

Celebrating the Change: First Intimations of Direction to be Navigated by the New Government

With a sense of excitement for the changes of importance to Public issues, we can see that the Labour-led coalition with NZ First, and Greens is not just a matter of targeting one or two issues to appease political pressure on poverty, housing and rivers. Signs are that this is a systemic change for 'Responsible capitalism', citing homelessness and child poverty as evidence of a failing system - a surprising and welcome charge against conventional economic rationality. That is a fresh idea from government, not new to NGO's, and there is commentary galore amidst the endeavor to discover the details.



New Zealand's new Prime Minister is collaborative rather than conflictual with leadership that is confident and unifying rather than adversarial.

Before giving attention to the changes at hand, let us not forget the tragedy of the Māori Party in this election. Born on the massive outrage against the removal of customary title of the Foreshore and Seabed in 2004, with a new mandate to safeguard Māori interests on Parliament, the loss of Māori Party representation in Parliament is no doubt the subject of close scrutiny for Māori. Whether the price of coalition was too high is an often repeated question.

An Integrated Plan

What gives me most confidence in the real prospect of a new direction is that the coalition is working on an integrated plan for the wellbeing of people and the environment. The plans have a measure of wisdom, that the change should not be a jolt, and that stability of work and agriculture are to be part of a phasing in, transitional process for moving the economy away from fossil fuels, from inequality and the housing crisis, with 'just transitions' as a key to labour market stability. This is quite different from an ideology of market driven economic growth.

Eliminating child poverty, building new affordable homes, cleaning up waterways are keystone policies all in the contest of responsible climate change policies. There are reforms ahead galore. Labour's far reaching reforms may be modified by NZFirst's philosophy that families should have their needs met independently of the state, as seen in NZFirst's work-for-the-dole. Labour's social agenda includes:

- Modernise our welfare system so it aligns with the employment market and is accessible for all
- Legislate for the reduction of child poverty by measuring all financial policies against their impact on children and assessing progress at each budget
- The Social Security Act will require the wellbeing of children to be considered in all social development policies and laws

- Rename the Ministry of Vulnerable Children the Ministry for Children: Oranga Tamariki and expand its scope to reflect upholding the wellbeing of all children.
- Implement a Families Package that will deliver more money to families with children and reduce child poverty.
- Lift the abatement threshold for beneficiaries to \$150 to help beneficiaries transition to full employment.

Housing, Immigration

Prime Minister elect Jacinda Ardern attributes the housing crisis to lack of supply of affordable homes, comparing the cost of smaller size affordable houses to the average size, and thus cost of new Auckland houses of 200 square meters. So Labour is committing to building 10,000 new homes per year for ten years will start with 20,000 new affordable homes in the first 3 years.

This aligns reasonably with NZ First housing policy which is focused on affordability and availability, but diverges from NZ First attribution of immigration as the cause of the housing crisis. Their policy was to 'slash' immigration to 10,000, to cut the pressure on the housing and infrastructure and the purchase of land to facilitate housing development through a system of advantageous loan financing. We await further details on rental housing policies and insulation. We already know that Labour has not conceded their policy of cutting immigration to 30,000 (from the current 72,400).

Wages Wealth and Inequality

There is a general consensus that poverty has to be addressed through multiple policy instruments: housing, wages, taxation, and policies to ensure social inclusion. The new government is not making promises way beyond their time mandate to be in government; it is taking steps to implement policies immediately, while also acknowledging 'there is no future in fossil fuels'. Just Transitions are not only for the safeguards for workers to move into new forms of employment; transitions are also needed in agriculture with respect for time it will take to transition into new profile of investment. They are to *plan* for changes, and not have *jarring* change.

Wages are upfront for immediate action with the minimum wage going to \$16.50 per hour in from 1 April 2018.

Waterways

When pressed for clarity about cleaning up **New Zealand waterways**, we find this is policy yet to be resolved. All parties want swimmable rivers. Labour and NZ First propose royalties for bottled water.

NZ First emphasises national interests in water. Their solution to the present allocation on a first-in-first served basis, to allocation based on strategic national interests. NZ First rejects a water tax as a mechanism to put a price on the commercial use of water. Labour and the Greens propose a price on the commercial use of water. Both Labour and Greens support a resolving Māori interests in water, including provision for marae, and with Iwi/Māori involvement in ongoing development of policy for waterways. It is of interest that Labour and Greens policies closely correspond to the proposals made by Judge Sir [Taihākurei Durie](#), which are visionary in providing for Māori and wider public good interests in water.

Labour and Greens policies Greens specifically provide for a levy on sales of NZ water, a ban on new resource consents for bottled water, and for any revenue from bottling and exporting water to be divided 50/50 between local councils and mana whenua.

