

# **For Today and Tomorrow**

**Labour's Policy  
for the Economy  
2008**



## Introduction

The Labour Party has always stood for promoting economic growth which delivers a fair share of that growth to all New Zealanders.

When Labour became the Government at the end of 1999 the New Zealand economy faced many structural problems which had not been addressed, or had even been made worse, by the free market reforms of the previous fifteen years.

Inequality had increased significantly. The benefit cuts of the early 1990s and the anti-worker Employment Contracts Act has made the natural tendencies of a free-market economy worse.

Infrastructure investment had been all but ignored and as a percentage of national income was running at the lowest levels seen in many decades.

There was no integrated skills policy, merely an increasing transfer of costs to students accompanied by a proliferation of low-value courses unrelated to New Zealand's strategic needs.

New Zealand's capital markets were weak and growing weaker. A major element of this was a very low level of private savings.

No government agency was tasked with the promotion of economic development. Regional development, in particular, was seen as a dirty term.

State assets had been sold and their private owners had failed and were failing to invest at a sufficient level to underpin longer term growth.

Public transport systems were run down and steadily declining in relative usage. There was very little government support for private sector research and development.

On the international front, the Closer Economic Relationship agreement had, at best, been in a holding pattern for 10 years. The previous National government had failed to sign any new significant trade agreements initiated by New Zealand.

By 2008 this picture of malign neglect has been changed in all its essentials.

New Zealand is a more equal society than it was in 1999. The primary reason for this has been the large growth in the number of jobs – over 350,000 – which has been the main contributor to household incomes rising more than 25 per cent on average in real terms.

Fairer industrial relations law – the Employment Relations Act – and the Working for Families package have also been significant contributions.

Government spending on infrastructure is now nearly three times what it was in 1999. New Zealand is engaged in its biggest road building and upgrading programme in decades. Regulatory changes are forcing a higher level of investment by the private sector telecommunications companies.

Labour has bought back first the rail track and then the rail operating company so as to ensure that investment can be increased and freight moved off the roads while the full value of that investment is retained in New Zealand.

Skills policy has been moved to the forefront of economic policy. From early childhood to the tertiary sector the education system has been revamped.

Twenty hours free early childhood education, successful new literacy and numeracy programmes in primary schools, and the introduction of NCEA in secondary schools will produce a much stronger base of skills. The new emphasis on quality and relevance in the tertiary system is underpinned by the new funding model. Finally, an integrated skills strategy, supported by and prepared with the CTU and Business New Zealand, is being rolled out.

Capped fees and interest-free student loans have removed many of the financial barriers to participation in tertiary education.

The creation of the Ministry of Economic Development and Trade and Enterprise New Zealand means that the government has both the policy and delivery mechanisms to put economic growth at the forefront of government actions.

The Labour government has put in place major changes to lift our national savings levels. The New Zealand Superannuation Fund is building up assets to help pay for New Zealand Superannuation over the long term. And now KiwiSaver is helping some 800,000 New Zealanders to add to their New Zealand Superannuation income in retirement. At the same time, taxes on savings have been cut.

The base is being built for stronger capital markets and reducing our dangerous level of dependence on overseas investment to fund our economic growth.

Labour has increased spending on public transport fifteen-fold. Major upgrades to the urban rail systems in Auckland and Wellington are underway.

Direct public spending on research and development has continued to rise and a 15% research and development tax credit introduced for the private sector which should see a substantial boost to private sector research and development.

Labour in government has overseen a transformation of our telecommunications sector with the introduction of greater competition at all levels, a development that is critical to raising our potential or 'non inflationary' growth rate further over time.

Labour has also introduced tax cuts that are responsible and fair to workers. We focused on the lowest rate so all New Zealanders benefit. Labour will do the right thing for workers, families, and the economy.

