordinarily high interest rates, lent billions of dollars to mainly metropolitan borrowers. We consumed yesterday's savings and still have the headache. New Zealand became addicted to living on credit, and the debt incurred has yet to be repaid. The late 1990s, in my opinion, marked the greatest mismanagement of the New Zealand economy since the Rt Hon. Robert Muldoon—another National man touted wrongly as an economic guru—left the economy in tatters.

I share the Hon. Dr Cullen's determination to keep inflation under control. But I also applaud his detailed attention to the wording and application of Reserve Bank monetary policy. On the topic of inflation, we need to take care not to exaggerate it. I agree with excluding second-hand house prices from the index. We must also take proper account of substitutionary purchasing and, perhaps, changes in the quality of goods.

My background is in business and law. My interest in constitutional law dates back to my days as a young lawyer, when I challenged the vires of the rent freeze regulations. I lost, but the subsequent Labour Government did not, and properly curbed the excessive powers of the executive.

The proposed Supreme Court is the most significant constitutional issue we have faced since. It is critically important that the proposed Supreme Court be constituted on express terms that preserve the sovereignty that Parliament presently enjoys. I have some views as to how this might be achieved, which I intend to discuss with the Attorney-General.

New Zealand's main point of international comparative advantage remains farming. We are the world's largest exporters of dairy products, sheepmeat, and venison. Primary production accounts for 58 percent of our exports. We have achieved world-leading roles in these industries and in the cooperatively owned processing industries. We have achieved this without material foreign ownership. These New Zealand - owned industries are largely free of the threats that transfer pricing and intercountry loans pose to our tax base.

In an increasingly globalised world, the price of our rural land, when measured in foreign currencies, is a mere fraction of the price paid for similarly productive land in other countries, like the USA, European countries, and Japan. There is a serious risk that without appropriate controls on the foreign ownership of rural land, a material proportion of our productive land and related processing industries could end up with overseas owners likely to export their profits. The sale of rural land does not sufficiently add to the productivity of the New Zealand economy to justify our taking this risk. Added to that are the different cultural attitudes of some foreign owners to recreational access over private land. For these reasons I favour the introduction of very strict controls on the sale of rural land to non-residents. Examples of such legislation are found on the statute books of our trading partners.

Access to paid employment is the most effective way of ensuring access to a decent income, and the equitable sharing of wealth in our community. It is clear in New Zealand and elsewhere that increases in economic output alone will not cure unemployment. The better distribution of available work amongst those able to work is the key to decreasing the number of people reliant on the State. It is also a key to reducing the unjustifiably

large gap between the earnings of low and high paid workers, to reducing tax for low earners, and to enlarging the gap between low wages and benefits.

In my view the economic instrument to achieve these ends is overtime rates. Although the Engineers Union has been successful in maintaining overtime rates, it is an exception to the rule. Overtime rates have plummeted. In many industries they have disappeared. There is no economic deterrent to employers employing four people for 50 hours per week rather than five people for 40 hours. Loss of penal rates is the main reason the average working week has remained static despite improvements in labour productivity. A return to penal rates for overtime is essential.

The number of hours at which penal rates should begin is a moot point. We need to consider the implications of demographic change. We must factor in our declining birth rate, ageing population, and trends in migration by New Zealand - born residents. Consideration of these demographics will also enable us to better understand and communicate what level of immigration is desirable for our country.

I look forward to debating these issues—no doubt with more interjections next time. Rau rangatira mā, tēnā koutou katoa.

HEATHER ROY (ACT NZ): Mr Speaker, may I offer my congratulations on your appointment. I stand here today, proud to be the 80th New Zealand woman to be admitted to this House of Representatives. Many of the women who have preceded me, particularly those early pioneers, have been women with great courage and passion, and despite personal sacrifice have set about to elicit change for the betterment of New Zealanders, and especially New Zealand families. I am a mother of five children, and I am pleased to say that they are here with me today. I want a country where it is possible for them to advance their education and their careers without having to leave New Zealand permanently.

My children are fortunate. They have two parents who love and care for them, who provide for them financially and emotionally. Sadly, this is not the case for many of our children, or for those in our community who are truly vulnerable, those who live in poverty without proper access to what we in this Chamber would consider the basics.

It is time for change. Change is long overdue. It is much easier to do nothing than to elicit change, and people who seek power for its own sake generally avoid change. Machiavelli warned that: "There is nothing more difficult to accomplish, nor more dubious in its outcome, nor more perilous in its execution, than to take the initiative introducing change."

I stand here advocating change in a liberal direction. Many people here claim to be liberal, but I will explain what "liberal" means to me. It means taking a tolerant attitude to the behaviour of others, unless it is harmful, and granting others as much autonomy over their own lives as possible.

One should never confuse socialism with liberalism, because socialism is distinctly authoritarian. On that issue, I could do a lot worse than to quote from the maiden speech of a former National Prime Minister, Sir John Marshall, made in 1947. A few years previously, he had played his own part in the war against National Socialism. He said: "The Liberal knows that it is not progressive but reactionary to attempt to control and make uniform by law the personal conduct and habits of men. Many times and in many places this has been tried and it has always failed." He went on to say that "a great gulf separates the Liberal and the socialist. It is a gulf both of principle and method, and I am on the side of the Liberals."

Like Sir John Marshall, I, too, am on the side of the liberals. So where would a liberal reformer try to affect change in New Zealand in 2002? Members will be aware that the fifth Labour Government has preserved most of the economic reforms introduced by the fourth Labour Government, but, as Sir Roger Douglas reminds us, there is unfinished business. Social policy reform is long overdue.

Change is perilous, and change in social policy is particularly perilous, but we must ask "What is the cost of doing nothing?". If we continue to do nothing, our burgeoning welfare State will go from bad to worse. That is just one of the areas where New Zealand is failing.

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