

That house was built on a graveyard of the broken promises and shattered dreams of ordinary New Zealanders. Thousands of New Zealanders out there have lost everything, and Mark Hotchin's mansion on Paritai Drive stands as a symbol of greed and all that was wrong with the finance company sector.

As I also mentioned, I am hoping that New Zealand icons like Colin Meads and Richard Long—their brands are irrevocably damaged at the moment—and other New Zealand icons will think twice before they lend their names to areas that they have no competence in.

This travesty of the finance companies has resulted in increased ill health and a decrease in the well-being of a huge cohort of New Zealanders. Last year I spoke about two people I know about—and no doubt there are a hell of a lot more—who committed suicide as a result of losing all their money in these schemes. That is why this bill is so important.

We must remember that not all who acted in an unscrupulous manner were operating out of the back of a tin shed. We need to pass this bill. I commend it to the House. The days of the Wild West are gone. This bill closes a lot of these loopholes. It is a fantastic bill, supported by both sides of the House, and certainly supported by me. Thank you.

Bills read a third time.

## **CIVIL AVIATION (CAPE TOWN CONVENTION AND OTHER MATTERS) AMENDMENT BILL**

### **First Reading**

**Hon NATHAN GUY (Associate Minister of Transport)** on behalf of the **Minister of Transport**: I move, *That the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill be now read a first time.* On 24 March 2010 the Minister of Transport, Steven Joyce, announced that the Government had decided to accede to the Convention on International Interests in Mobile Equipment, commonly known as the Cape Town Convention, and to the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, commonly called the Aircraft Protocol.

By taking this treaty action New Zealand will become part of an international system to protect commercial security interests in mobile aircraft equipment. Because mobile equipment such as aircraft move from one country to another, international investors in, or lessors of, such equipment have historically had to rely on different national laws to protect their investments. Consequently, financiers seek a premium on their lending as a hedge against the legal risks involved.

The convention creates a set of international rules governing security interests in mobile equipment, including an international securities register. The Aircraft Protocol modifies and supplements the convention to meet the particular needs of those involved in cross-border transactions applying to “aircraft objects”, which include airframes, aircraft engines, and helicopters. The protocol provides the creditor with additional remedies, including the deregistration and export of an aircraft. It also establishes a special insolvency regime in relation to aircraft objects to strengthen the creditor's position against the debtor or the insolvency administrator. It is estimated that the financial savings over the next six years to the aviation industry, including Air New Zealand, could range from \$18 million for savings in export credit guarantees to as much as a whopping \$325 million in reduced finance charges. And, of course, the benefits will continue into the foreseeable future.

Amendments to domestic legislation are necessary to ensure that it aligns with the Cape Town Convention and Aircraft Protocol when they come into force in New

Zealand. The bill amends the Civil Aviation Act 1990 to give the convention and the protocol the force of law in New Zealand, to ensure that these instruments prevail over inconsistent domestic law, and to require the Director of Civil Aviation to deregister an aircraft when required to do so by a creditor, in accordance with the new processes set out in the Aircraft Protocol. The bill also amends several other Acts.

Debate interrupted.

*Sitting suspended from 1 p.m. to 2 p.m.*

### VISITORS

#### **Australia—Parliamentary Committee System Review Committee, Queensland Legislative Assembly**

**Mr SPEAKER:** I have much pleasure in informing members that the Parliamentary Committee System Review Committee of the Legislative Assembly of Queensland, led by the Hon Judy Spence MP, is present in the gallery. I am sure that members will wish that the committee be welcomed.

### POINTS OF ORDER

#### **Holidays (Football World Cup) Amendment Bill—Copies for Members**

**Hon TREVOR MALLARD (Labour—Hutt South):** I raise a point of order, Mr Speaker. I seek your indulgence in order to inform members that I have placed in their bill box a copy of the Holidays (Football World Cup) Amendment Bill. It is not my intention to proceed with it for another 24 hours, in order to give people an opportunity to give feedback. Currently, the bill would grant a public holiday on Friday contingent on the All Whites winning.

**Hon GERRY BROWNLEE (Leader of the House):** How on earth was that a point of order?

**Mr SPEAKER:** I have to confess that I am not sure, but the member got away with it.

### QUESTIONS FOR ORAL ANSWER

#### QUESTIONS TO MINISTERS

#### **Pacific Economic Development Agency—Contestability of Grant**

**1. Hon PHIL GOFF (Leader of the Opposition) to the Minister of Finance:** Why did he allocate \$4.8 million in the Budget to the Pacific Economic Development Agency rather than making that funding contestable?

**Hon BILL ENGLISH (Minister of Finance):** In the first place, the appropriation in the Budget does not amount to an allocation of \$4.8 million to the Pacific Economic Development Agency. As I have pointed out to the member many times, there is a process of negotiation going on regarding a purchase agreement that will meet all the requirements of accountability and transparency. The Government decided to allocate some money to improvement of the skills and job prospects of young Pacific Islanders, alongside the tens of millions of dollars that it has allocated to any number of schemes designed to cushion people from the sharpest edges of recession and, particularly, to help younger people to maintain their connection with the workforce.

**Hon Phil Goff:** When the Ministry of Pacific Island Affairs reported to him and to his colleague that this agency was unproven and untested, constituted a real risk, and had not completed any projects of real note, why did he decide to maintain the exclusivity of the appropriation to that organisation despite those warnings?

**Hon BILL ENGLISH:** There is no exclusivity, and I think that is where the Opposition is labouring under a misunderstanding. The Government proceeded with the appropriation, and I would have thought that the Labour Party would welcome new money in a tough Budget to help young Pacific Island people get skills and maintain a connection to the workforce. The appropriation having been made in the Budget, negotiations are going on now with Treasury and the Ministry of Pacific Island Affairs. The member should await the outcome of that to see whether there is exclusivity.

**Hon Phil Goff:** If what the Minister says is true, why is there a single-line item in the Budget for the Pacific Economic Development Agency, and why did his Minister of Pacific Island Affairs announce on Budget day that that was exactly where the money was going?

**Hon BILL ENGLISH:** As I have said before, the appropriation process does not guarantee the money to any particular organisation. The appropriation was made with the full knowledge that there would need to be discussion about a detailed business case. This is a completely normal process followed all the time by Governments.

**Hon Phil Goff:** Why is the mechanism for how the Pacific Economic Development Agency is to report on its spending one of self-reporting, as indicated in the Budget document itself, rather than the more robust reporting mechanism that generally applies to non-governmental organisations, as set out under section 32A of the Public Finance Act?

**Hon BILL ENGLISH:** The member raised that question yesterday, and I can give the member the same answer. There are no special arrangements because there is no contract in place. It is very straightforward. I would have thought the Labour Party would be supporting the Government trying to help young Pacific Islanders maintain their connection to the workforce and get some skills—or is the member unaware that this is the group most affected by unemployment in the recession?

**Hon Phil Goff:** When will the Minister get it into his head that the Opposition is not concerned about the fact that he might belatedly put some money into supporting the Pacific Island community, whose unemployment rate has doubled, but is worried about the lack of transparency and the shonky way in which he has put it in place?

**Hon BILL ENGLISH:** What I have in my head is the alarm among the Labour Party that a National-led Government is talking to the Pacific Island community, and doing so constructively. I point out to the member that the kinds of bullying tactics from the Labour Party that failed in the Māori community will also fail in the Pacific community.

**Hon Phil Goff:** In claiming that the criticism of the Pacific Economic Development Agency is based on party politics and conspiracy theory, how does the Minister explain the statement made by National's pollster and blogger David Farrar that giving the agency \$4.8 million when it has no track record is "a reckless decision"?

**Hon BILL ENGLISH:** I am not responsible for him, and he is wrong.

**Hon Phil Goff:** Did the Prime Minister discuss with him as Minister of Finance any funding proposals that arose out of a meeting in Auckland last year between Mr Key and the Pacific Economic Development Agency director J R Pereira, a meeting that was also attended by Inga Tuigamala and Michael Jones; if so, what undertakings were made at that meeting?

**Hon BILL ENGLISH:** I know that the Leader of the Opposition is somewhat resentful of the Prime Minister's popularity, but he—

**Hon Phil Goff:** I raise a point of order, Mr Speaker. That was—*[Interruption]*

**Mr SPEAKER:** That was totally uncalled for. A point of order was called, and the House will hear it in silence.

**Hon Phil Goff:** Mr Speaker, I think you know what the point of order is. It was quite unnecessary to preface the answer to what was quite a straightforward question in the way that the Minister did.

**Mr SPEAKER:** I hear the honourable member. The Minister was asked whether the Prime Minister had discussed matters with him following that meeting, and I think the Minister should attempt to answer that.

**Hon Gerry Brownlee:** I raise a point of order, Mr Speaker. When a question is asked in that sort of carping, name-dropping manner, I think you need to ask yourself whether the question itself had validity. It was just totally—

**Mr SPEAKER:** No, the member should be careful about what he says. I listened very carefully to that question, and I contrasted it with the previous question. In respect of the previous question asked by the honourable Leader of the Opposition, the Minister had licence to say almost anything that is permitted in this House, because the question was a very loose question with a lot of political comment in it. The question before the House now is a reasonable question: it asked whether the Prime Minister had discussed this issue with the Minister some time last year, following a meeting with one Pereira and a couple of other people in Auckland. I do not know whether the meeting took place, but the Minister should tell the House whether any discussions took place between the Prime Minister and him on this matter following that meeting.