Labour's personal tax plan will result in:

- A new low tax rate of 12.5 per cent
- A lifting of the 21 per cent threshold by \$10,500 to \$20,000
- A lifting of the 33 per cent threshold by \$4,500 to \$42,500
- A lifting of the 39 per cent threshold by \$20,000 to \$80,000
- And advancing boosts to working for families from 1 October 2008

By April 2011, we will deliver \$50 a week or more to around 50 per cent of all households.

A Kiwi family on the average household income of \$72,000 – split two thirds/one third between two parents – with two children at primary school is almost \$43 a week better off from 1 October this year – that's equivalent to a 3.6 per cent increase in take home pay.

By full implementation of the tax package in 2011, that Kiwi family is almost \$85 a week better off – the equivalent to a 7.5 per cent increase in their take home pay.

Labour is committed to keeping the company tax rate at a fair, competitive level. This year we reduced the company tax rate from 33 to 30 cents so that businesses could re-invest their profits in new technologies, becoming sustainable and in investing and training for workers.

Now is the time to take the next steps on New Zealand's journey to greater prosperity and greater fairness.

The agenda for the next decade or more will be driven by two concepts: sustainability and productivity. Only Labour is committed to both these concepts and to ensuring a fair share of the fruits of growth for all.

What unites sustainability and productivity is the more efficient use of resources so as to produce more with less, a higher standard of living without destroying our environment or exploiting the workforce.

Labour's goal is to lift New Zealand into the top half of the OECD in terms of per capita GDP. It is also to ensure New Zealand is at least in the top half of the OECD in terms of social and environmental measures.

## A Sustainable Economy

A sustainable economy will be built on the following policy foundations:

*Implementation of an effective emissions trading scheme;* Labour will phase in an all gases, all sectors emissions trading scheme. This will create a price for carbon in the New Zealand economy which will, over time, enable us to meet our international obligations.

At risk industries will be assisted to adapt and change while specific measures will be taken to assist consumers.

*Accelerating the switch to renewable energy sources;* Labour has set a clear goal of 90% of electricity being renewably produced by 2025. Labour will also encourage the early adopting of new vehicle technologies with vehicle emissions to be reduced by half by 2040.

*Increased energy efficiency;* Labour supports substantially boosting funding for energy efficiency projects. This will include accelerated retrofitting of homes, expansion of solar water-heating, and other measures to improve energy efficiency in homes and businesses.

*Better integration of rail, road, and coastal sea transport;* Significant opportunities exist for major intermodal shifts of freight from road to rail and sea. Labour supports undertaking a major programme of new investment in KiwiRail and will develop mechanisms to support coastal transport and achieve better integration of our ports system.

*Waste reduction;* Under Labour parliament has passed new waste reduction legislation. This now needs to be effectively implemented and further work done to reduce our large waste streams.

*Intensified research and development on sustainability;* Labour has set up the Fast Forward Fund. This will grow to a \$2 billion fund to support research and development in the primary sector industries, with a particular emphasis on sustainability.

Labour will also give greater emphasis to sustainability in the criteria used by other state supported research funds.

*Non-environmentally constrained business promotion;* Labour sees significant opportunities for developing businesses which are not constrained by New Zealand's size, or distance and which are less environmentally constrained. Such areas as biotechnology, information and communications technology, design, and screen productions are particularly attractive in that respect. New Zealand Trade and Enterprise and other government agencies will be resourced to continue progressing these important areas of work.

There may be further areas of focus, where the potential of emerging or re-emerging sectors has reached a point where they are ripe for acceleration (e.g. new materials technologies, new renewable energy technologies and some health technologies).

## **Productivity**

A successful sustainability agenda implemented effectively should assist productivity. The main elements of increasing productivity are skills and infrastructure.

### **Skills**

Human capital is the main input in a modern economy. To build on the major work already undertaken:

**Labour will develop and implement the Schools Plus programme.**

Labour set out a big vision for the future of secondary education to improve young New Zealanders' chances of success. Under Schools Plus, we want our schools to be able to respond to the full range of abilities of our teenagers – and to make education relevant and personal to all our young people.

By 2011 we will have youth apprenticeships available in every high school in New Zealand for students from Year 9 onwards.

