



WEDNESDAY, 28 FEBRUARY 2007

QUESTIONS FOR ORAL ANSWER

QUESTIONS TO MINISTERS

Ministers, Finance, Education, and Social Development and Employment—Confidence

1. JOHN KEY (Leader of the Opposition) to the **Prime Minister**: Does she have confidence in the Minister of Finance, the Minister of Education, and the Minister for Social Development and Employment; if so, why?

Rt Hon HELEN CLARK (Prime Minister): Yes, because they are all hard-working and conscientious Ministers.

John Key: Does the Prime Minister agree with Michael Cullen that National's policy of removing the cap on charitable donations is just a cut-and-paste from the Government's own discussion document; if so, can she tell me exactly on what page the cut-and-paste of such a policy is, and on what page the details of the removal of the cap on donations is listed?

Rt Hon HELEN CLARK: I would have thought that any discussion document that calls for debate about whether the threshold should be capped at a certain level opens up a debate as to whether there should be a cap, at all.

Hon Dr Michael Cullen: Has the Prime Minister seen reports that Mr Key claims to donate his entire parliamentary salary to charity—if so, he would benefit by some \$70,000-odd a year by the removal of the cap—or the alternative claim that he donates \$40,000 to charity, by which he would benefit by over \$13,000 a year from his new policy?

Rt Hon HELEN CLARK: I have seen such reports, and would regard them as entirely consistent with National's policy of tax cuts for the rich.

John Key: Does the Prime Minister support the removal of the cap on charitable donations; if so, will it be included in this year's Budget?

Rt Hon HELEN CLARK: All those issues are being considered in the current review. In Government we take a responsible approach, developing policy rather than slogans.

Hon David Benson-Pope: Can the Prime Minister tell us what reports she has seen on the impact of the Working for Families tax credits?

Rt Hon HELEN CLARK: I have seen reports that show that when the process of introducing the Working for Families package is completed on 1 April—with \$10 a week going to every child where families are eligible for family support—our child poverty rates are due to fall below the European Union average. That last crucial step of \$10 a week per child from 1 April is opposed by the National Party.

Hon Peter Dunne: Does the Prime Minister recall that during the post-election discussions regarding confidence and supply arrangements, United Future raised the issue of charitable donations and the need for a review, and, as a consequence, provision was made in the agreement for there to be such a review—both of charitable giving by individuals and also of corporate

donations—and does she acknowledge that without such a review, the current debate would be largely irrelevant?

Rt Hon HELEN CLARK: I want to give full credit to the member and United Future for bringing this issue into the Government's work programme years before Mr Key went looking for a slogan.

John Key: Does she agree with Michael Cullen that New Zealanders who go to Australia for tax reasons are “functionally innumerate, and we are probably better off without them.”; if so does she think this assessment applies to Jan Cameron, the founder of Kathmandu, who went to Australia because the tax treatment of her charitable donations was far more generous there than it would be in New Zealand; and given that Dr Cullen has been nodding his head in agreement can I assume that he agrees with the statement that those who go to Australia for tax reasons are functionally innumerate and we are probably better off without them?

Rt Hon HELEN CLARK: To the best of my knowledge tax rates are actually higher in Australia.

Hon Ruth Dyson: Can the Prime Minister outline any other changes in policy and legislation that are designed to address poverty in a sustainable way?

Rt Hon HELEN CLARK: Indeed I can because in the Labour Party we believe poverty is best tackled by good policy like Working for Families, like income-related State rents, like fair labour law, like investing in programmes for our low decile schools, like the Primary Health Care Strategy, like lifting the minimum wage—all things the National Party has opposed.

John Key: Does the Prime Minister agree with Steve Maharey that businesses giving donations to their communities constitute Tory charity; and if so, has she corresponded with the Minister for Arts, Culture and Heritage to see what she thinks of Tory charity, given the amount that is given to the arts and culture sector?

Rt Hon HELEN CLARK: I am totally in support of philanthropy in our community. My difference with the member is that I do not think it is the primary solution to poverty.

Hon Dr Michael Cullen: The member has got his courage up at last to come into the House—goodness me! Could I ask the Prime Minister if she would be prepared to accept an offer—

Rodney Hide: I raise a point of order, Madam Speaker. I think you know my point of order, Madam Speaker, and I think the rules should apply to the Deputy Prime Minister as well. I think he should be asked to withdraw and apologise.

Madam SPEAKER: I am sorry, I thought your point of order was going to be on the fact nobody could hear what was being said. I am sorry, Mr Hide, I do not know what you are talking about.

Rodney Hide: The Deputy Prime Minister accused a member of this Parliament of lacking courage. That is certainly outside the Standing Orders and he should be pulled up for that.

Hon Dr Michael Cullen: Speaking to the point of order, I actually said the member had got his courage up to come into the House. I was paying tribute to the courage he was now showing.

Madam SPEAKER: That response was in response to interjections from that side of the House. If members could just please contain themselves. If the member takes personal offence, would he please indicate and I will ask the member then to withdraw and apologise. That is the normal procedure.

Gerry Brownlee: I raise a point of order, Madam Speaker. I do not want to prolong things but are you now saying that everything goes, it is a free for all, and it will only result in someone being pulled up if a particular member takes personal offence?

Madam SPEAKER: No, I am not Mr Brownlee. I am saying in this set of circumstances, with the chipping that was going across, there was not a lack of courage. That was not the term used. Courage was mentioned in the comment in response to another comment. Under those circumstances, in the context of the debate, of course if the member takes offence then the member must withdraw and apologise, but I have to take the context into account, and I have.

Hon Dr Michael Cullen: Given Mr Key's references to Australia, would the Prime Minister be prepared to accept an offer from the National Party to lift the cap on charitable giving for both individuals and companies in return for two top tax rates of 47 percent and 42 percent, and a 9 percent payroll tax on business to pay for individual superannuation?

Rt Hon HELEN CLARK: In my experience, the National Party only ever refers to those parts of the Australian tax regime that it likes, and not to the total scene of the Australian tax regime.

John Key: Has the Prime Minister seen reports from reputed accounting firms that show 99 percent of New Zealand taxpayers would be far better off paying tax under the Australian system than they are under the New Zealand tax system—and that is a fact?

Rt Hon HELEN CLARK: No. I would advise the member to go away and check his facts. I would be very surprised if he could substantiate that.

Venture Investment Fund—Reports

2. H V ROSS ROBERTSON (Labour—Manukau East) to the Minister for Economic Development: Has he received any reports referring to the Venture Investment Fund?