**Hon BILL ENGLISH:** I am not aware of the particular meeting, but I can tell the member that the answer to that question would be no. There was no discussion about funding until at least about February or March of this year, because there was no proposition to discuss funding for.

#### **Rest Homes—Standard of Care**

**2. SUE KEDGLEY (Green) to the Minister of Health:** Does he agree that older New Zealanders who live in rest homes are among the most vulnerable in our society, and is he satisfied that all rest homes provide safe levels of care for residents, as they are required to do under the Health and Disability Services (Safety) Act 2001?

**Hon TONY RYALL (Minister of Health):** Yes; and generally yes. I also agree with the Auditor-General, who last year issued a damning report that the previous Government did not respond quickly enough to address the weaknesses and risks in the arrangements, which it had known about since 2004. The new Government is tackling these years of neglect in a number of ways.

**Sue Kedgley:** How can he ensure that rest homes provide safe levels of care for residents, when there is no minimum training or qualification needed to be a caregiver, and when many people literally walk in off the street with no prior training or experience and begin to care for our vulnerable elderly?

**Hon TONY RYALL:** A number of training programmes are in place for those who go and work in aged care. The Government was also concerned about the lack of investment in nursing quality and supervision in rest homes, and that is why we put in an extra \$18 million last year as part of meeting that need.

**Sue Kedgley:** How can he ensure that rest homes provide safe levels of care for residents, when according to the Nurses Organisation survey, large numbers of unregulated caregivers are doing jobs that would normally be considered to be the domain of registered nurses—jobs such as administering medicines without supervision, and even administering drugs like morphine?

**Hon TONY RYALL:** There are very clear rules about who should be administering drugs anywhere in the New Zealand public health service. If the member has any information about breaches of those rules, it should be made available to the authorities. This Government is beefing up the audit and compliance regime associated with rest

homes in order to ensure that the problems identified by the Auditor-General are addressed.

**Jo Goodhew:** What were the conclusions of the Auditor-General's damning report on the monitoring of rest homes?

**Hon TONY RYALL:** Last year the Auditor-General's report identified longstanding shortcomings in rest home monitoring. The Auditor-General's report found that under the previous Government, the Ministry of Health had struggled for years to ensure the quality and safety of the nation's rest home services. The Auditor-General was highly critical of the lack of action between 2002 and 2008, and the Auditor-General was particularly critical of the agencies that audit rest homes, and this Government shares that concern. The same report recognised the action that the new Government has under way.

**H V Ross Robertson:** Considering that this Government is clearly turning a blind eye to elder abuse in rest homes, does it intend—

**Hon Gerry Brownlee:** I raise a point of order, Mr Speaker. I would not normally raise a point of order on a new member, but this is a very, very experienced member. He has been in the House for some 35 years. I would have thought it is quite inappropriate for him to start a question in that manner. It is question time, not statement time. I also want to know whether he has a hat to go with his scarf.

**Mr SPEAKER:** The member's point of order is perfectly valid. I do not normally intervene. The more comment like that that a member makes when asking a question, the more licence that a Minister has to be political in his or her answer. That is the way that I normally balance it. But the member's point of order is absolutely correct. The member should ask a question rather than make—

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. Before you absolutely endorse the point of order, you might want to check the maths of the Leader of the House. Clearly, he cannot add without taking his shoes off.

**Mr SPEAKER:** I am not sure what that has to do with order.

**H V Ross Robertson:** Indeed, he should have his maths checked. Does the Government intend to continue to turn a blind eye to elder abuse in rest homes, and does it intend to do anything about the other issues for the elderly that Grey Power raised yesterday—namely, cutting home help, cutting hearing aid subsidies, cutting elder abuse education programmes, cutting elder driving courses, allowing ever-increasing electricity bills, and transferring the financial burden of the emissions trading scheme from the polluter to the taxpayer?

**Hon TONY RYALL:** I would ask where that member was for 9 years when the Auditor-General was slamming the party opposite for its behaviour when in Government towards rest homes in New Zealand. This Government has done more than any other in the last 18 months to address those issues. We are now auditing the auditors, we require the auditing agencies to have international accreditation, we are providing additional funding, and we have introduced spot auditing. We now have transparent reporting online of rest home quality standards as per the audit, which is colour-coded for easy reference. Blue is very good, and red is very bad.

**Sue Kedgley:** How can he ensure that residents living in rest homes now are provided with safe levels of care, when nurses who work in the aged-care sector report that they are responsible routinely for the care of as many as 64 residents and are so overworked that they simply do not have time to care for residents properly or safely?

**Hon TONY RYALL:** What I am well aware of is that the Government put in an additional \$18 million last year to improve the nursing quality and supervision in rest homes. We have increased the subsidies a further \$16 million this year. We are putting a considerable effort into improving the auditing and compliance regime. As I travel to

rest homes around New Zealand, nurses are giving me a very clear message that the neglect of the previous regime is being addressed by this Government.

**H V Ross Robertson:** I raise a point of order, Mr Speaker. Given the Government's barracking during the asking of my question, I seek leave of the House to table the media release put out by Grey Power yesterday, which the Government did not believe.

**Mr SPEAKER:** The House is not about to do that.

**Sue Kedgley:** Is it not the case that as long as there are no minimum staffing levels in the sector or formal qualifications or training required to be a caregiver, he simply cannot ensure that rest homes provide safe levels of care for residents; and does he concede it was a mistake for the Government to veto a select committee inquiry into aged care?

**Hon TONY RYALL:** No, it was not a mistake for Government members of the select committee to not have an inquiry into aged care, because frankly it saved that member, who supported the previous Government for 9 years, from a lot of embarrassment.

**Sue Kedgley:** I seek leave to table four documents. The first document is an email dated 19 May of this year, in which a caregiver on \$13.26 an hour explained that she gives out medicines for 46 patients, including signing for and giving morphine.

**Mr SPEAKER:** Leave is sought to table that document. Is there any objection? There is no objection.

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

**Sue Kedgley:** I seek leave to table another email from a caregiver received on 10 June, explaining that on many occasions staff have found that residents had been lying on the floor for 2 or 3 hours after a fall, before being picked up.

**Mr SPEAKER:** Leave is sought to table that document—

**Hon Dr Nick Smith:** Is there a name on it?

**Mr SPEAKER:** Let me just clarify this for the House. Is the name of the person who sent the email on the document?

**Sue Kedgley:** No, I have removed the name of the person.

**Mr SPEAKER:** So we have got no idea who is making this allegation. Members are aware of that. I will put the leave. Leave is sought to table the document with no name on it as to whom it came from. Is there any objection? There is objection.

**Sue Kedgley:** I seek leave to table a Nurses Organisation aged-care survey done in 2009, which points out that medication is frequently administered by caregivers without the supervision of nurses.

**Mr SPEAKER:** Leave is sought to table that document. Is there any objection? There is no objection.

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

**Sue Kedgley:** I seek leave to table my final document, from 17 May. It is from a nurse who said she has left the sector because she could not stand working in an environment where she was unable to ensure that patients received the care that they are entitled to.

**Mr SPEAKER:** Is the name of the person who sent that letter attached to it?

**Sue Kedgley:** I have removed that name.

**Mr SPEAKER:** Leave is sought to table that document, to which no name is attached. Is there any objection? There is objection.

**Economic Position—Current Account Deficit**

**3. DAVID BENNETT (National—Hamilton East) to the Minister of Finance:** What reports has he received on New Zealand's economic position?

**Hon BILL ENGLISH (Minister of Finance):** Today Statistics New Zealand published current account data for the March 2010 quarter. It shows a current account deficit for the year ended 31 March of \$4.5 billion, which is around 2.4 percent of GDP. It is the lowest deficit in more than 20 years. However, the latest figure reflects a mix of permanent and temporary factors. It includes the benefits of recent high commodity prices, the revenues from major tax cases, and reductions in imports during the recession. Most forecasts show the deficit widening again, though not to the previous extreme levels of 9 or 10 percent of GDP. The data reinforced the need for New Zealand to tilt the economy towards savings, exports, and productive investment, and away from excessive borrowing, debt, and Government spending increases.

**David Bennett:** What are the main reasons for New Zealand's current account deficit?

**Hon BILL ENGLISH:** The current account deficit has become particularly bad through the last cycle, partly because of the mismanagement of the temporary boom of recent years. New Zealand's external liabilities have risen almost 40 percent to \$167 billion over the past 5 years. The cost of servicing this is more than 5 percent of GDP. At almost 90 percent of GDP, our external liabilities are similar to those of Spain, Ireland, Portugal, Hungary, and Greece, names the House might recall from recent media coverage. This is why the Government has placed such emphasis on financial stability. We have been successful up until now, but there is still plenty of work to do.

**Hon David Cunliffe:** Why is he attempting to take credit for the recent result, when J P Morgan has labelled the improvement as short-lived, and both Treasury and the Reserve Bank are forecasting the current account deficit to almost triple over the next few years?

**Hon BILL ENGLISH:** I am not trying to take credit for it, and, actually, I pointed out in my answer to the primary question exactly that—that the forecasts are expected to get worse. What I have pointed out to the House, though, is that it is vital we turn round our external position, because under the mismanagement of the previous Government our external liabilities have now reached—*[Interruption]* The member should listen. Our external liabilities are now 90 percent of GDP. Other countries with external liabilities at a similar level are Spain, Ireland, Portugal, Hungary, and Greece, each of which has featured significantly in the international media because of its substantial financial challenges.