From 2011, every student from Year 9 on will have their personal education plan – agreed between them, their school and their family.

From 2011 there will be an education or training leaving age of seventeen, and from 2014 of eighteen.

Not all those students will be in school – but they will still be learning in work or in training.

This will provide a varied and attractive set of pathways for teenagers to move from school to work or further education.

**Labour will resource and implement the New Zealand Skills Strategy so as to equip all our people with the skills necessary for full participation in a modern economy.**

Labour believes that New Zealand must take a more strategic approach to skills development, both in terms of enabling more of our young people to be in a position to access it, and through improving the skills of people already in the workforce.

With industry and unions, we have developed a unified skills strategy to lift the skill base of the existing workforce, and therefore their contribution to New Zealand's productivity.

The New Zealand Skills Strategy will not only lift skills levels across the workforce, but will also equip our workers with better management and leadership skills. This will ensure that firms can better harness the skills young people learn through industry training and modern apprenticeships.

We will fully implement all components of the skills strategy. This includes language, literacy and numeracy; improved management and leadership capability in organisations, awareness raising, skills plans and streamlining the government's firm capability programmes with those in the private sector.

**Labour will ensure that polytechnics give priority to their task of assessing employment needs and facilitation of regional tertiary education sector responses, and are supported to carry this out.**

Over the last three years, Labour has significantly reformed tertiary education to improve the sector's ability to deliver on government priorities, and meet the education and training needs of students, employers and communities on a regional as well as national basis. We need to build on this further.

All New Zealanders must have the opportunity to reach their full potential – and have the chance to fill the skilled job slots available in the economy.

In the near term, the prospect of fall out from the international crisis also requires us to have new plans for workers whose jobs might be affected.

**Labour will introduce a new retraining allowance, on the same basis as a student allowance, but with no spousal income test, for workers who have been in the workforce for at least five years and have been made redundant.**

In the modern world, skills are increasingly important, both for individuals and for the economy as a whole. Careers are also becoming more complex with people more likely to change jobs and even occupations over the course of their working life. That will often require a period of retraining.

In other words, learning is now lifelong. It is not something that stops when we leave school or finish an apprenticeship. Labour recognises this and is putting in place measures to support workers to gain new skills throughout their working lives.

**Labour will also introduce a retraining allowance available to those who have been in the workforce for ten years and wish to upgrade their skills or retrain in a new area.**

This will provide an alternative to the Student Allowance for people who have used their 200 weeks Student Allowance entitlement.

These allowances will be available for up to a year for enrolment in a recognised full time course. The course will generally need to be of at least twelve full-time weeks duration. The Unemployment Benefit (in training) is already available for courses of up to twelve weeks.

Labour will outline further measures to support workers in changing times in our other policies.

**Labour will strengthen programmes to attract overseas New Zealanders to return to work in New Zealand.**

Expatriate New Zealanders can be viewed as another part of the pool of talent that New Zealand can draw on to fill labour market gaps. The movement of skilled migrants between countries is now a global norm, with comparable countries such as Australia experiencing similar trends to us.

We do not want to discourage young New Zealanders from doing their traditional “OE”, or overseas work experience, because these people generally return to New Zealand with valuable work and life experience.

However it is important that we maintain contact with skilled New Zealanders overseas so that we can continue to promote their eventual return home.

Like the rest of the world, New Zealand’s population has become increasingly multi-cultural during the last decade, and that has had an overall positive impact on our economy, society and families. Migrants enhance our economy by reminding us to think and act globally. They drive innovation, give our businesses international connections and provide a range of skills to transform our economic landscape.

With record low unemployment rates, we have adapted our immigration policies to help meet labour shortages and ensure New Zealand has people with the skills we might otherwise be lacking. Over the past five years, migrants have accounted for 60 percent of the growth in the national workforce. Much of that growth has occurred in skill shortage areas — areas that are vital to the basic functioning and future growth of our economy.