Hon TREVOR MALLARD (Minister for Economic Development): Yes. I have seen one showing that investment in the Venture Investment Fund is clearly paying off. Kiwi science and innovation has received a US\$35 million backing for anti-cancer drug company Proacta. This Labour-led Government set up the New Zealand Venture Investment Fund with exactly those sorts of goals in mind. We are committed to backing New Zealand innovation as part of our work to transform the New Zealand economy into one that is high-wage, dynamic, and export-led. I am somewhat surprised that the National Party has not yet congratulated the Government on this fund—one that it whinged about at the time.

H V Ross Robertson: Can the Minister therefore inform the House what role the Government has had, through the Venture Investment Fund, in this company?

Hon TREVOR MALLARD: The Government has, through the fund, made an investment of about NZ\$4.5 million in it. The US\$35 million is, therefore, very good leverage. More significantly, if we had not been able to support the series A round, Proacta would not have been able to set up in New Zealand as an independent company based on New Zealand research, with continuing research and clinical trials here, and with the continued involvement of the very good New Zealand science team, based out of Auckland University, in all stages of the drug's development. The intellectual property would have left New Zealand.

Gerry Brownlee: Well, why are the scientists all leaving the CRIs?

Hon TREVOR MALLARD: The woodwork teacher from Christchurch is interjecting to say: "What about the CRIs?". Actually, Auckland University is not a Crown Research Institute.

Madam SPEAKER: That was a gratuitous comment. The interjections do, however, lead to that level of disorder. Would the Minister please continue.

Hon TREVOR MALLARD: Thank you, Madam Speaker. I want to make it clear that the intellectual property developed at Auckland University—and Auckland University, of course, has a share of this company—would have left New Zealand rather than continue to be developed here—

Gerry Brownlee: Too little, too late.

Hon TREVOR MALLARD: I know that that is the objective of some people who do not understand the difference between Auckland University and a Crown Research Institute. I hear the member saying: "Too little, too late." Why, then, did the Tories oppose the fund at the time?

Roading—Ministerial Advisory Group Findings

3. Hon MAURICE WILLIAMSON (National—Pakuranga) to the Minister of Transport: Does she support the findings of the Ministerial Advisory Group on Roothing Costs; if not, why not?

Hon ANNETTE KING (Minister of Transport): In general, I do. The report is one valuable stream of advice, and certainly the Government is interested in value for money. After all, we are spending about \$24 billion over the next 10 years on land transport.

Hon Maurice Williamson: What is her response to the ministerial advisory group's findings: "To achieve value for money, there needs to be a strengthening of the focus on cost efficiency in the evaluation of projects. Roothing sector participants and communities need to accept that affordability is a key issue."?

Hon ANNETTE KING: I think that is an important issue. It is an issue I would like looked at in terms of the current review that I have the State Services Commission undertaking.

Hon Mark Gosche: How has this Government improved land transport infrastructure from the state it was in, in the 1990s?

Hon ANNETTE KING: We have been working hard to plug the infrastructure deficit left by the National Government in the 1990s. Investment in land transport has risen from \$929 million in 1999-2000 to an expected allocation of \$2.2 billion in this financial year. We passed the Land Transport Management Act in 2003, which provides for tolling in public-private partnerships, provided they fit the criteria. We have put a lot of money into public transport and developed a land transport strategy. This Government is committed to improving our infrastructure and it has certainly put its money where its mouth is.

Sue Kedgley: Did the ministerial advisory group consider the extensive international research showing that building new roads simply creates or induces new traffic, and does she agree that the new inner-city bypass in Wellington is a classic example of this rule, because instead of reducing peak-hour traffic congestion by 7 to 9 minutes, as the previous Minister of Transport promised in this House it would, it is actually causing havoc in Wellington and causing delays of up to 40 minutes?

Hon ANNETTE KING: The ministerial advisory group looked at a number of issues, including passenger transport. In the light of the question regarding the inner-city bypass: as the member knows, the inner-city bypass is not completely opened yet. Half of it is opened. I am assured by Transit that when it is fully opened we will see much-improved traffic flow.

Hon Maurice Williamson: Does the Minister accept the ministerial advisory group's findings that: "the change in project evaluation criteria away from solely using BCR"—benefit-cost ratios—"means that Transit NZ has less incentive to contain project costs.", and that: "Some major Auckland projects such as ALPURT B2 seem to have escaped the close scrutiny of costs and consideration of value for money that might have been anticipated." in such projects?

Hon ANNETTE KING: There is some dispute with the ministerial advisory group on its comments, particularly relating to the Albany to Pūhoi realignment B2 (ALPURT B2). In fact, many of the changes in scope came from consultation with the community in relation to what it wanted in environmental terms, etc., and it led to additions to ALPURT B2 over the time it was being built. However, I do not believe they were the only issues that caused problems in terms of blowout.

Peter Brown: Is the Minister aware that under section 8.8 of the report, headed "Funding Issues", whilst recognising that funding systems are largely outside the terms of reference, the advisory group makes the statement that more formal longer-term funding is needed, and does she recognise that many of our roading problems are a direct result of the National Government's—and the early years of her own Labour Government's—deliberate policy of underfunding?

Hon ANNETTE KING: I am aware of that comment within the report. I need to tell the member that the report was written before the Government announced that it would be putting in long-term funding. We announced a 5-year funding track, then the Minister of Finance increased it to 6 years. I agree that short-term planning and funding for roading in New Zealand in particular, but also for public transport, have led to short-term decisions and an inability to make decisions in the long term because of a lack of commitment to funding or planning.

Jeanette Fitzsimons: Can the Minister explain why the fact that the bypass is complete in only one direction and not in the return direction, which is on a quite separate route, should be creating mayhem on the part that is complete?

Hon ANNETTE KING: Because there has to be some engineering in the way that the traffic flows, including the bus routes on our Wellington roads, which is part of the re-engineering that is taking place.

Jeanette Fitzsimons: I seek leave of the House to table two reports; the first relates immediately to the Minister's answer right then. I am happy to wait until the end of—

Madam SPEAKER: That is the normal process.

Hon Maurice Williamson: Does the Minister believe, given the cost estimates for the Albany to Pūhoi realignment B2, which have risen from \$138 million in 2001 to \$358 million by 2005; or my personal favourite, State Highway 20—the Avondale extension—which has risen from \$185 million in 2001 to \$1,100 million, a 500 percent increase in 2 years, that, as the ministerial advisory group says, that “shows the lack of robust process of evaluation or rigorous review of costs needed in projects of this size.”?