**David Bennett:** What steps is the Government taking to address New Zealand's current account problems?

**Hon BILL ENGLISH:** To improve the current account, which, as the Opposition has pointed out, is forecast to get significantly worse again, the Government needs to raise exports and save more. The Budget was certainly focused on achieving this, with a new operating spending allowance of just \$1.1 billion, which is about half the level of previous years. We have also set out to rebalance the tax system by increasing consumption taxes and taxes on property speculation, and reducing tax on income, savings, and productive investment. We should also acknowledge the success of some of the Reserve Bank measures in affecting the length of the term of the debt that New Zealand owes to the rest of the world.

**Hon David Cunliffe:** Given that both the Government and the Opposition are now agreed that the problem is expected to get worse, and that the need for rebalancing includes closing the savings gap, why did the Government cut in half the incentives for

KiwiSaver and continue to defer indefinitely the pre-funding of New Zealand superannuation?

**Hon BILL ENGLISH:** We have answered those questions before, and no doubt Labour will spend the next 10 years trying to justify its policies of the last 10 years. We did that because we had better ideas, and, actually, it was not difficult.

**David Bennett:** What alternative economic policies would aggravate New Zealand's current account position and mortgage our families' futures?

**Hon BILL ENGLISH:** There are a different set of choices the Government could make. We could, for instance, increase personal income taxes. We could increase Government spending significantly faster. That would increase the need for borrowing. We could meddle with the Reserve Bank's toolkit for containing inflation. These are all policies advocated by the Opposition. We disagree with them.

#### **State-owned Enterprises—Requests for Additional Capital**

**4. Hon DAVID CUNLIFFE (Labour—New Lynn) to the Minister of Finance:** Which State-owned enterprises have indicated to him a need for additional capital, and what options is he considering to meet these needs?

**Hon BILL ENGLISH (Minister of Finance):** Discussions about the particular capital needs of particular State-owned enterprises are commercially sensitive, and I do not intend to divulge the full detail of those here. I can tell the member that State-owned enterprises regularly have discussions with the Government about how much of their profits should be retained in order to allow them to continue investing. Additional capital is considered where there is a sound commercial case. Under the policy constraints the Government has given itself for State-owned enterprises requiring savings, we can either lower their dividends or borrow in international markets in order to invest in State-owned enterprises.

**Hon David Cunliffe:** When did the Minister tell the Minister of Energy and Resources, Gerry Brownlee, about Solid Energy chairman John Palmer's intention to call for the partial sale of Solid Energy during a speech last Thursday?

**Hon BILL ENGLISH:** I cannot recall every discussion I have had with Minister Brownlee about Solid Energy, but I assure the member there are regular discussions because Mr Brownlee is a very active Minister of Energy and Resources, and a strong advocate of the development of New Zealand's energy resources.

**Aaron Gilmore:** By how much does he expect the Government's assets to grow over the next few years?

**Hon BILL ENGLISH:** The Budget outlined the fact that the Government owns \$220 billion worth of assets, which includes something like \$70 billion worth of financial assets and over \$50 billion worth of commercial assets. The Government expects that the value of that \$200 billion portfolio will grow by around \$35 billion over the next 4 years. That is if we manage it well. I have to say that the standard of management of some of these assets has been very poor, and the Government is working hard to lift their performance.

**Hon Clayton Cosgrove:** When John Palmer told him he was going to call for the partial sale of Solid Energy, did he tell the chairman that the comments were "out of line" and "stepping over the mark", or was the Minister of Energy and Resources, Gerry Brownlee, wrong when he made those comments and said "No one was particularly happy about it."?

**Hon BILL ENGLISH:** The member is continuing the Opposition habit of trying to put words in people's mouths. That was not the nature of the communication between the chairman and me.



**Hon Clayton Cosgrove:** Will the Minister rule out ever selling some or all of Solid Energy?

**Hon BILL ENGLISH:** The Government's position on asset sales is clear: no asset sales in this term of office, and if that changes we will go to the electorate and debate the issues.

**Hon David Cunliffe:** If the Minister is not ruling out possible future partial privatisation of Solid Energy, in what respect did John Palmer "go too far"?

**Hon BILL ENGLISH:** The member can play the game of ruling out, but actually Labour's policy on these matters is much looser than National's.

**Hon David Cunliffe:** I raise a point of order, Mr Speaker. By attempting to refer a question back to the Opposition, the Minister is failing to address it.

**Mr SPEAKER:** I think it is a fair point, actually. The Minister should not comment on the Opposition before attempting to answer the question.

**Hon BILL ENGLISH:** As I said, we are not going to play the game of ruling things in or out. The policy is the same, whether for the chairman of a State-owned enterprise or an ordinary taxpayer: the Government is not selling any assets this term, and if it changes its mind it will campaign on it in 2011.

#### **Police—DNA Samples Taken from Young People**

**5. HONE HARAWIRA (Māori Party—Te Tai Tokerau) to the Minister of Police:** How many DNA samples have the New Zealand Police taken from young people 17 years old and under over the last year; and what type of charges, if any, were laid against the young people who had DNA samples taken from them?

**Hon JUDITH COLLINS (Minister of Police):** Police advise me that there are more than 100,000 profiles on the national DNA database, and that over the last 12 months only 190 samples have been taken from people aged less than 17 years. In the limited time available the Police have not been able to carry out an audit to establish the exact details of each of those 190 cases.

**Hone Harawira:** Has she seen the complaint from South Auckland lawyer Shane Tait that three of his clients were told by the police to give a DNA sample voluntarily, or face arrest for reporting late to the police station; and what action was taken to discipline the officers for their illegal activity?

**Hon JUDITH COLLINS:** No, I have not seen that complaint, but I have seen numerous media comments about that, none of which gave any details as to the constables who are alleged to have done that, or the clients, or anything that could identify them. I invite the member, yet again, to give any details to either the Commissioner of Police or the Independent Police Conduct Authority. He can always send them to me if he likes and I will pass them on.

**Hone Harawira:** Has she seen today's Internet posting, which reads: "Full credit to you Hone for bringing to light the Nazi-style tactics used by New Zealand's biggest gang, the police, when collecting DNA samples. The issue, however, seems to be more widespread than just Māori. I am an educated European female who has never been convicted, or even suspected, of an offence but was subjected to similar, bully-style treatment and incorrect information with regard to provision of a DNA sample. I completed a Police Complaints Authority submission on this exact point earlier this month. It's"—

**Mr SPEAKER:** I realise that the member is quoting, but he cannot quote endlessly like that when asking a question. I believe that he was asking the Minister whether she had seen something. The Minister may answer.

**Hone Harawira:** I raise a point of order, Mr Speaker. I doubt whether my supplementary question was the longest one we have received this week in the House, and I am surprised that you have cut me short before I had completed it.

**Mr SPEAKER:** With respect to the honourable member, he does not need to quote endlessly to make a point. I believe that he could have quoted sufficiently from what he wanted to quote and asked the Minister a question. The member could see the House getting restless as he was going on and on, and he knows the Standing Orders. Is he complaining that he has not been able to ask his question because I have cut him short?

**Hone Harawira:** I am complaining that the question I have asked is not as long as other supplementary questions that have been asked this week and not stopped, and therefore, I should have been allowed the opportunity to complete my supplementary question.

**Mr SPEAKER:** If the member feels offended, I apologise, but the Speaker has ruled, and that is it. The member will resume his seat and the Minister will answer.

**Hon JUDITH COLLINS:** I have not seen any Internet blog or comment from a self-described educated European woman, who then goes on to make quite atrocious comments about New Zealand police officers.

### **Housing—Access to Appropriate and Affordable Housing**

**6. MOANA MACKEY (Labour) to the Minister of Housing:** Does he believe that all New Zealanders should have access to appropriate and affordable housing?

**Hon TONY RYALL (Minister of Health) on behalf of the Minister of Housing:** As the Minister stated in the House yesterday, we are committed to assisting New Zealanders most in need. Budget 2010 contains \$1.76 billion for over 300,000 households, which are provided assistance through income-related rents and the accommodation supplement. That is an increase of 17 percent compared with Budget 2008. In Budget 2009 we also committed \$350 million to insulate 180,000 homes over a 4-year period.

**Moana Mackey:** Why, when more than 1,100 people are on Housing New Zealand waiting lists in the Wellington region, 332 in the Hutt Valley alone, are more than 40 State houses sitting empty at Pōmare?

**Hon TONY RYALL:** As was made clear on television last night there are matters to be dealt with in the courts in respect of some antisocial residents in that area, and at the conclusion of that there will be a redevelopment of those properties in Pōmare. As the Minister indicated, there is also some difficulty with tenants preferring not to be in the Pōmare area.

**Moana Mackey:** Why does he keep claiming that court action involving three families is preventing him from going ahead with promised renovations to more than 40 properties in the Pōmare community?

**Hon TONY RYALL:** That is because the Minister is concerned that if there is to be redevelopment in Pōmare in order to improve the standard of the houses there, which the Government inherited from that member's party, then it should be done at such a time when the antisocial element of that neighbourhood has been dealt with. Many people do not want to move to the area because of their concerns about those tenants, and until that matter is resolved there will not be the redevelopment that people would want.

**Tim Macindoe:** What commitment has the Government made to providing appropriate housing for Housing New Zealand Corporation tenants?

**Hon TONY RYALL:** Left a State housing portfolio in serious disrepair by the previous Government, this Government committed an additional \$120 million to the housing portfolio in February last year. The corporation has completed over 20,000

upgrades to its homes since February 2009, at a total cost of almost \$152 million, and it will complete another 8,000 upgrades in the next financial year. This Government is also committed to increasing the State housing stock by 1,550 houses by June 2012. As at 30 April we have delivered 647 of those new homes.