New Zealand has benefited from consistently positive net migration over the past seven years. However the global immigration environment is changing and becoming increasingly competitive in terms of skilled migrants. We must change with it so that we maintain our international competitive advantages and continue to attract the migrants with the skills New Zealand needs for our economic growth.

**Labour will continue to emphasise the attractions of skilled migrants as the main element of our immigration policy.**

We will also examine mechanisms to assist in moving good business management into world-class business management, so that our most promising business people are given the support needed to become the best. This will be done in partnership with Business New Zealand.

## **Infrastructure**

Labour is committed to strong investment in essential infrastructure. The overall picture of this decade is one of significant rebuilding and unprecedented levels of investment. We expect to invest \$5.4 billion in physical infrastructure this year, a 180 per cent increase since 1999. Annual funding for roading has more than doubled to over \$1.9 billion this year. This has seen new highways and motorway extensions built throughout New Zealand, including the Wellington Inner City Bypass and the Auckland Central Motorway Junction.

We believe that having undergone a major rebuilding of our nation – with record investments in hospitals, schools, roads and other infrastructure – we have a once in a generation opportunity to chart an ambitious course for New Zealand.

**Labour will maintain a twenty year plan for sustainable infrastructure development in New Zealand.**

Specifically, within that 20 year plan, Labour will:

- Set a 90% renewable electricity generation target.
- Work with local government on measures to address priority infrastructure needs at the local level
- Put in place comprehensive plans to lift New Zealand's water quality and ensure that our water usage is consistent with long term sustainability objectives.

Labour will keep New Zealand's rail in public hands. We believe that with our rail system back in public ownership, we can make the strategic decisions and investments necessary for rail to play its full part in building a more sustainable New Zealand. Over time, we will be able to move more freight off our roads and onto rail. Rail will also play a bigger role in public transport in our major centres. Labour will invest \$1 billion or more in the next ten years in modernising KiwiRail as our economy confronts the sustainability challenge.

**Labour will support the creation of an electrified rail network for Auckland, including the North Shore and beyond.**

In terms of expanding our tools for future growth Labour is committed to improving New Zealand broadband. Over the next five years we will invest half a billion dollars into broadband, as part of our ten year plan for a fast broadband future. We will use

this funding to accelerate broadband investment and high speed rollouts to businesses, local authorities, universities, schools and hospitals in urban centres. It will also be used to extend broadband into under-served regions, particularly in rural New Zealand.

**Labour will lift the New Zealand telecommunications system into the top ten in the world.**

Labour's much-increased level of spending on infrastructure needs to be maintained until the nation has fully undone the damage caused to its productive capacity through under-investment during the wasted decade of the 1990s. Labour will broaden the funding options for infrastructure development in two main ways:

**Labour will issue long-term infrastructure bonds which have a tax-free inflation-indexed element.**

Infrastructure Bonds are specifically linked to long-term investment in infrastructure, to make the link clearer between revenue and investment.

Issuing Infrastructure Bonds allows us to accelerate our efforts to make vital transport improvements for the long-term benefit of New Zealand

**Labour will support the rational use of public/private partnerships for large scale infrastructure developments where these can deliver more effective solutions for communities at lower cost to ratepayers and taxpayers.**

Labour changed the law to allow for public/private partnerships and will continue to explore opportunities in this regard on a case by case basis.

## **Macroeconomic Environment**

A sustainable economy requires a supportive macroeconomic environment.

**Labour will work in conjunction with the Treasury and the Reserve Bank to promote best international practice coordination between fiscal and monetary policy implementation in order to best protect the tradeable sector from undue volatility in interest and exchange rates.**

Labour recognises that in the current circumstances the government will be running a significant deficit in the short term, but is committed, over the longer term, to a level of Crown debt that will allow us to manage known future fiscal demands (such as those arising out of population ageing).

New initiatives which Labour will announce prior to the election will be funded within currently projected fiscal allowances. New departmental initiatives will, in the first instance, be paid for out of baselines.

Labour will not respond to a more difficult fiscal environment by cutting back on public services to New Zealanders, as our opponents would do.