Hon ANNETTE KING: No, because that is not the only reason that one has an increase in costs. In fact, if the member took the time to look at what happens internationally he would see that increases in costs are around 30 to 40 percent. Can I also tell the member that Dr the Hon Lockwood Smith, as a local member in the area, is very supportive of the ALPURT B2 road and wants it built. At the end of the day it will be a toll road for which the people of New Zealand who use it will pay.

Peter Brown: Does the Minister acknowledge that had the National Government and the subsequent Labour Government, from when it was first elected in 1999, injected all the petrol tax, or its equivalent, into the roading account, this country would be far better off economically and socially, and people who have been killed on our roads would have been alive today?

Hon ANNETTE KING: I am pleased to tell the member that all money gathered from the three revenue sources available to the Government are being spent on transport in New Zealand, besides an additional \$300 million. One could argue what should have been done in the past, but what I can talk about is what this Government has done.

Hon Maurice Williamson: Does the Minister agree with the ministerial advisory group's recommendation that: “Value for money indicators should be incorporated into the performance monitoring system. Land Transport New Zealand should take an enhanced role in the evaluation of major projects and monitoring scope and costs.”; if so, why has this not been happening?

Hon ANNETTE KING: In general I do agree. In fact, in terms of the review that has been undertaken and the work that has been undertaken by the Cabinet committee, those are areas where we would like to see better performance. However, I would have to say that that member was a Minister of Transport, and there is absolutely no way he would have known what import costs there were in transport. He certainly did not have to worry about spending much money, because a National Government did not.

Peter Brown: Is the Minister in a position to advise the House how roading will be funded, once the grant money, which currently the Labour Government does inject into roading, is exhausted; will it be by transferring all the tax collected on petrol into the roading account?

Hon ANNETTE KING: In terms of funding for transport in the future, that is something being looked at very closely by this Government, and work is being done both by the Ministry of Transport and Treasury. We do know that the money we collect from petrol excise duty, road-user charges, and motor vehicle licensing will not be sufficient for our roading and public transport needs of the future. Looking at ways that we can have appropriate funding for our infrastructure is very much part of the work being undertaken now.

Jeanette Fitzsimons: I seek leave to table two peer-reviewed papers from the transport literature. I thank the Speaker for advising me to delay my tabling, because the papers address

particularly the question raised by Peter Brown. The first paper is by Peter Newman, called *Sustainable Transportation and Global Cities*. The other is by Anna Nagurny: *Congested Urban Transportation Networks and Emission Paradoxes*. The papers show that the cities with the most roads have the highest fuel use, the highest air emissions, and the highest transport costs.

Leave granted.

Peter Brown: I seek leave to table a member's bill in the name of the Hon Winston Peters and an extract from *Hansard*, in which the Minister of Transport at the time said that if he had extra funding he had no idea how it could be spent on roading.

Madam SPEAKER: Leave is sought to table those documents. Is there any objection? There is objection.

Sue Kedgley: I seek leave to table, first, a written response by the previous Minister of Transport, Pete Hodgson, in which he says that the inner-city bypass will cut 7 to 9 minutes off delays in the busiest peak time in Wellington; and, second, a Transit New Zealand website statement that people travelling across the city will save 7 to 9 minutes during busiest peak hours and up to 5 minutes at other busy periods.

Madam SPEAKER: Leave is sought to table those documents. Is there any objection? There is objection.

Savings—Households

4. R DOUG WOOLERTON (NZ First) to the Minister of Finance: What, if anything, is he doing to address New Zealand's declining level of household savings?

Hon Dr MICHAEL CULLEN (Minister of Finance): I thank the member for his question. On 1 July this year the KiwiSaver scheme will begin. The scheme makes it easier for New Zealanders to save for their retirement. Earlier this month the UK's Secretary of State for Work and Pensions, John Hutton, commented that the British National Pension Savings Scheme has been designed essentially around KiwiSaver. There has also been a range of tax reductions in relation to various forms of savings, including the tax reductions on the earnings of people earning below \$38,000 a year and the abolition, obviously, of the specified superannuation contribution withholding tax on up to 4 percent of employer contributions to KiwiSaver and KiwiSaver-compliant schemes.

R Doug Woolerton: Has he read recent reports suggesting that public opinion towards compulsory savings may be changing and that 63 percent of respondents to a *New Zealand Herald* survey felt that saving for retirement should be compulsory; would he agree that one way of mitigating the effects of compulsion on those of modest means would be corresponding personal tax cuts to offset their initial loss of income?

Hon Dr MICHAEL CULLEN: I think one of the key issues here is that people tend to be in favour of compulsory savings until they are asked who will pay. The assumption of employees is that employers will pay, and the assumption of employers is that employees will pay. I had an interesting experience at a recent seminar in Wellington along those lines. I think the biggest problem about requiring compulsory superannuation savings of employees is the fact that then the Government effectively, in my view, takes on the risk in terms of the success or failure of those schemes. If people arrive close to retirement and their savings scheme falls over—and the Government has forced them to save—what recourse do those people have at that point?

Hon Bill English: Can the Minister confirm, or otherwise, that under KiwiSaver any person who earns any level of PAYE liable income—as little as \$10 a week, for instance—will qualify for the full \$1,000 Government payment on the day he or she enrolls in KiwiSaver?

Hon Dr MICHAEL CULLEN: The issue of minima was looked at but it was considered not really worth worrying about that in terms of the likelihood of people actually signing up and the ongoing obligations that they may enter into in that respect. There is always a trade-off between compliance costs and efficiency in those respects.

Sue Bradford: What steps is the Minister taking to ensure that KiwiSaver offers a socially responsible investment option for New Zealand workers, and, if he is not taking any such steps, then what guarantees can he give workers that their savings will not end up being invested in things like tobacco, gambling, and nuclear weapons, as happens with the New Zealand Superannuation Fund?

Hon Dr MICHAEL CULLEN: KiwiSaver schemes are required to meet a set of criteria. If they are not default schemes, then the criteria are those for registered superannuation schemes. It is a matter for the House to consider whether it wants to change the entire rules around registered superannuation schemes. I am advised, according to the co-leader of the Green Party, that at least one socially responsible investment scheme is considering applying for registration.

R Doug Woolerton: Has the Minister read any other recent reports that support the New Zealand First leader's call for compulsory retirement savings, particularly Monday's *New Zealand Herald*—a publication not usually amongst his closest allies—which stated: “He was right then, as we were among the few to acknowledge at the time, and he is right now.”; and is the current Government totally opposed to revisiting this issue in the future?