**Moana Mackey:** Why is he choosing to punish an entire community for the actions of a few; and, despite his claims that no one wants to live in Pōmare, will he allow those people who said on television last night that they would love to live there to have those State houses renovated and to move in?

**Hon TONY RYALL:** The Minister is not punishing a few people; the Minister is recognising that there is a community there in need of renewal in terms of the housing stock because so many mouldy and unsuitable houses were inherited from the previous Government. People want to know that if they are to bring up their kids in those houses, then they should not have to worry about an antisocial element that makes that neighbourhood not what it could be.

**Chris Hipkins:** Rather than continuing to stereotype the entire Pōmare community based on the actions of a few people, will he accept an invitation from me to accompany him on a visit to the Pōmare community to speak to the local residents firsthand and to see the state of the houses that they are asked to live in; and if he is willing to accept that, will he also bring with him the Minister of Health so that he can see firsthand the impact of the \$300,000 funding cut that has been imposed on the local health service?

**Hon TONY RYALL:** First of all, I am sure it is not a neighbourhood where the local member needs to be accompanied by the Minister of Health to go there to visit it. I can tell that member that we would like the people of Pōmare, and, indeed, of the entire Hutt Valley, to know of the very poor state of the State housing stock that this Government inherited. That is why we have put millions into upgrading the State housing stock—so that New Zealanders have more home opportunities.

#### **Workforce Advisory Group—Release of Report**

**7. ALLAN PEACHEY (National—Tāmaki) to the Minister of Education:** Why has she released the report of her workforce advisory group for public discussion?

**Hon ANNE TOLLEY (Minister of Education):** Last year I appointed a workforce advisory group to give me independent expert advice on the future of the teaching workforce. The group has produced a report called *A Vision for the Teaching Profession*, which I released earlier this month. I have released the report because I believe that this is a great opportunity to have an open discussion about how we can attract and train the very best teachers and ensure that they stay in the profession.

**Allan Peachey:** How can interested people have their say on the proposals in the report?

**Hon ANNE TOLLEY:** Submissions can be sent to the Ministry of Education by mail or email until 6 August. The report and a discussion document have been made directly available to schools and education sector groups. Both documents are also available to the wider public online. The Government will consider the advisory group report and outcomes of this consultation process later this year.

**Hon Trevor Mallard:** Has she read and understood the report; if so, what was the main recommendation?

**Hon ANNE TOLLEY:** Yes, I have read and understood the report, and I have released it along with a discussion document asking for public input.

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. It was a pretty simple question: I asked what the main recommendation was.

**Mr SPEAKER:** In fairness, I think that, unlike the question asked by the Leader of the Opposition yesterday, this question had two parts. The first question asked whether

she had read and understood it; the second question asked what the main recommendations were. The Minister chose to say that she had read it and understood it, which meant that she had chosen to answer the first part.

**Hon Trevor Mallard:** Does she agree with the main recommendation of the Education Workforce Advisory Group that 3 years is not long enough to do a quality basic teacher education programme?

**Hon ANNE TOLLEY:** I realise it comes as some surprise to the Opposition, but one releases a report with a discussion document for public consultation in order to get other people's input into an issue. That is exactly what we have done. I do not want to pre-empt that public discussion about a very important issue like the training of our teaching force.

**Hon Trevor Mallard:** I raise a point of order, Mr Speaker. I took your advice from the previous question and I asked, I think, the straightest question I could: I asked whether she agreed with it. She could have said that she did not have an opinion, that she agreed with it, or that she did not agree with it—

**Mr SPEAKER:** The Minister's answer was that her opinion was that it was not in the public interest for her to comment on it prior to getting feedback from the public. The Minister is perfectly at liberty to answer in that way.

#### University Courses—Restricted Enrolments

**8. GRANT ROBERTSON (Labour—Wellington Central) to the Minister for Tertiary Education:** Does he stand by his statement in regard to restricted enrolments in some university courses that it “would not be ideal to see too much of this at this time”?

**Hon STEVEN JOYCE (Minister for Tertiary Education):** Yes. Universities have always had the autonomy to set their own entrance criteria, but it would be counter-productive to overly restrict enrolments for 2011. A number of factors will see demand pressures reduce in that year, including the effect of some policy changes announced in Budget 2010, plus the 765 new places the Government is funding over and above the record level of provision in 2010.

**Grant Robertson:** Why is the Minister standing by as Auckland University, Waikato University, Massey University, Victoria University, and Otago University all restrict entry far more than ever before; or is he no longer ambitious for New Zealand?

**Hon STEVEN JOYCE:** Firstly, the restrictions on admissions are being caused by the move by the previous Labour Government to cap enrolments and cap spending, following its imposition of the interest-free loans policy. Having said that, a number of factors will come together next year to relieve that demand pressure, including a record number of funded places at universities in 2011. In fact, there will be 5,600 more than 3 years ago. Secondly, there is the easing of the recession. Thirdly, there are the changes to student loan entitlements for new residents and Australians, and, fourthly, there is the introduction of a performance element for students already at university.

**Grant Robertson:** Given that answer, does the Minister accept that his plans to relieve demand pressure is another way of saying that some New Zealanders will not be able to go on to tertiary study and achieve their potential?

**Hon STEVEN JOYCE:** No. I am saying that it is important to consider not just the amount of funding but also how that funding is used, which is something that seems to have escaped the Opposition. From the enrolments that are already funded in the university system we are seeking to ensure that people are making good academic progress while they are being funded by the taxpayers of New Zealand to complete their academic education. I think the taxpayers of New Zealand will see that as entirely fair.

**Grant Robertson:** Why does the Minister think it is acceptable that a policy of open entry to New Zealand universities, which had its origins just after World War I, is now being cast aside, and that he is not taking action to do anything about it?

**Hon STEVEN JOYCE:** It is interesting to hear the member opposite rewrite history, but there has always been restricted entry, as far as I can remember—and I remember first going to university in 1981. I had a restricted entry to my vet degree that resulted in my doing the zoology degree that has often been talked about. There have always been restrictions on different courses at universities. The point is that this year we have the highest number of core university places that have ever been funded in this country, and there will be a higher number next year. We have the highest number of funded core polytech places this year, and there will be a higher number next year.

### **Treaty of Waitangi Settlements—Progress**

**9. PAUL QUINN (National) to the Minister for Treaty of Waitangi Negotiations:** What recent progress has the Government made towards its goal of settling historical Treaty of Waitangi claims by 2014?

**Hon CHRISTOPHER FINLAYSON (Minister for Treaty of Waitangi Negotiations):** Last Sunday the Crown signed terms of negotiation with Ngāti Korokī Kahukura and Ngāti Hauā at Pōhara Marae. Between the start of last year and June this year, the Crown has reached over 30 significant settlement milestones, including 14 agreements in principle and six deeds of settlement. This represents great progress, especially compared with the previous administration's average of 1.6 deeds of settlement each year.

**Paul Quinn:** What support did Budget 2010 provide to help achieve the Government's goal of settling historical Treaty of Waitangi claims by 2014?

**Hon CHRISTOPHER FINLAYSON:** This year's Budget provided an extra \$6.5 million over the next 3 years to help achieve the Government's goal of settling historical Treaty claims by 2014. This extra funding comes on top of the additional \$22.2 million in last year's Budget, and illustrates the Government's commitment to accelerating Treaty settlements.

**David Garrett:** Will the settling of claims to customary title over parts of the foreshore and seabed under the Government's proposed legislation impact in any way, shape, or form on Treaty claims; if so, in what precise way?

**Hon CHRISTOPHER FINLAYSON:** That question raises a number of points. First, I have made it clear on a number of occasions that if an iwi has concluded a Treaty settlement, it will be able to come and talk to the Crown—for example, about extant customary rights it may claim—but the finality of its Treaty settlement will not be able to be challenged.

**David Garrett:** Will he be advising the Attorney-General that the foreshore and seabed legislation should specifically prohibit any holder of customary title from charging those who wish to enjoy customary recreations, such as fishing and swimming, for access to areas of the foreshore and seabed held under customary title; if not, why not?

**Hon CHRISTOPHER FINLAYSON:** The Attorney-General and the Minister for Treaty of Waitangi Negotiations exchange pleasantries all the time, and I imagine that the issue of the—

**Hon Trevor Mallard:** When he's not too busy directing companies.

**Hon CHRISTOPHER FINLAYSON:** Another day, another psychotic outburst from Mr Mallard.

**David Garrett:** I raise a point of order, Mr Speaker.

**Mr SPEAKER:** Before I call the honourable member, I say that it will lead to disorder if members use an open microphone to make unhelpful comments across House. I recognise that it was done in response to a fairly unhelpful interjection, but these things tend to lead to disorder.

**David Garrett:** My question was carefully worded, and it asked whether the Minister would be advising the Attorney-General with regard to the content of legislation. The answer I got was related to social intercourse between himself and that Minister, and it has absolutely nothing to do with the question.

**Mr SPEAKER:** I accept the point the member is making in that I believe the Minister, in answering the question, was probably a bit sidetracked by the interjection. I think it was a serious question that the member asked, and I ask the Minister whether he could answer beyond just whether he talks to himself.

**Hon CHRISTOPHER FINLAYSON:** Yes, there will be discussion between the Office of Treaty Settlements and the Ministry of Justice. I can assure the member that what I said yesterday was right in that there is no question regarding access to the foreshore and seabed. He need not have any worry about that issue.