We remain committed to strong, properly resourced and effective public services.

We will, however, strictly prioritise spending over the next three-year term, and will ensure that, spending which contributes most to economic and social development is given the highest priority.

Improving the investment environment is a key part of Labour's economic transformation strategy. To deliver wealth and jobs, New Zealand firms need ready access to affordable capital.

New Zealand's capital markets have improved over recent years, boosted by the over 800,000 people who have joined KiwiSaver, the business tax package and the changes to the Portfolio Investment Entity regime. But to strengthen this position we must continue to develop the breadth and depth of our capital markets.

**Labour will further develop financial markets to address issues of small capital markets and other problems.**

We have already established an industry-led taskforce to producing a blueprint and action plan to develop New Zealand's capital markets. The Capital Market Development Taskforce is looking at the current state of our capital markets, the international context, future risks and opportunities and key changes necessary to deliver the best possible financial system for New Zealand. It will report in mid-2009.

**Labour will deepen venture capital and equity markets through a “fund of funds” in venture capital a joint public/private sector foundation for independent research on equities.**

Labour will maintain the effectiveness of recent changes to the tax system in improving New Zealand's savings and investment levels and is committed to progressing its international tax reform agenda to strength the competitiveness of New Zealand-based firms.

**Labour will consult with the Guardians of New Zealand Superannuation and KiwiSaver Providers on what changes to current settings would most facilitate increased investment in New Zealand by their funds.**

## **International Connections**

Increasing New Zealand international connections is central to economic success. For this reason we are setting out a formal target.

**Labour will work with exporters to lift exports to 40 per cent of GDP by 2020 and to 50 per cent by 2030.**

Our record in trade is strong. Labour has breathed new life into the CER agreement with Australia. This is being transformed into a single economic market agreement with a number of steps already taken.

A free trade agreement with China has been signed: the first for a developed country. A regional free trade agreement with Singapore, Brunei, and Chile has been signed and the United States has announced it is seeking comprehensive negotiations to become part of this. Free trade negotiations are underway or being prepared bilaterally with Japan, India, and South Korea and regionally in the Asia-Pacific area.

Labour will continue to support multilateral negotiations through the World Trade Organisation as its highest priority and we will continue to negotiate links with rapidly growing economies such as India, South Korea and the ASEAN nations as well as with established developed country trading partners, particularly the United States and Japan.

However there is more to do. To support our ambitious target, Labour will:

- Strengthen **Trade and Enterprise's offshore presence**, starting with China to take advantage of the Free Trade Agreement
- Extend the successful **beach-heads programme**
- Support New Zealand business groups, such as the Wine Institute, seeking **collaborative approaches to offshore markets**
- Strengthen New Zealand **international telecommunications connections**

## **Minimum Wage**

An effective Labour market policy can both underpin economic growth and ensure the fruits of growth can be shared fairly.

The minimum wage is part of every government's general responsibility to ensure socially acceptable employment standards that are prescribed and enforceable. It provides a floor for wages paid to employees.

There are also formal international commitments that establish an explicit obligation on the New Zealand government to ensure an adequate minimum wage. International Labour Organisation (ILO) Convention 26 recommends that minimum wages should be set according to the "general level of wages prevailing in the country".

In this decade, New Zealand's lowest paid workers have experienced increases to their income of 71%, this is more than four times what they would have experienced in the decade before. The minimum wage increased every year since 1999. Over 120,000 New Zealanders experienced increases in their income in 2008.

Last year's increase lifted the adult rate from \$10.25 to \$11.25 per hour and the youth rate from \$8.20 to \$9.00 an hour. This was the largest increase in the adult minimum wage since the incoming Lange Labour government boosted the rate in 1985. On 1 April 2008, the minimum wage was increased again from \$11.25 per hour, to \$12 per hour.

Labour believes that we need ensure that all wages reach a socially acceptable minimum. That is why we are committed to offering wage protection to vulnerable workers so that they are paid wages that reflect their worth and productivity. This also ensures that the earnings of people on low incomes do not deteriorate relative to those of other workers, and increases the incentives to work for people considering work.