Climate Change: Energy, Transport, ETS.....

Explicit action on climate change has already clear:

New Zealand will now have a goal of Net Zero carbon emissions by 2050 to be implemented through multi-sectoral policies, including energy, transport, land use, labour market policies in a Just Transitions framework, that may include closing emission intensive industries.

The Zero Carbon Act is on the legislative agenda – and we can acknowledge again the amazing prescient, and prophetic action by Generation Zero.

A Climate Commission will be established to provide guidance on the 2050 goal, and to hold Parliament to account for milestones and reporting. There is divergence between the three parties on the Emissions Trading Scheme (ETS). Reducing emissions has a key focus on energy, in the context of an economy wide transition.

The Net Zero target by 2050 option outlined in the Vivid Economics Report requires not only change in land use, energy and transport changes, and emissions-reducing technological development, but closure of some emissions-intensive industry. Industrial emissions should be monitored independently by Enviro-mark (which uses Certified Emissions Measurement and Reduction Scheme). This would encourage more extensive emissions-reducing investment in research and development such as that introduced by Lanzatech, which is working on a waste revolution through biotechnology which produces low carbon chemical and fuels from waste. At present, independent monitoring is voluntary, though industrial emissions are growing rapidly (Frances Palmer, Churches Climate Network)

A key pathway is to promote and support for at least 90% of New Zealand's electricity to be generated from renewable sources by 2025 which likely to happen with uptake of **Electric Vehicles** and more **Distributed Generation** (energy produced from sources close to site of use). Renewable energy should be close to 100% by 2040. The moratorium on any new fossil-fuelled baseload electricity generation will be reinstated until 2028.

Attention will be given to Distributed Generation with local energy solutions alongside centralized energy provision to ensure supply and demand are reasonably balanced.

A Carbon Tax is one option for dis-incentivizing emissions. If the **ETS** is retained, a major question is whether agriculture will be brought into the ETS, given that nearly half of New Zealand's emissions are methane, from dairy.

Transport is high on the agenda for Labour and the Greens. Light rail in Auckland and investment in electric trains are likely to be common ground for them, but specific policy is yet to be announced.

The Prime Minister elect could not be drawn on whether block offers on **drilling for oil** will be stopped. She repeated the overall strategy of not jarring the economy and cushioning employers and investors, while supporting investment in people, and in particular employees.

Education

Exciting news for students:

Free tertiary education is getting a kick-start with the first year of tertiary education or training fees free and student allowances and living cost loans are to be increased by \$50 a week from January 1, 2018.

Other Social Justice Matters (won by Greens)

- Access to education for children with special needs and learning difficulties
- Free counselling for under-25s and access to mental health services and support for everyone
- Substantial progress in this parliamentary term to eliminating the gender pay gap in the public service
- Reduction in the number of students living in hardship
- Review, and adequately fund and support, the family re-unification scheme for refugees.
- Increase funding for alcohol and drug addiction services and ensure drug use is treated as a health issue, and have a referendum on legalising the personal use of cannabis at, or by, the 2020 general election.

Monitoring and Measurement

Measurement was emphasized across social, economic and environmental policy.

Measurement and monitoring is will a key component of the Climate Commission.

The reserve Bank Act is to be reviewed,

The Public Finance Act is to provide an annual report on finance with legislation for monitoring child wellbeing and poverty.

A consensus on homelessness needs to be achieved, which will be the basis for a a score card on housing and homelessness.

The First 100 Days

Make the first year of tertiary education or training fees free and increase student allowances and living cost loans by \$50 a week from January 1, 2018

Pass the Healthy Homes Guarantee Bill so families and all renters can live in warm, dry homes

Ban overseas speculators from buying existing residential properties to help take the pressure off the housing market

Stop the sell-off of state houses so we can better look after vulnerable families

Legislate to pass the Families Package, including the Winter Fuel Payment, Best Start and increases to Paid Parental Leave, to take effect from 1 July 2018, so we can better support families, superannuitants and beneficiaries

Introduce legislation to set a child poverty reduction target and change the Public Finance Act so the Budget reports progress on reducing child poverty

Resume contributions to the New Zealand Superannuation Fund to help safeguard the provision of universal superannuation at age 65

Set up a Ministerial Inquiry to fix our mental health crisis

Take the first steps to clean up our rivers and lakes by holding a Clean Waterways Summit of all key stakeholders

Increase the minimum wage to \$16.50/hour, to take effect 1 April 2018, and introduce legislation to improve fairness in the workplace.

Not Everyone is Happy

Some farming interests have expressed opposition to the plans to stop subsidising irrigation.

Federated farmers are ready to sit around the table with the new Government and move beyond differences of views to unity of purpose.