#### **Accident Compensation—Acceptance Rate for Counselling**

**10. LYNNE PILLAY (Labour)** to the **Minister for ACC:** Did ACC alert him that the acceptance rate for ACC-funded counselling in the 6 months to 30 April 2010 was 11.9 percent, and, if so, when?

**Hon Dr NICK SMITH (Minister for ACC):** No, but the Accident Compensation Corporation (ACC) has kept me regularly informed. The figure is misleading, in that 32 percent of claims are awaiting further medical information for a decision. The main reason for declining claims is that the Accident Compensation Act 2001, which was passed by that member's previous Government, requires claimants to have a diagnosed mental injury for them to be eligible for counselling, and most do not meet that legal test.

**Lynne Pillay:** When ACC released updated figures to the *New Zealand Herald* last week, was it before or after his written reply of Wednesday, 16 June stating he was unable to provide an update on the numbers of people not getting help for sexual abuse crimes, and was this a case of deliberately withholding the ugly and embarrassing truth that in the 1 month of March last year 238 people received ACC-funded counselling, but under this failed new regime, 178 people received counselling in a period of 6 months?

**Hon Dr NICK SMITH:** The first point I make in the answer that I will provide the member—and she has asked many questions—is that expenditure this year on counselling for sensitive claims is not significantly different from what it was a year ago or 2 years ago. I am not aware of when ACC specifically had the discussion with the *New Zealand Herald*, but I have endeavoured to provide comprehensive answers to the many questions from the member.

**Lynne Pillay:** When will he instruct ACC to stop using the nonsense statistic of less than 4 percent in data categories for sexual abuse, as anyone with a calculator can figure out that in many instances the figure is actually zero, and that deliberate delays and fudgey statistics will never hide the fact that the system is not working, which sexual abuse experts and survivors tried to warn him of 8 months ago?

**Hon Dr NICK SMITH:** It has been a longstanding practice in a number of Government agencies, when members ask questions about, for instance, how many claims have been accepted in a region, in circumstances where there is a very small number and the agency may risk someone's privacy, to simply list it as less than 4 percent. I have answered many questions from the member opposite, and I invited the

member to meet with Dr Peter Jansen, who is the medical practitioner in charge of that area, but the member simply chose to personally attack the doctor.

**Katrina Shanks:** What action has the Minister undertaken in response to the concerns of some counsellors, psychotherapists, and others about the clinical decisions of ACC on sensitive claims?

**Hon Dr NICK SMITH:** I have been very reluctant to interfere in decisions of a clinical nature, but noting the concerns, I have established an independent clinical review of ACC's policy and processes, which is being led by Dr Barbara Disley, and is due to be reported back to me next month. I was disappointed that Labour members refused my offer to be consulted on both the terms of reference and the membership of the review, which I believe is the proper and professional way in which to deal with this important and sensitive issue.

**Lynne Pillay:** Given that Denise Cosgrove of ACC admitted last week that ACC may have moved too swiftly in its failed new process for sexual abuse counselling claims, will he now admit that he has been supporting this atrocity against victims of crime in order to save face, and that the truth is that even his claims that general practitioners supported the failed pathway is wearing thin, in light of the publishing of the general practitioners survey in the *Christchurch Press* today, stating that 70 percent of—

**Mr SPEAKER:** I say to the honourable member that her question is highly marginal. I was going to allow it, even though she has made allegations in a question that are totally outside the Standing Orders, but she cannot go on any further. I invite the Minister to answer what she has asked so far.

**Hon Dr NICK SMITH:** I refer the member to the statement from the College of General Practitioners last year, in which it indicated support for the clinical pathways—

**Lynne Pillay:** No, no.

**Hon Dr NICK SMITH:** It was provided by Massey University, and I would be happy to seek leave of the House to table that statement. I further say to the member that I have been reluctant to interfere, and rightly so. I really think it will be a slippery slope if we have clinical decisions being made by Ministers of the Crown, let alone in an area that is as sensitive as that of support for those who have suffered sexual abuse.

### **Prisoners—New Drug Treatment Units**

**11. SANDRA GOUDIE (National—Coromandel) to the Minister of Corrections:** What progress is the Government making on its commitment to increase the number of prisoners receiving drug and alcohol treatment?

**Hon JUDITH COLLINS (Minister of Corrections):** I am very pleased to report that tomorrow I will be officially opening the first of three new drug treatment units in our country's prisons. The new unit at the Otago Corrections Facility shows that we are delivering on our promise to double the number of prisoners receiving drug and alcohol treatment from 500 to 1,000. Two further units at the Wanganui and Auckland prisons will be completed by 2011. They will bring the number of drug treatment units up to nine.

**Sandra Goudie:** Why is the Government committed to increasing the availability of drug and alcohol treatment places?

**Hon JUDITH COLLINS:** The Department of Corrections is now managing an all-time high muster of 8,746 prisoners, in addition to more than 45,000 offenders serving community-based sentences and orders. We know that drugs and alcohol are major drivers of crime in New Zealand, and that two-thirds of our prisoners enter jail with drug and alcohol problems. Breaking the cycle of drug and alcohol offending is crucial if we want to reduce the number of people behind bars.

**International Non-aggression Measures—Government Support**

**12. Dr KENNEDY GRAHAM (Green)** to the **Minister of Foreign Affairs**: Is the Government committed to ratifying promptly the amendment to the Rome Statute reflecting the resolution adopted by the States parties to the International Criminal Court at their review conference in Kampala on 11 June 2010, incorporating aggression as a justiciable crime?

**Hon CHRISTOPHER FINLAYSON (Acting Minister of Foreign Affairs)**: The Government supports the resolution adopted by the review conference. The aggression amendment itself provides that the court's exercise of jurisdiction over the crime of aggression is subject to a decision to be taken by the States parties some time after 1 January 2017. The Government does not intend to ratify the amendment until after that decision has been taken.

**Dr Kennedy Graham**: Is the Minister aware that the fact that the crime will not become justiciable until after that decision in January 2017 in no way precludes any of the Governments that participated in the adoption by consensus 2 weeks ago from ratifying it quickly, before 2017?

**Hon CHRISTOPHER FINLAYSON**: Yes, I am aware of that. The Government wants to be sure that the court, which is a very new institution, is ready to assume the additional burden of the jurisdiction of the crime of aggression before it supports the activation of that jurisdiction.

**Dr Kennedy Graham**: When that time comes, will such adoption of aggression as a crime leave unaffected the primary responsibility of the Security Council for peace and security, including determining that an act is an act of aggression, or the right of veto held by the five permanent members?

**Hon CHRISTOPHER FINLAYSON**: Yes, I imagine so, although the member is aware of the consensus that was reached on the way in which the jurisdiction is to be exercised.

**Dr Kennedy Graham**: I seek the leave of the House to table the resolution adopted at Kampala—Resolution RC/Res.6, adopted on 11 June by the review conference.

**Mr SPEAKER**: Leave is sought to table that document. Is there any objection? There is no objection.

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

**Hon Maryan Street**: Does the Government intend to encourage countries, particularly Asian and Pacific countries that are currently not signatories, to sign and ratify the Rome Statute and the amendment on crimes of aggression; if not, why not?

**Hon CHRISTOPHER FINLAYSON**: I have no direct knowledge of the matter the member has raised, although I will say that the New Zealand Government is very pleased that consensus has been reached. Between now and 2017 I think it would make sense to tell other countries about it.

**CIVIL AVIATION (CAPE TOWN CONVENTION AND OTHER MATTERS)  
AMENDMENT BILL**

**First Reading**

Debate resumed.

**Hon NATHAN GUY (Associate Minister of Transport)**: As I was saying before the lunch break, the bill also amends several other Acts to ensure that the special insolvency regime provided for in the Aircraft Protocol prevails over any inconsistent domestic processes.



The bill also makes changes to the Civil Aviation Act to streamline the civil aviation rule-making process. Transport legislation, including the Act, contains provisions authorising the Minister of Transport to make ordinary transport rules. These include requirements relating to public notification of, and consultation on, intended rules, and a mandatory 28-day rule between the gazetting of a rule and when it comes into force. These, together with the subsequent addition of a Cabinet process, have resulted in a complex and lengthier rule-making process.

In 2008 the previous Government decided that the rules system should remain, but should be more flexible. This Government agrees with that approach and has moved more aggressively to streamline the rule-making process and reduce overall costs. This bill therefore amends the Civil Aviation Act of 1990 to enable civil aviation rules to be made by Order in Council, to repeal mandatory notification requirements and replace them with a requirement for notification as considered appropriate by the Minister of Transport, and to repeal the mandatory 28-day rule. It will also align the Act with the Land Transport Act of 1998 in relation to incorporation by reference of standards into rules, and the power of the director to determine—

**Hon Steve Chadwick:** I raise a point of order, Mr Speaker. With respect to the Minister—oh, the microphones have come on. We could not hear the Minister because of the noise in the House.

**The ASSISTANT SPEAKER (Hon Rick Barker):** The member is quite right. There was noise on both sides of the House, and I was waving and gesticulating to people for them to calm down, rather than interrupt the Minister's speech—and now we have interrupted it. Could I just make the point that there is a lot of extraneous noise in the Chamber, and could people give the appropriate courtesy to Nathan Guy.

**Hon NATHAN GUY:** I thank the member for that. As I was saying, it will also align the Act with the Land Transport Act of 1998 in relation to incorporation by reference of standards into rules, and the power of the director to determine technical matters under these rules.