Hon Dr MICHAEL CULLEN: I am aware of some considerable support. I am also already old enough now to have lived through a period when there was considerable support for tolling roads in Auckland, until we started talking about actually tolling roads in Auckland, at which point support for that seemed to disappear. That does tend to lead one to a certain level of scepticism, perhaps, about public support for things that people have not quite thought through in terms of who is actually paying.

Sue Bradford: Would the Government consider introducing legislation that would provide a clear, ethical mandate for all Government investments, including those of KiwiSaver, the New Zealand Superannuation Fund, and the Accident Compensation Corporation?

Hon Dr MICHAEL CULLEN: Maryan Street has a member's bill in the ballot that raises some interesting issues around that. I think it will require quite considerable scrutiny and debate. This is not an easy issue at all—partly because, of course, it is easy to throw accusations at international corporations that prove to have little substance on further examination, and partly because some people, for example, think Boeing is inherently a bad company because some of what Boeing does involves defence equipment. Given that this country both buys Boeing aircraft and purchases defence equipment, it would seem extraordinarily hypocritical to say the New Zealand Superannuation Fund could not invest in Boeing.

R Doug Woolerton: I seek leave to table the excellent editorial from Monday's *New Zealand Herald*.

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

Peter Brown: I raise a point of order, Madam Speaker. A few moments ago I took a point of order and referred to a former Minister of Transport who did not know how to spend any extra money if it was granted to him. Apparently, I have upset some Labour colleagues. The Minister I was referring to, of course, was the honourable Minister Maurice Williamson.

Madam SPEAKER: That is not a point of order.

Deforestation—Rates Comparison

5. Hon Dr NICK SMITH (National—Nelson) to the Minister of Forestry: How does he reconcile his statement to the House on 14 February 2007 “that the rate of deforestation under the previous National Government was higher than any deforestation rate that is going on now.” with his statement of 26 February 2007: “Deforestation is increasing, and new planting and replanting is steadily declining.”?

Hon JIM ANDERTON (Minister of Forestry): I would like to say “carefully and skilfully”. As I told the House and Mr Smith on 15 February, the total area of afforestation or new planting

from 1994 to 1999, under a National-led Government, fell by a larger amount than it has under the current Government. The member has been asserting that forest planting levels have been falling due to the current Government's policy. What I am endeavouring to illustrate is that the area of forest planting fell very significantly before this current Government even came into office.

Hon Dr Nick Smith: Does the Minister's Government accept some responsibility for what the Ministry of Agriculture and Forestry described yesterday as "rapidly increasing deforestation" and the *Independent* newspaper described as a "chainsaw massacre", in that the sharp reversal from positive planting to deforestation followed the Government's announcement that landowners would not receive any credits for carbon stored and may be lumped with liabilities for harvesting; and how can he be so naïve as to assume that there is no link between that Government announcement and the sharp deforestation that has occurred since?

Hon JIM ANDERTON: Whatever political point the member thinks he is making does not detract from the fact that the area of forest planting has been falling steadily since 1994 under both National- and Labour-led Governments. The fall in planting has everything to do with the relative economics of forestry compared with pastoral farming, and very little to do with Government policy. In fact, I have in front of me a graph that shows that since planting subsidies were removed in 1994, forest planting has closely mirrored the expected rate of return from planting new forests. I will seek leave to table that graph at the end of this question.

Steve Chadwick: Has the Minister seen any reports about deforestation policy?

Hon JIM ANDERTON: As a matter of fact, I have. It is called *A Bluegreen Vision for New Zealand*, and I understand that it was released by the National Party. Last Thursday the National Party's climate change spokesperson said to this House: "that halting the massive deforestation going on in New Zealand right now should be the No. 1 climate change priority ...". Although I welcome Dr Nick Smith's sudden concern about deforestation, it is somewhat at odds with the National Party's blue-green discussion document, which makes only one mention of deforestation—to abandon any cap or controls on it. That would be at a cost of \$650 million. I would like to know when the hollow rhetoric the member is giving here is going to be backed up with some substance.

Hon Dr Nick Smith: Does the Minister stand by his quote that the argument that foresters have a right to carbon credits for forests planted after 1990 is "not worth a cup of cold water"; if so, is he saying that the word of his senior ministerial adviser on forestry, Mr Kevin Steel, is not worth a cup of cold water, given that, as a spokesperson for the Ministry of Agriculture and Forestry, Mr Steel wrote in June 2000, in a rural bulletin sent to all farmers, a piece entitled "Forestry 'Carbon Credits' ...", which said: "Farmers and foresters are poised to benefit from any future system of carbon trading."?

Hon JIM ANDERTON: Kevin Steel, to whom the member refers, is an adviser in my office from the Ministry of Agriculture and Forestry. He has a long and proud history of giving advice to successive Governments, including National-led Governments. His piece at the time speculated as to how carbon emissions might be traded in the international marketplace and credits might be distributed. This Government has proposed in a consultative document that tradable permits be distributed and that there be access for those who are planting trees from 2008 onwards. That is exactly what Kevin Steel had in mind when he produced those reports.

Hon Dr Nick Smith: How is it credible for the Minister of Forestry and the Prime Minister to say that there is absolutely no evidence that this Government has ever suggested that foresters might get a credit when the adviser of whom the Minister has just spoken wrote to all farmers: "Beginning in 2008 NZ farmers could own a major share of carbon credits worth many hundreds of millions. The ability to sell those credits either within NZ, or on the international market, would introduce a new cash flow to sit alongside those from lamb, beef and wool."; is it not absolutely true that the senior Ministry of Agriculture and Forestry adviser was telling cockies that they could get credits and that now his Government has decided to take them away?

Hon JIM ANDERTON: It may come as a great surprise to Dr Smith that officials like Mr Steel are not elected representatives. They do not promise forward for Governments; they write in discussion documents, for discussion and consultation, all of the options that are on the table. This Government has put on the table an option for tradable permits, under the Kyoto Protocol regime, for forests planted from 2008 onwards. I thought the National Party supported that, but perhaps it does not. This is another one of those flip-flops that we get almost every second day.