We acknowledge that there have been calls from a number of quarters to lift the minimum wage to \$15.00 an hour. Labour would like to meet this target if possible, but in the current economic circumstances we are not able to commit to doing so.

**Labour will guarantee annual adjustments to the minimum wage during the next term of government, so that the minimum wage at least keeps pace with increases in the average wage or the consumer price index, whichever is the greater.**

Raising the minimum wage, combined with other assistance such as with Working for Families, has a significant positive effect on the lives of working New Zealanders and their families. Especially during these times of turbulent economic conditions, it reduces the stress and tension some families face in trying to managing financial pressures while ensuring a happy and healthy family environment.

## **Labour's plan for responding to the international downturn**

The New Zealand economy is clearly facing short term challenges from the global financial turbulence. Labour will ensure that the current international crisis does not lead to a prolonged recession in New Zealand.

We have already announced a retail deposit guarantee scheme to reinforce confidence in our financial and banking systems. The scheme covers all retail deposits of participating New Zealand-registered banks and retail deposits by locals in non-bank deposit-taking entities, such as building societies, credit unions and deposit-taking finance companies

The deposit guarantee is designed to give assurance to New Zealand depositors that their deposits are safe in the current uncertain international financial market conditions.

Labour has begun work on an economic stimulus package which will be implemented if the projected impacts on the New Zealand economy remain as they appear to be at the moment.

**Labour will before Christmas 2008, present to Parliament an additional economic stimulus package which will outline a plan to bring forward infrastructure spending, with particular attention to:**

- Rail and roading improvements
- Local government sewerage and water projects
- Afforestation for conservation purposes
- Retrofitting and upgrading the State Housing stock
- The school and early childhood centre building programme
- Further details of this programme can be found in the appendix.

In addition to bringing forward planned spending, we will also be making temporary changes to the provisional tax regime.

**Labour will, for the period from 15 January 2009 to May 2010, reduce the use of money interest rate for underpayments of provisional tax to the same level as that paid for the overpayment of provisional tax.**

But the Commissioner of Inland Revenue will have the discretion to increase the use of money interest rate back to the normal level if he is satisfied that there has been a deliberate attempt to underpay tax.

*Note: current use-of-money interest rates are 14.24% for underpayments and 6.66% on overpayments.*

# Appendix – Labour’s Potential Economic Stimulus Package

## Bringing forward planned infrastructure spend

### Rail

There are a number of rail upgrade projects which may be able to be advanced ahead of current planning, for example:

Project	Time to start physical work	Time to complete work	% NZ Labour content	NZ Material Content	Cost \$M
North South Junction which would enable the carriage of 9’6” containers between Palmerston North and Wellington port, (at present they are off-loaded at Palmerston North and trucked).	6 -12 mths	30 months	100	85	\$150
Marsden Point Branch line to enable import/export cargos to be transited. At present the line is still located at the old port of Whangarei	12 mths	48 mths	100	80	\$100M

### Roading

Planned expenditure on new roads and road renewals is currently around \$1,200 million per annum, rising to \$1,700 million per annum over the next 10 years, covering 600-plus projects. These projects have already been subject to rigorous cost-benefit analysis.

Of these, there will be some that could be accelerated, and urgent advice is being sought from the New Zealand Transport Agency on which individual projects, or what proportion of projects, are capable of being accelerated.

## Sewerage Infrastructure

The Sanitary Works Subsidy Scheme was established in 2002 to assist small- to medium-sized communities to build or upgrade their reticulated sewerage facilities and treatment plants.

The origins of this Scheme date back to the 1999 Labour Party Manifesto, which identified improved sanitation for small- to medium-sized communities as a policy priority. A total of \$133 million was initially allocated over 10 years and was targeted to those communities with deprivation index ratings of five and above. An additional \$40 million was provided in Budget 2008, but there are still a number of worthy outstanding projects.