The Government would like the potential financial savings to our aviation industry to become quickly available this year. A 3-month time lag before accession to the convention and protocols is effective means that for accession to be in force by 1 October this year the bill would need to progress through all stages by 24 June. Subject to Royal assent occurring by 29 June, the instruments of accession could then be lodged by 30 June, and accession be in force for New Zealand 3 months later. I commend this bill to the House.

**Hon DARREN HUGHES (Labour):** I rise to speak in support of the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill. I congratulate my local MP, Nathan Guy, on how well his reading is coming on. He read that speech beautifully. Maybe the national standards will help some people, after all. In that respect, he brought energy to legislation that the House finds itself in urgency to consider today.

**Hon Member:** Where did you get your suit?

**Hon DARREN HUGHES:** The question is where he got his suit from. I bet it is a foreign suit. I bet it is an import. I can guarantee that it will not have been made locally.

This bill, as the Associate Minister of Transport explained, is highly technical in nature; I think his speech made that pretty clear. It brings New Zealand into line with one convention that presumably, we hope, will have quite a practical impact for a number of countries, including New Zealand, in respect of the way in which international financing is handled for assets such as aircraft and aircraft engines.

Labour will be supporting this bill. It is unusual for Labour to support legislation that is introduced under urgency, not referred to a select committee for public consideration,

and not given the chance for reflection, but I am aware that the Transport and Industrial Relations Committee has conducted quite an extensive and, I am advised, exciting inquiry into the Cape Town convention. The committee has left no stone unturned when it comes to the various clauses that make up that convention. Therefore, the legislation that flows from the inquiry that the committee has undertaken will probably on this occasion suffice as enough for the ratification of that convention by Parliament, through the legislation.

I want to speak about only a couple of issues at the first reading. I know that my colleagues who have sat through the inquiry will want to make more fulsome comments on some of the other matters. I know that my colleague Darien Fenton will have some issues around civil aviation safety, which I know she is keen to explore with the House as this bill goes through.

It seems to me that one of the best things about this convention is that it takes an activity that is, by definition, multinational, although there are strong domestic aviation markets. When we think of long-distance air travel, it occurs between countries. Therefore, it involves many, many Governments in many, many jurisdictions and different environments where alternative legal operations take place. In an industry where the capital costs of these assets, like aircraft and aircraft engines, are so significant and, therefore, the leasing of them is not a cheap action, the way these arrangements are arrived at becomes critical for a competitive aviation market, for the ability of air travel to take place without the steep costs of compliance because of the concern of creditors for the location of their assets.

One of the things the convention is doing that is very good is it is recognising the whole point of air travel, which is contact. We have economic contact through trade. New Zealand is a small country that exports significantly some of our freshest products, which need to arrive at market in a fresh condition, and of course air freight is very important. There is also people to people contact, as people travel as passengers in civil aviation.

The convention will allow creditors to file directly with an international registry by computer. They will be able to do that electronically, thereby cutting enormously the amount of time it would take if this had to be done by another form of civil aviation, such as pigeon post or carrier mail. They will be able to do that from wherever they are in the world. Wherever there may be a dispute or a concern about an asset, that action will be able to take place.

I notice that the Irish Government has volunteered to host matters where there is litigation or where there is the requirement of the intervention of a court. From what I have read, that seems to have been welcomed by most of the players who take an interest in this area as a way of Ireland's efficient legal system effectively exporting its skills, and the location of Dublin is where any disputes will take place. This will reduce risk and uncertainty, and of course that has to be good for New Zealand.

But this is an international convention, and we should not focus only on the benefits for this country. By signing this convention, it is hoped that developing countries will be able to take advantage of the lower costs to them by having such a regime take place. Often in those countries, where there are fledging markets, those costs can be very high barriers for people wanting to enter into international aviation. So our hope would be that not only is this measure good for New Zealand, because of our geography, isolation, and strong dependence on exporting, but also it will bring some assistance to other countries around the world—particularly the developing countries, where achieving these sorts of arrangements in civil aviation could make quite a difference to those countries.

Despite its complexity, I do not think that the bill will find itself the subject of huge attention this afternoon. Its moment in the spotlight might be more brief than the work that has been done to bring it to this point, but that should in no way take away from the fact that it is quite a practical resolution of an issue that every year different companies and countries find themselves dealing with. The Labour Opposition is very pleased to support the first reading of the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill, and we will be supporting it as it passes through the House this afternoon. Thank you for the opportunity.

**DAVID BENNETT (National—Hamilton East):** In following on from previous speakers in respect of the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill, I say that everybody will be pretty much in unanimous agreement that when it comes to our transport sector—especially aviation, which is such an international part of the transport sector—we want to have uniform rules that are consistent with other countries, so that those who provide those services know they have some security. This bill will give security to those who hold financial security interests in the cross-border transactions involving planes and suchlike. It is an important thing for our international competitiveness, for our international connections, and for our international transport linkages.

The fine Transport and Industrial Relations Committee, with members from both sides of the House, will take an active interest in this bill and make sure that everything is well advanced through this House. We want this process to be successful for all parties involved and for the country so we get those transport issues sorted in order to give security to everybody who will be needing it in the future for their investments. Thank you.

**DARIEN FENTON (Labour):** It is an absolute privilege to take a call on the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill 2010. I have been waiting with bated breath and great anticipation to take a call on this bill, because it is such a riveting and exciting bill! But, you know, I do not want to belittle the bill, because I know it is important. As other members have said, the Transport and Industrial Relations Committee examined the treaty and reported back to the House 4 or 5 weeks ago. I want to thank very much the officials who took us through this convention. It was a very interesting experience, and I think the officials did their very, very best to try to make it interesting for the members of the committee, and I genuinely thank them for that.

The national interest analysis that is attached to the report from the Transport and Industrial Relations Committee on the treaty examination is very, very thorough, and perhaps, if I have the chance later on in the Committee stage, I may talk about some of the advantages. But there are also some disadvantages, as explained to us by the officials, that I think are worth considering.

Labour is supporting the bill, because it is pretty uncontroversial. It amends domestic legislation so that New Zealand can be party to an international convention on aircraft ownership. I cannot help myself with this legislation, because here we are with a convention. I am aware that New Zealand tries to be a good global citizen by participating in global agreements and playing a leadership role in that. So the question comes up again for me as to why we support this convention but not one on fundamental rights for domestic workers, which our Government voted against at the International Labour Organization 2 weeks ago. It voted alongside countries like Bahrain, Saudi Arabia, Iran, and Kuwait, to prevent an international standard that would provide protection to domestic workers throughout the world but also in New Zealand. We have not received an explanation for why our country voted in opposition to

countries like the USA, Australia, the UK, and the Philippines, and I think it is very damaging to our reputation.

As I said, although I am pleased that we are supporting this bill across the House, I am still very, very concerned about our position, especially as a former National Party MP, Marilyn Waring, has offered an apology to the women of the Commonwealth for New Zealand's vote against the proposed ILO convention. She said that New Zealanders are "ashamed, saddened and outraged that the principles which we hold dear, and try to live by, have been abrogated by the government of New Zealand." Despite what the Minister says, this is a convention that would have affected New Zealand workers. There are around 20,000 home-based care workers in New Zealand, and thousands more throughout the world. So we talk in this debate about developing countries and how this convention will help them, but we do not care about the thousands of domestic workers throughout the world who have no rights. The overwhelming majority of New Zealand domestic workers are very poorly paid, and they are excluded from the discrimination provisions of the Human Rights Act.

Although we support this convention, the following question came to my attention when I was thinking about this: how can we agree on this across the House, when we have this situation at the ILO? New Zealand has had a good reputation, particularly under the previous Government, and that is slowly being eroded.

As other members have mentioned, this bill also contains amendments to the Civil Aviation Act. The amendments are designed to introduce more flexibility into civil aviation rule-making. I want to make a couple of comments about air safety. The Minister is not here, but perhaps later I can ask him some questions. The Civil Aviation Authority does a good job, given its paucity of funding and the challenges of regulating aircraft operation in New Zealand, commercial and recreational, which is a very wide-ranging operation. An issue that came up recently concerned Queenstown Airport. We wrote to the Civil Aviation Authority asking about safety issues at Queenstown Airport. It is a difficult airport and there have been media reports about a lack of experience in the control tower and an increasing number of safety incidents. The Associate Minister of Transport, Nathan Guy, will be pleased to know that Airways Corporation of New Zealand wrote back to us on behalf of the Civil Aviation Authority with assurances that staffing and training levels are more than adequate for this particular airport.

That is all well and good, but what happened last week? Two pilots apparently used their airside security passes to sneak on to the Queenstown Airport runway in the middle of the night to race a car. The boy-racer legislation did not apply to them, obviously. Needless to say, those pilots put the lives of others at risk, and they ended up being banned from all airport land for 2 years. OK, that is the right outcome. So the authority that Mr Guy is responsible for has provided us with perfectly reasonable answers to our valid concerns, but I have to say that these perfectly reasonable answers have not prevented a couple of cowboy pilots from drag racing on the airstrip at Queenstown. I encourage the Minister to be more vigilant about these sorts of things. We cannot have these sorts of security concerns happening at our airports.