Hon Dr Nick Smith: Talking of flip-flops, does the Government stand by its statement in the *MAF Policy Rural Bulletin*, dated June 2000, in an article entitled “Forestry ‘Carbon Credits’ ...”: “Cast your mind forward ... it is March 2010, and the prices of the carbon credits ... have just skyrocketed ... NZ’s farmers are well placed as sellers in this market. The carbon credits they own ... have just become more valuable and the return from their sales provides a welcome respite from continuing difficult market conditions for primary products. Is this a realistic scenario for the new century? Probably.”; and how was it credible for that to be put out by the Ministry of Agriculture and Forestry in 2000 and for the Minister to say today that the argument of foresters that they deserve some credits for those forests is not worth a cup of cold water?

Hon JIM ANDERTON: If Dr Smith does not know the difference between the words “scenario” and “possible options” in a discussion document, I cannot be of any help to him, whatever.

Hon Dr Nick Smith: Is it—

Rt Hon Helen Clark: What did Upton promise?

Hon Dr Nick Smith: Well, he would have at least kept his promises, Helen, which is something you do not know about.

Madam SPEAKER: Would members please be seated. It leads to disorder when such exchanges go across the House. Would the Hon Dr Nick Smith please ask his question.

Hon Dr Nick Smith: Is it not the truth in this whole sorry saga that the Government led landowners down the garden path by saying they would get carbon credits if they planted trees, on the assumption that New Zealand had heaps of credits, then stuffed up its numbers, found that it had a huge debit, and reversed its policy and grabbed the credits off the foresters, in a policy that would be best described as: “We erred, you pay.”?

Hon JIM ANDERTON: I did not really want to go down this path, but the only elected representative I know of who made what could ever be considered—by drawing a long bow—a promise to foresters and farmers was the Hon Simon Upton. Simon Upton made that promise. This Government was not compelled to honour it; he was, and he did not.

Hon Dr Nick Smith: I seek the leave of the House to table the written statement by senior policy adviser Mr Kevin Steel, who has gone around the country speaking on behalf of the Government—now the Government says the only people who can be believed are the elected representatives—and has made it quite plain that it was the Government’s intention to allocate the forestry credits.

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

Hon David Parker: Is the Minister able to confirm two points: firstly, do the Government’s proposals include an option of full devolution of carbon credits for new forests; and, secondly, can he confirm in respect of previously planted forests that that is not only the policy of this Government but also the policy of the National Party?

Hon JIM ANDERTON: I can confirm the first point, and I have already said that in the House a number of times. What the policy of the National Party is I have not the faintest idea, and I would not like to confirm it from one moment to the next.

Family Wellbeing Services—Funding

6. LYNNE PILLAY (Labour—Waitakere) to the **Associate Minister for Social Development and Employment**: What reports, if any, has she received concerning funding for Family Wellbeing Services?

Hon RUTH DYSON (Associate Minister for Social Development and Employment (CYF)): I have read a report that states: “Funding for Family Wellbeing Services, vital in identifying and helping at risk families, has been cut by \$17 million in the past two years.” I would like to draw the attention of the House and the author of that report to three documents that are very, very publicly available—the *2005/2006 Non-Departmental Output Expense Report* of Child, Youth and Family, and the Budget statements of 2005 and 2006. Pages 1, 2, and 6 of the first report, page 145 of the second report, and pages 108 and 113 of the third report state that the alleged cut in funding was a transfer from Child, Youth and Family to the Ministry of Social Development family and community services group. I recommend to the member Anne Tolley that she read the base documents before scaremongering in public.

Lynne Pillay: Has the Associate Minister received any reports on the outcome of increased funding for Child, Youth and Family?

Hon RUTH DYSON: Yes, as a matter of fact I have. Child, Youth and Family is having a number of successes, such as reducing the number of unallocated cases from 3,000 in October 2004 to 435 in October of last year—all during a period of significantly rising notifications. I think all members should acknowledge this significant achievement, although I would also note that responsibility for preventing child abuse rests with the whole community, not just one Government agency.

Anne Tolley: I seek leave to table the Department of Child, Youth and Family Services expenditure showing that in the year 2004-05 Family Wellbeing Services outcome was listed at \$55 million and in the year 2006-07 the budget is \$38 million—a cut of \$17 million in Family Wellbeing Services.

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

Question No. 5 to Minister

Hon JIM ANDERTON (Minister of Forestry): I apologise to the House but I did indicate I would seek leave to table a graph of the internal rate of return of new forestry plantings.

Leave granted.

Breast Cancer—Treatment

7. Dr JACKIE BLUE (National) to the **Minister of Health**: Is he satisfied that women are receiving consistent breast cancer care throughout New Zealand?

Hon PETE HODGSON (Minister of Health): Women across New Zealand receive a high standard of breast cancer care but there is variation in clinical practice, which deserves closer scrutiny.

Dr Jackie Blue: Can the Minister explain why 74 percent of women with breast cancer who live in Nelson-Marlborough have a mastectomy, compared with only 30 percent of women who live in the Waikato?

Hon PETE HODGSON: I welcome the member’s interest in this important matter and I saw the figures she released yesterday. She will be aware that one of the figures she released yesterday, the highlighted figure, is in fact wrong. The MidCentral figure is about a third of that which she had initially thought it might be. Furthermore, the member requested what each district health board provided, rather than the rate of treatment based on where people live. She is therefore, inadvertently, unable to compare one population in a district with another, which is how

comparisons of this ilk are usually made. I would make one last point. These decisions are, of course, clinical, not political.

Dr Jackie Blue: How will the Minister explain to the woman with breast cancer who lives in Rotorua that she has double the chance of having her breast removed, compared with a woman who lives less than an hour away, in Tauranga?

Hon PETE HODGSON: I will say again to the member that the figures she has quite carefully collected in her research are to do with where the surgery is provided. She is, therefore, unable to take into account any effects from intradistrict flows, where there are any.

Sue Moroney: Are there variations in surgical services other than mastectomy; if so, what is the Government going to do about them?

Hon PETE HODGSON: Yes, there are. Variations across the country exist for every surgical activity. Last year we began a process of making sure that data on intervention rates are as accurate as possible—itself a significant task, which will be completed in a few weeks. From 1 July this year we will then use the extra surgical electives funding to address low levels of intervention in this or that surgical procedure, where discussions with clinicians indicate that that is appropriate. I appreciate that mastectomy is a procedure where the optimal rate may be lower, not higher, than the existing rate.

Dr Jackie Blue: Does the Minister understand that breast cancer surgery, with the exception of breast cancer reconstructive surgery, would not normally require referral to another district health board, and however he wants to spin the data and make excuses, the fact is some women may be getting their breast removed unnecessarily because they are simply living in the wrong part of New Zealand?