Unlike some other infrastructure sectors, the water and sewerage infrastructure sector is largely unaffected by capacity constraints and, with the help of this Scheme, has an established workforce of highly specialised wastewater engineers able to continue work on regional projects, should additional funding be made available. Indeed, the provision of funding for the Scheme in 2002 served as a catalyst for skills development in this area, and led to an increase in specialisation in wastewater engineering.

It is estimated that of the unfunded applications received to date, approximately 10 per cent to 20 per cent could be progressed immediately.

These might include:

Community/Council	Potential Subsidy \$M
Whangarei Heads (Whangarei DC)	8.95
Huapai (Rodney DC)	7.33
Brunswick/Rotokawa (Rotorua DC)	6.22
Okareka (Rotorua DC)	5.18
Muriwai (Rodney DC)	4.09
Eltham (South Taranaki DC)	3.53
Parua Bay (Whangarei DC)	1.09
Dannevirke (Taranaki DC)	1.0
Oakura (New Plymouth DC)	4.44

## Funding projects in the building and construction sector

### **Bringing forward school property upgrades**

At the last budget \$14.072 million was set aside to address space deficiencies in 29 schools. There are many other schools around the country which would benefit from additional or upgraded space. It is estimated that up to \$185 million of work could be considered.

In this years budget \$20 million was made available to fund replacement buildings in 20 schools. There are still a number of schools in the queue for such buildings and if spare construction capacity is available work could be brought forward. This could provide replacement buildings for schools as below.

Schools funded 2008	Value (\$000)
Avondale College	2,200
Kaitangata School	205
Crownthorpe School	479
Arthur Miller School	449
Southbrook School	467
Fairlie School	465
Putere School	563
Omokoroa School	456
Linwood North School	1,857
Naenae Intermediate	864
Kilbirnie School	934
Waitoki School	523
St Albans School	1,625
Lincoln Primary School	999
Twyford School	508
Kaipara College	3,361
Napier Intermediate	3,280
Westburn School	463

Potential extra schools	Value (\$000)
Cambridge High School	856
Sommerfield School	289
Pt Chevalier School	1,480
Christchurch South School	2,453
Lyttleton Main School	2,300
Manurewa East School	1,539
Karanui School	2,199
Taupo-Nui-A-Tia College	2,848
Epsom Girls Grammar	3,553
Glen Eden Intermediate	2,433
Green Bay Primary School	2,680
Papatoetoe High School	3,984

### **Housing initiatives**

Details on additional measures which may be taken in the housing sector will be released with Labour's Housing policy.

## **Supporting local authorities to bring forward catchment management initiatives in hill country**

### **Addressing soil erosion**

There are many areas of lands significantly affected, or potentially affected, by mass movement erosion especially in the lower North Island. The reintroduction of vegetation to these lands through afforestation or managing natural regeneration can provide much improved stability.

Geographically the most acute land areas are concentrated within the boundaries of Gisborne District Council, the Hawke's Bay Regional Council, Greater Wellington Regional Council, Horizons Manawatu and the Taranaki Regional Council.

The Northland Regional Council, Auckland Regional Council, Environment Waikato and Bay of Plenty Regional Councils also have significant areas of affected land.

The government has three programmes in place that already provide direct funding support as an incentive for afforestation activity targeting eroding and erosion prone land:

- East Coast Forestry Project – this well established programme targets effected land within the boundaries of the Gisborne District Council.
- The Sustainable Land Management (Hill Country Erosion) programme, introduced in 2007, provides \$2 million a year to accelerate the activity of the Regional Councils.
- The Afforestation Grants Scheme introduced with the Sustainable Land Management and Climate Change Plan of Action is designed to include consideration of hill country erosion.

The Permanent Forest Sinks Initiative, while not providing direct financial support, is also relevant. The ability of land managers to accrue value in sequestered carbon through planting or managing natural reversion on hill country land will influence investment decisions.

While there is then a strong programme framework in place that supports the objective of achieving slope stability and reducing erosion, these programmes can potentially be boosted by the provision of further funds.