I want to raise another issue in respect of civil aviation. The Associate Minister recently made an announcement about the monitoring of commercial pilots for drug and alcohol issues. There are two things. The Civil Aviation Authority will work with the Ministry of Justice to introduce random checks on commercial pilots for any criminal convictions that have not been declared, and, secondly, it will introduce an electronic database that will enable them to more effectively gather information and monitor any trends. Labour supports these initiatives, and I really want to say that Labour members do not believe there is any room for drug and alcohol use among pilots. I do have to reflect, though, that Air New Zealand has had monitoring systems in place for many

years, and it was quite aggrieved at the suggestion that it had not. In actual fact, the problem is with small aircraft and small commercial airlines.

It seemed as though Mr Guy was being pretty proactive in terms of his press release of 1 April. But what it did not say was that the Civil Aviation Authority had repeatedly been asking for more powers to identify pilots with drinking problems, but unfortunately the Minister had been sitting on his hands. The *Christchurch Press* obtained a briefing to the Minister under the Official Information Act. It was written just a month earlier and states that the existing system is heavily dependent on individuals acting responsibly and self disclosing information relating to their drug and alcohol use. But it also shows that the Civil Aviation Authority had proposed a series of measures, including limits for drug and alcohol use, but that nothing had been done.

As members will see, although Labour supports this convention there are some concerns. If I had more time I would mention many more, but perhaps I will get to those during the second and the third readings. We have many concerns around civil aviation, the things we need to be doing in New Zealand to ensure the safety of people who fly in New Zealand, and, of course, meeting our international obligations, thereby making it easier for our airline industry to operate internationally and to meet our obligations to other countries. Thank you.

**GARETH HUGHES (Green):** Kia ora, Mr Assistant Speaker. Ngā mihi nui ki a koutou. Kia ora. It is a great honour to be here today to talk about the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill. We could hear the passion in the Minister's voice when he was talking before. As I have been tweeting over the last couple of days about the House being in urgency, I have been asked by lots of people in tweets, blogs, and Facebook messages why the House is in urgency. They are asking about the most important thing that we will be debating and which regional council we are sacking this time. I have been telling them what I will be debating, which is the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill. This is an important bill. The Green Party will be supporting it, given that we have 4,431 aircraft, including microlights and balloons, in New Zealand, and they flew 214 million kilometres in the last year. It is an important bill, and the Green Party will be supporting it. But I want to outline a few parts of the bill and a few of our concerns as we go into this debate.

The bill, the convention, and the protocol are private legal agreements that will significantly improve the financial security for investors in cross-border trades of things like aircraft, railway rolling stock, and other large and expensive equipment. The convention enables creditors to access a registry. I wonder whether the status quo actually works all right. We have a register in New Zealand for our aircraft companies. It will be considerably more expensive to register through the new Irish registry under this bill. But I guess the airline companies and other parties who will be using the provisions of this legislation will point to the fact that it will help them with finance when they are purchasing new heavy equipment such as aircraft, and that some of the financial benefits could be in the order of \$18 million to \$325 million.

We have to question whether we even need this treaty. It is interesting that the House is in urgency to look at this bill. Perhaps we needed urgency to get this done, when we consider that the treaty was signed in Cape Town in 2001 and came into force in 2006, that the Ministry of Transport began looking at it in 2004, and that the previous Government agreed in principle to support it in 2005. We are 9 years on from the signing of the treaty, so I guess we needed urgency in order to give it a push along.

My final point, and something that I look forward to picking up in my second reading speech, is that on the one hand this bill is not controversial. It is logical to establish an international rule-based framework to look at the issue of default. We

support having greater international cooperation and reducing the risks for Kiwi and foreign corporates. But on the other hand do we actually want to see a growth in airline emissions? In my second reading speech I will look at some of the environmental and climatic impacts of the worldwide aviation industry, and I think an important question is whether we in New Zealand want to support and subsidise the pollution from our aircraft industry, when we know that the world is burning and we do not have a “Planet B”. I look forward to addressing that issue in my second reading speech, but I say the Green Party will be supporting this bill.

**ALLAN PEACHEY (National—Tāmaki):** I am pleased to support the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill, and I will begin with a couple of remarks.

Firstly, I welcome the support that the Opposition parties are giving to this bill in the House, and I express my regret that the Opposition does not find its way clear to support other significant bills that this Government has brought to the House. In particular, the significant tax cuts that this Government is to deliver to New Zealanders on 1 October this year come to mind.

The second observation I make is that the Transport and Industrial Relations Committee was well briefed by officials on the significance of this bill. If memory serves me right, I think that I was—

**Hon Darren Hughes:** It doesn't.

**ALLAN PEACHEY:** My memory serves me very, very well—I am sorry, I have forgotten the member's name.

**Chris Tremain:** It's Hughes.

**ALLAN PEACHEY:** I apologise to Mr Hughes. My memory serves me very, very well sometimes. However, I am not very good on the names of Labour Party politicians. As I was saying, from my recollection I was the only member of the select committee who asked the officials for explanations. I was particularly interested—*[Interruption]* I ask the chair of the committee whether I am wrong.

**David Bennett:** No, I don't think so.

**ALLAN PEACHEY:** Indeed, I think I am right. I was particularly interested in knowing whether this bill, when it becomes law, will reduce the need for lawyers to become involved in this sort of thing and for litigation to occur. I am pleased to report to the House that I was assured that there would be considerably less need for lawyers and less need for litigation. That was a good enough reason for me to support this bill.

**Charles Chauvel:** You don't hear me bashing teachers!

**ALLAN PEACHEY:** From listening to the interjections that are coming from a corner opposite, I am almost inclined to take the view that we could do with having fewer lawyers in this House, as well. After all, our job is to make the law, not pontificate about it, and there is a big difference between the two in relation to the member.

This convention is about the financing of mobile equipment, and by “mobile equipment” we mean things like aircraft, railway rolling stock, and even space assets. That is what the bill is all about. The bill is designed to make raising and repaying the finance needed in order to purchase mobile equipment like aircraft much easier. At the moment, if there is a dispute over, for example, payment for release, it can involve more than one jurisdiction, a whole pile of other laws, and far too many lawyers. This bill is designed to simplify the process and to give much greater certainty around it, not just to those who lend the money but also to those who borrow it. There will be greater certainty. The ultimate objective, of course, is to ensure that those who lend the money no longer require a premium charge, to account for the risk that they have to take. By reducing the risk, the raising of funding to finance the purchase of mobile equipment

like aircraft should become simpler, and it should be cheaper. Of course, for a country like New Zealand, which depends on aircraft more than many other countries do, anything that makes that dependence cheaper is to be applauded. I commend the bill to the House.

**CAROL BEAUMONT (Labour):** It is with great pleasure that I too rise to discuss the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill. I too am a member of the Transport and Industrial Relations Committee and have been briefed on this convention. Labour supports this bill, as others have said. It is uncontroversial. It has a couple of purposes, one of which is to amend the domestic legislation, including both the Civil Aviation Act 1990 and the Personal Property Securities Act 1999, so that New Zealand can become a party to the Convention on International Interests in Mobile Equipment, which Mr Peachey just described to us. I will not go into a lot of detail about that, but I will reinforce the key points. This convention will standardise transactions involving movable property, particularly aircraft and aircraft engines, and will set down international standards for the registration of ownership. The second part, which I will come back to, clarifies some rather convoluted legalese in the Civil Aviation Act relating to the making of rules and who can apply them.

The Cape Town Convention and its associated Aircraft Protocol were originally negotiated under the auspices of a United Nations agency. I concur with the comments made by my colleague Darien Fenton about the importance of international conventions and of New Zealand playing a lead role in them and making sure that we are at the forefront of compliance with international best practice in every regard, including in employment-related matters and transport-related matters, which we are currently discussing. Essentially, this convention aims to establish a balance between enhancing creditor rights, which will, as Mr Peachey said, help to reduce aircraft financing costs, while also improving debtor protections. It is designed to be flexible, and it can be applied to any type of high-value mobile equipment.

The Aircraft Protocol that I mentioned earlier, the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment, applies to aircraft, airframes, aircraft engines, and helicopters above a minimum size or threshold. I thought that the House might be interested in getting a little more detail on that, because it is fascinating. Let me tell members that it applies to aircraft that can carry at least eight people or 2,750 kilograms of cargo, aircraft engines with a thrust exceeding 1,750 pounds of force or 550 horsepower, and helicopters that can carry five or more passengers.

As the name of the treaty probably gives away, the treaty resulted from a diplomatic conference held in Cape Town, South Africa in 2001. I am sure that members really want to know about the mechanics of the convention! The mechanics of the convention centre on the recognition of international interests in mobile equipment and the creation of an international registry in which creditors will file these interests. As has already been mentioned, that registry will be maintained in Ireland. The international interests are secured interests in a uniquely identifiable object. Once those international interests have been filed by a creditor, they become searchable in the international registry held in Ireland. The creditor's interest will have priority over all subsequent registered interests and unregistered interests. The underlying premise is simple: if we can reduce some of the risk to financiers in extending credit, we can reduce the financing costs for the debtor and to the industry as a whole.

Currently the problem is that financiers have to rely on differing national laws to protect their interests. Clearly, those laws would be quite variable around the globe. In many countries the risk factors are significant, because the local laws are not very useful

in protecting lenders in the event of default or bankruptcy, or because they are highly unpredictable. Of course, as we would expect with regard to aircraft, this uncertainty is compounded by the fact that aircraft can move readily between countries. It can be very difficult for a financier to know where an aircraft will be on the date of default or bankruptcy. That uncertainty drives up the cost of aircraft financing, which is then reflected in the interest rates that the financier charges the debtor. As I have said, the convention will reduce that uncertainty and will provide financiers with a number of key rights in respect of any aircraft. Those rights are, should there be a default, to deregister the aircraft and procure its export, to take possession or control of the aircraft, to sell or grant a lease for the aircraft, and to collect or receive income or profits arising from the management or use of the aircraft.