Hon PETE HODGSON: I just say to the member that I agree with her that significant variation in intervention rates for anything is a measure of quality and that reduced variation means higher quality. The member, however, should reflect on this: New Zealand's intervention rate for mastectomy is 32.5 percent. That is lower than the average across all of Europe and it is lower than that of the United States of America.

Dr Jackie Blue: Does the Minister agree that there is an urgent need to investigate why there are such differences in surgical practice and to update the current breast cancer surgical guidelines, which are well over a decade old, so women can be reassured that they will be getting the best surgical treatment for their breast cancer and not this current haphazard surgery by postcode?

Hon PETE HODGSON: The member will be interested to learn—I am sorry she did not already know—that as part of the Government's cancer control strategy, guidelines are currently being updated for all breast cancer treatments, including of course the surgical options. *[Interruption]* The member has asked me whether I would like to do something; I am just replying and explaining to the fellow over there that we are already doing it. I say again to the member that she is right—variations in intervention rates for any surgical procedure perhaps indicate a lower quality than is ideal.

Dr Jackie Blue: Can the Minister guarantee that updated breast cancer surgical guidelines will be forthcoming, or will it be like the long-awaited update of the prostate cancer guidelines on the Ministry of Health website, which were promised 16 months ago but still nothing has happened?

Hon PETE HODGSON: The guidelines are under development now.

Beneficiaries—Reduction in Numbers

8. DAVE HEREORA (Labour) to the Minister for Social Development and Employment: What reports, if any, has he received on the Government's progress at reducing the number of New Zealanders reliant on the benefit?

Hon DAVID BENSON-POPE (Minister for Social Development and Employment): As members will be aware, the unemployment rate has fallen by 76 percent since the Labour-led Government took office. In 1999 the number of unemployed people stood at 161,000. It went below

40,000 for the first time in June 2006. Members will be pleased to hear that the number of unemployed people has continued to fall since that time, and now it stands at 37,595—less than a quarter of what the figure was when this Government came to office. It is worth noting in addition, of course, that we are the only OECD country that has kept its unemployment rate below 4 percent for 10 consecutive quarters.

Dave Hereora: What has been the reduction in youth and long-term unemployment?

Hon DAVID BENSON-POPE: The number of people unemployed for more than a year has fallen from 70,000—that is, 70,000—under National in 1999 to around 14,000 today. That is a reduction of 56,000. There has been, I am pleased to tell the House, a similar drop in the number of unemployed youth aged between 18 and 19. Although 18,000 such young people were unemployed in 1999, that figure is now less than 3,000 and falling—a reflection, of course, of this Government's determination to see all young people in education, training, or work.

Judith Collins: Why is it that despite all the so-called innovative employment programmes that have been funded over the past year to deal with the sickness benefit and invalids benefit numbers, sickness benefit numbers have risen by another 2,000 to yet another record high, at a time when the Minister of Health keeps telling us that we are a much healthier country these days?

Hon DAVID BENSON-POPE: Although I and members of this House will be understandably pleased that the rate of unemployment has dropped by 76 percent, I am equally pleased that the total benefit roll number has reduced by around 25 percent. The most instructive comment I could make for that member's information is about the international comparison between ourselves, the UK, and Australia. [*Interruption*] Between 2000—

Madam SPEAKER: The member will please be seated. The level of interjections is getting to the point where speakers cannot be heard. Members ask questions, and they expect to be able to get those questions addressed. But if answers cannot be heard through the interjections, it makes a nonsense of the whole exercise. I ask members to please control themselves, and the Minister to continue.

Hon DAVID BENSON-POPE: To provide some perspective for the benefit of members opposite, who understandably do not want to hear these figures, I say that between 2000 and 2005 the United Kingdom had a net reduction of 6.4 percent in the number of people in receipt of an unemployment benefit or some form of incapacity benefit. Australia, comparatively, achieved a 0.8 percent reduction in those benefits, and in New Zealand over the same period our achievement was a 25.8 percent reduction.

Judith Collins: I raise a point of order, Madam Speaker. I listened to every word the Minister said, but at no stage did I hear him address the issue of how it is that sickness benefit numbers keep going up to record high after record high.

Madam SPEAKER: I heard the member address the question—at length.

Ingram Report—Review of Immigration Matters

9. Dr the Hon LOCKWOOD SMITH (National—Rodney) to the Minister of Immigration: Does he stand by his claim on Tuesday 20 February that he has reviewed the immigration matters covered in the Ingram report?

Hon DAVID CUNLIFFE (Minister of Immigration): Yes, a number of immigration matters are covered in the Ingram report, which I have read on a number of occasions, as previously stated to the member on 12 September, 14 September, 15 November, and 20 February.

Dr the Hon Lockwood Smith: If the Minister has read the report so many times, can he tell us if it is correct that after considering the statements made by Mr O'Connor in relation to when he became aware of the allegations involving Taito Phillip Field, plus the statements of his private secretary, and the immigration officials Mr Tavita, Mr Dalmer, and Mr Gardiner, who all tried to get information through to the Associate Minister, Noel Ingram QC was unable to reach a firm

conclusion as to when Mr O'Connor became aware of the allegations, and instead had to construct a "possible sequence of events"?

Hon DAVID CUNLIFFE: These matters were fully covered in the Ingram inquiry. Dr Ingram QC talks about the most likely scenario of events and that member in his select committee has issued a report that says the former Minister was blameless.

Dr the Hon Lockwood Smith: Is it correct that Noel Ingram QC concluded that real uncertainty results from the available evidence as to when Mr O'Connor became aware of the allegations in relation to Taito Phillip Field?

Hon DAVID CUNLIFFE: The Ingram report is on the public record and I suggest the member reread it if he is unsure.

Dr the Hon Lockwood Smith: I raise a point of order, Madam Speaker. I asked the Minister whether a specific statement was correct and he invited me to read the report. I do not believe that is an honest attempt to address the question I put to him. I am very happy to repeat it if the Minister is nervous of it.

Hon DAVID CUNLIFFE: Standing Order 371 provides that questions must be concise and not contain inferences or imputations. For some months now, the House has entertained Dr Smith repeatedly providing very long questions to the House and repeatedly inferring that my colleague—his parliamentary colleague—the former Minister of Immigration somehow did something wrong. The issues in his questions have been set out in the Ingram inquiry report on the public record for the best part of a year. I do not understand why the member would want the Minister to simply repeat what is in the report.

Madam SPEAKER: I thank the member, who was not addressing directly the point of order, the point of order being whether the question was addressed. A Minister can be asked for an opinion but there is no requirement that one has to be given.

Dr the Hon Lockwood Smith: Was the Minister's answer to Parliament yesterday that "... the Ingram inquiry report conclusively concludes that the Minister in question did not receive the information before he made the decision." the truth?

Hon DAVID CUNLIFFE: My understanding of the balance of the Ingram inquiry's report conclusion is the same as the member's own and the select committee report issued 2 days ago, which says that the department's processes compromised the Minister.

Dr the Hon Lockwood Smith: I repeat my question: was the Minister's answer to the House yesterday that the Ingram report conclusively concludes the Minister in question did not receive the information before he made the decision the truth, or not?

Hon DAVID CUNLIFFE: The Ingram inquiry's report is a matter of the public record.

Dr the Hon Lockwood Smith: Can the Minister then explain to the House why he told this Parliament yesterday that the Ingram inquiry report conclusively concludes that the Minister in question did not receive the information before he made his decision, when Noel Ingram states in paragraph 158 of his report, which the Minister claims to have read, that "... real uncertainty results from the available evidence as to when Mr O'Connor became aware of the allegations in relation to Mr Field."?

Hon DAVID CUNLIFFE: As I said in answer to a supplementary question two or three supplementary questions ago, Dr Ingram QC's conclusion as to the most likely sequence of events was the same as the member's own conclusion in the select committee report 2 days ago.

Dr the Hon Lockwood Smith: Is it correct that in paragraphs 138, 144, 150, 151, and 156, Noel Ingram records five conflicting stories given by Mr O'Connor's private secretary as to when she informed Mr O'Connor of information regarding Taito Phillip Field's involvement with Sunan Siriwan?

Hon DAVID CUNLIFFE: As in any report of that length, there will always be conflict of evidence. The House has already heard what he regarded as the most likely scenario.

Carbon Credits—Allocation

10. RODNEY HIDE (Leader—ACT) to the **Minister of Forestry**: Following the Prime Minister's statement to the *Sunday Star-Times* that there was never "any promise to industry that the credits would be devolved", has the Government, in any way, ever indicated that farmers and foresters would own any carbon credits attached to their trees; if so, when?

Madam SPEAKER: Would members please stop chipping at each other. If they want to have a private conversation, would they please leave the Chamber.

Hon JIM ANDERTON (Minister of Forestry): This Government has never promised carbon credits to anyone, except for the Permanent Forest Sink Initiative, which has the unanimous support of this House. However, the Government is presently consulting on a range of options to encourage afforestation. One option proposes to devolve credits to those who plant new forests from 1 January next year. That would be a world first and, if it proceeds, it is hoped it will incentivise the planting of new forests.

Rodney Hide: What, then, is the status of senior policy analyst Kevin Steel, who wrote to farmers in the *MAF Rural Bulletin* in June 2000: "Cast your mind forward ... NZ's farmers are well placed as sellers in this market. The carbon credits they own (like trees) have just become more valuable and the return from their sales provides a welcome respite from continuing difficult market conditions for primary products."; why would farmers not conclude from that statement that they were being promised the credits for the carbon sink of their own trees?

Hon JIM ANDERTON: I think that if we take the words of a very fine official of the Ministry of Agriculture and Forestry who has served successive Governments very well in terms of forestry and the issues that surround that, we would think through to the period of 2008, when the Government is actually proposing to do exactly that. Kevin Steel was right to forecast that.

Hon Marian Hobbs: Has the Minister seen any reports on the question of devolving carbon credits?

Hon JIM ANDERTON: As usual, I have. I have seen the ACT party's environment and conservation policy, which does not propose devolving credits to foresters. I have also seen the National Party's Bluegreen discussion document, which, although still a draft document, is the closest thing that the National Party has to a policy—and it does not propose devolving carbon credits to anyone. So although the Opposition tries in this House to paint itself as a short-term benefactor of the few, it is offering nothing but hollow gestures of support. Meanwhile, this Government is consulting on an allocation of carbon credits for all new forests planted from next year onwards, which is a world first.

Hon Dr Nick Smith: How can we believe anything this Government says, when we are told not to believe the word of the most senior forestry official in Jim Anderton's office when he writes in an official Ministry of Agriculture and Forestry publication, and when, yesterday, we had the extraordinary spectacle of the Prime Minister's saying that we cannot even take the word of Winston Peters as a Minister; who speaks for this Government, if it is not a senior Ministry of Agriculture and Forestry official?

Hon JIM ANDERTON: I think every single member of this House, except perhaps Dr Nick Smith, understands how officials in Government ministries give advice and write papers for discussion and consultation. I would refer him to the commitment or the promise—whichever way he likes to describe it—made in 1999, prior to the Labour-led Government's coming into office, when the then Minister for the Environment, Simon Upton, was telling people that it was his preference that the carbon credits would be devolved to forest owners. But it was never Government policy. He made that statement, but it was never Government policy. I do not hold the National Party any more accountable for that than I do for the silly suggestion that we should hold reputable Government servants responsible for a non-Government policy, when it was just a newsletter from a Government ministry, discussing issues for the future. If we try to discourage that, we will not have any decent advice given to us, at all. It is ridiculous!

Hon Dr Nick Smith: I seek leave to table the statement from Mr Anderton's senior adviser, so that the House may be able to read exactly what taxpayers' money was being spent on—distributed from the ministry's revenue—and what the Government's policy was.

Madam SPEAKER: Leave is sought to table that document. Is there any objection? There is objection. [*Interruption*]

Madam SPEAKER: Would members please be quiet, or they will be leaving the Chamber.

Hon Dr Nick Smith: I seek leave to table the statement from Mr Anderton that any suggestion that carbon credits belonged to foresters was not worth a cup of cold water.

Leave granted.

Rodney Hide: Is it then the case with this Government that when senior civil servants write in a Government publication that: "NZ's farmers are well placed as sellers in this market", because an elected politician has not said that, the statement itself is meaningless and, in fact, the word of civil servants and their publications are of no value unless an elected representative actually says the same thing; what does that then say about Kevin Steel—is what he was saying in that document a lie?

Hon JIM ANDERTON: We are looking at the period between 1998 and 2001, when officials were working under the direction of both the former National-led Government and the Labour-led Government on issues of climate change policy, forestry policy, and so on. Those documents were sent out for discussion and consultation, as they should have been. But at no stage did that work promise or commit that there would be ownership of credits, although it is probably reasonable that some expectation of credits was developed. But at the time even this Government understood that there was a huge credit in terms of emissions under the Kyoto regime. Subsequently scientific evidence suggested that that was not true. If Governments remain with policies when the evidence that comes before them shows that the basis on which some of the assumptions were made and discussions were held was erroneous, then it would be the consistency of fools for the Government not to let the facts get in the way of prejudice. This Government has no record of letting that happen.

Rodney Hide: I seek leave to table a news release from the forest industry, calling for this Minister to resign or be sacked.

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

Immigration Service —Confidence

11. PANSY WONG (National) to the Minister of Immigration: Does he have confidence in the New Zealand Immigration Service?

Hon DAVID CUNLIFFE (Minister of Immigration): Yes.

Pansy Wong: Is the Minister satisfied with the cost-effectiveness of Immigration New Zealand spending more than \$1 million setting up the NetworkZ Online website, which aims to match employers and employees, when currently only two job vacancies are listed on it, one of which is for a hairdresser? [*Interruption*]

Hon DAVID CUNLIFFE: As much as the member's colleague Mr Brownlee might need those services, no.

Pansy Wong: Why is the Minister spending another \$2 million to attract information technology specialists from China and India when 1,087 computer specialists are already listed on the Government's taxpayer-funded, million-dollar website, NetworkZ Online?

Hon DAVID CUNLIFFE: The Government takes very seriously labour shortages and skill shortages wherever they occur in the economy. It is for that reason that the Government prioritises recruitment of specialists in areas of skill shortage.

Peter Brown: Does the Minister concur with New Zealand First that immigration policy should be skill-based, that immigrants should be of good health, of good character, speak English, and be more than willing to integrate into our society—

Rodney Hide: How did Peter get in?

Peter Brown: Now that would be a secret!

Madam SPEAKER: Would Mr Brown please be seated. If there are any more interventions that will be it. Would the member please start again.

Peter Brown: Does the Minister concur with New Zealand First that immigration policy should be skill-based, that immigrants should be of good health, of good character, speak English, and be more than willing to integrate into our society; and can he assure the House that the legislation produced as a result of New Zealand First's insistence to address our immigration laws and procedures will reflect such criteria?

Hon DAVID CUNLIFFE: I concur that the member himself is a shining example of everything that his party holds dear.

Dr Pita Sharples: Tēnā koe, Madam Speaker. How does the Minister believe the Immigration Service is able to uphold the intentions of the Treaty of Waitangi "To control the thousands of future immigrants to Aotearoa New Zealand and, secondly, to protect the rights of Māori people", as is declared on the Immigration New Zealand website?

Hon DAVID CUNLIFFE: Whatever one might think of controlled immigration, it has certain advantages over the opposite.

Pansy Wong: Why, after spending \$1 million of taxpayers' money setting up a job website that has attracted 1,087 computer specialists looking for work, is the Minister ignoring these people and spending yet another \$2 million to attract information technology specialists from China and India?

Hon DAVID CUNLIFFE: It will not surprise the member to know that computer specialists come in many types. Therefore, there is an ongoing need to match the supply with the demand.

Peter Brown: Can the Minister advise the House when we can expect to have legislation before it that will address our immigration laws and procedures?

Hon DAVID CUNLIFFE: As soon as possible and certainly in the first half of this year.

Dr Pita Sharples: In the light of the Immigration New Zealand website information, what strategies does the Minister have for Immigration New Zealand to consult with Māori on immigration matters?

Hon DAVID CUNLIFFE: Consultation with Māori is an important part of the work of Immigration New Zealand. In the first instance that is conducted through liaison with the relevant Government agency, Te Puni Kōkiri.

Pansy Wong: Has the Minister changed his mind in recognising work experience from China and India, because in 2002 the Labour-led Government excluded this type of work experience from policy, a decision that directly led to a significant reduction in the number of skilled migrants from those two countries?

Hon DAVID CUNLIFFE: Firstly, China and India will continue to play a very major part in sourcing New Zealand's migrant flows. Secondly, in the sectors that the member has drawn attention to, significant steps have been taken to liberalise the long-term and immediate skill shortage lists. Thirdly, there has been a removal of the comparable labour market test for employees of multinational companies from those countries.

Dr Pita Sharples: I seek leave to table a document from the Immigration New Zealand website entitled, *The Treaty and immigration*.

Leave granted.

Pansy Wong: I seek leave to table the summary page from the million-dollar website NetworkZ Online, which has two job listings, one of which is for a hairdresser.

Leave granted.

Pansy Wong: I seek leave to table career seekers statistics from the million-dollar website NetworkZ Online, which lists 1,087 computer specialists with no matching job offers.

Leave granted.

Airport Infrastructure—Government Assistance

12. RUSSELL FAIRBROTHER (Labour) to the Minister of Transport: What Government action has enabled several territorial local authorities to operate their airport infrastructure more effectively?

Hon ANNETTE KING (Minister of Transport): The Government has decided that two joint-venture airports, Hawke's Bay and New Plymouth, will be given the option to corporatise if our council partners wish. The airports will remain in public hands, and the company structure will provide clearer governance and enable the airports to borrow for investment, if necessary. This paves the way for more active decision-making by the boards about these important community assets.

Russell Fairbrother: How has the Government assisted the other joint-venture airports?

Hon ANNETTE KING: This is of great interest to many New Zealanders who live in provincial New Zealand. The remaining five airports in Whangarei, Whakātane, Taupō, Wanganui, and Westport will continue to be operated as joint-venture airports with more active Government involvement and assistance. This means we will have a better understanding of the issues in relation to each airport and what is needed from the Crown. The Government has appropriated almost \$4 million to cover its share of historic losses and the necessary upgrades of infrastructure and facilities. This includes \$227,000 for a new terminal at Westport, \$526,000 for resealing the runway at Wanganui, and \$1.1 million for the Taupō runway, subject to final costs.

Chester Borrows: Can the Minister confirm that the \$803,000 recently released for Wanganui Airport is just the Government share of past losses as a 50-50 partner, and what guarantee is there that the Government will pay the estimated \$470,000 in back interest payments, or does she expect Wanganui ratepayers to cover the cost of this Government not paying its bills, as it expected the taxpayers of New Zealand to cover the \$800,000 election over-spend until it was shamed into its yet unfulfilled pledge to pay the money back?

Hon ANNETTE KING: That is a very good question, because that member might want to ask why a National Government set out to sell off the airports, then set out not to honour the money that ought to have been put in. This Government has promised money to cover those historic losses and to work with those local authorities to ensure they can continue operating their airports.