The extent to which the rights that I have just outlined will be a function of the declaration that we in New Zealand make will be seen at the time that we formally ratify this convention. Obviously the international registry based in Ireland, as we can expect in the modern age, will be able to be directly accessed by computer from anywhere in the world. That will be very useful.

I will go on to talk about a couple of other matters. The first of these concerns the flexibility of civil aviation rule-making, which is the other major part of this bill. The present provisions relating to the making of ordinary rules are not very straightforwardly expressed. The bill specifies that an ordinary rule allows a matter to be determined by the authority, the director, or other persons. It empowers the authority, the director, or any other person to impose requirements or conditions. There are consultation requirements there, which I am very pleased to see; I am a great believer in consultation. During my short time in Parliament so far I have been disappointed by a number of the consultation provisions that we have seen, and particularly the consultation regarding the Auckland super-city. That has been a sham. The legislation that has reduced local democracy and corporatised local government in Auckland has been rammed through by the Government with a mere nod in the general direction of consultation. So I can only hope that in relation to the important matter of the civil aviation rules, the consultation requirement will be more robust.

The second issue that I will also talk to members about relates to helicopters, because helicopters are covered by this convention. Those that are certified to transport at least five persons, including the crew, are included in the Cape Town Convention. A situation has arisen in New Zealand regarding helicopters, and it is important to talk about it. A requirement by the Civil Aviation Authority is causing some concern in relation to the work of rescue helicopters. They now apparently have to be twin engine, because we cannot afford to take the risk of a machine crashing into a hospital. I note that no rescue helicopter has yet crashed into a hospital in New Zealand. But just to be certain that it will not happen, that requirement is apparently now being put in place. The effect of that requirement can be quite troublesome for all of the fine people involved in operating rescue helicopters in New Zealand—something that we are all proud of, and reliant upon.

The upshot is that in quite a few instances single-engine machines now have to operate away from their dedicated helipads. That will require patients to be potentially carried by stretchers, for example, or ferried by an ambulance at a critical time. We all know about the golden hour—I hope we all do. I hope we have all had our first-aid training and that we understand the importance of the first critical hour after an accident, and the need to get medical attention. Any barriers to helicopters getting patients to hospitals are very worrying given that golden hour, which is essential in saving the lives of critically injured people. So we are concerned about the directive relating to helicopters, helipads, and hospitals. We do not think that it is a necessary



requirement in terms of safety. We are certainly worried about the implications for a patient's health. There are, of course, also implications for all of the good people who raise funds from the community to get the machines that the rescue trusts operate, which are so important to us in a country that is not highly populated and where people can be a long way from the nearest hospital. So we question why the Minister, Steven Joyce, or his Associate Minister, Nathan Guy, did not step in to show some leadership over this issue of helicopters. These are our rescue helicopters, as I have been saying. Perhaps somebody would like to deal with that question in the course of this debate.

I will leave the bill at this point for now. I do have a couple more speeches, members will be pleased to know, to give on this matter.

**HONE HARAWIRA (Māori Party—Te Tai Tokerau):** Tēnā koe, Mr Assistant Speaker. Kia ora tātou katoa e te Whare. Apparently, this bill, the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill, is about establishing procedures to protect investments in aviation and to cover the financing, purchasing, and leasing of aircraft, but it also gives the Minister of Transport extra powers in the making of civil aviation rules. That raises a couple of points that I would like to speak to.

The first is the Manukau claim. When the Waitangi Tribunal first heard this claim in the 1980s, it brought to the table the Auckland Regional Authority and the civil aviation division of the Ministry of Transport in order to question them about the site that they had chosen and the site that they used. It was noted back then that when Cabinet made the land available in 1955, there had been no acknowledgment of either Māori land title or the need to protect Māori land interests. Auckland Airport sits on 1,300 hectares, including reclaimed land that had once been a local iwi fishing bank and that was the basis of the Manukau claim. Expanding airport operations have led to even greater restrictions on other fishing banks and creeks traditionally fished by local Māori, and they have also led to the release of excessive levels of pollution from stormwater discharge, aviation fuel spills, and industrial chemicals and fluids.

In summing up the Manukau claim, the Waitangi Tribunal had some harsh words for the Crown regarding the pollution of the harbour and the loss of tangata whenua lands: "... underlying this claim is an enormous sense of grievance, injustice and outrage that continues to haunt the Manukau Maori and bedevil the prospect of harmony in greater Auckland." Yet for all the laying down of rules of engagement between Māori and the Crown in that case, the exact same problem occurred when a local marae raised its own longstanding claim to land and airspace around Rotorua airport. Back in the 1960s, local authorities in Rotorua had decided to bulldoze the whare tūpuna of the Ngāti Uenukukōpako people, because it was in the flight path. The iwi, of course, refused. Fifty years on, the airport authority builds a new \$24 million extension to the runway, and, again, nobody is surprised that there is no regard whatsoever for the impact on the marae, the kōhanga reo, or the iwi itself.

The Māori Party will be supporting all stages of this bill, but the examples I have cited here raise the question again as to when it is appropriate to amend legislation to take into account the circumstances of iwi. It gives us the opportunity to remind the House again of the importance of recognising Māori interests in policy planning and legislation. Kia ora tātou.

Bill read a first time.

### Second Reading

**Hon KATE WILKINSON (Minister of Labour)** on behalf of the **Minister of Transport:** I move, *That the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill be now read a second time.* I understand that Supplementary Order

Paper 145, which makes technical amendments to the bill, has been lodged following consultation between officials and aviation, finance, and legal stakeholders. This bill's amendments simplify or clarify the relationship between the Convention on International Interests in Mobile Equipment, the Protocol to the Convention on International Interests in Mobile Equipment, and domestic legislation. The rule-making provisions are also clarified. In the first reading debate, the Minister advised that accession to the Cape Town Convention and the Aircraft Protocol would bring economic benefits to our aviation industry. Clauses 12 to 14 of the bill come into force on a date to be appointed by the Governor-General by Order in Council, and will implement the Cape Town Convention and the Aircraft Protocol when New Zealand's accession comes into force. It is proposed that that date be 1 October 2010. The rest of the clauses come into force on 1 August 2010 and will implement changes to streamline the civil aviation rule-making process.

Turning to the provisions of the bill, clause 4 amends section 2, which relates to interpretation. The amendment reflects the new section 34A inserted by clause 8 and adds the Governor-General as someone who may make civil aviation rules. Clauses 5 to 11 amend the rule-making parts of the Act, including clarifying powers of the Minister to make ordinary rules, matters to take into account when making rules, and revoking of prescriptive procedural requirements. In addition, the Governor-General will be able to make ordinary rules.

We now come to the parts of the bill that when enacted will enable New Zealand to conform with the provisions of the Cape Town Convention and the Aircraft Protocol. Clause 12 inserts new Part 12, which implements the Cape Town Convention and the Aircraft Protocol. Members should note the principal proposed amendments in this part of the bill. The amendment gives the convention and the protocol legal status in New Zealand and ensures they will prevail over inconsistent New Zealand law. It also clarifies that law that is consistent with, but additional to, the convention and protocol still has effect. The amendment enables the Governor-General to issue copies of any declarations made by New Zealand. Contracting States are to exclude or modify provisions considered to be incompatible with their legal culture or tradition. The amendment also adds circumstances in which the removal of an aircraft from the New Zealand aircraft register can occur. Under the protocol, a creditor can require the deregistration and export of an aircraft in the event of a default.

Clause 13, via schedule 1, adds a new schedule 7, which sets out the text of the Cape Town Convention, and new schedule 8 sets out the text of the Aircraft Protocol. In Part 2 of the bill, clause 14, via schedule 2, sets out consequential amendments to other enactments. The key area here is the Personal Property Securities Act 1999. The security interests in aircraft objects, covered by the Cape Town Convention and the Aircraft Protocol, are one form of security interest in personal property. Therefore, there will be situations where both regimes will apply to the same security interest. To avoid the potential for conflict from the existence of two registries, the bill amends the Personal Property Securities Act so that it is clear that in relation to aircraft objects the Cape Town Convention and the Aircraft Protocol will have primacy. The effect of that will be that the parties to a transaction will determine for themselves whether they will use the international register, the Personal Property Securities Act, or both. Finally, clause 15 relates to transitional provisions for material incorporated into rules via reference.

In conclusion, it is necessary to pass this bill to enable the aviation industry to access the financial advantages of the Cape Town Convention and the Aircraft Protocol, and to streamline the aviation rule-making process so that our rules do not lag behind developments in the aviation sector. I commend this bill to the House.

**Hon DARREN HUGHES (Labour):** I have decided to vote in favour of the second reading of this bill.

**Hon Trevor Mallard:** You had to be woken up to do it.

**Hon DARREN HUGHES:** Not at all, I say to Mr Mallard. In fact, I have been very impressed by the way the Government has deployed its most charismatic Ministers to the shepherding of this legislation through the House this afternoon. I realised that they are taking it very seriously. When even an old warhorse like Allan Peachey can find it within himself to muster a bit of praise for a political opponent, we know that maybe this is something that we can come together on. Maybe we can unite this lovely land around the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill. So it has been quite an afternoon already.

The Hon Kate Wilkinson has set out her very clear views on this area. I noticed she touched on some of those issues in her maiden speech, so it must be quite a thing to come here today and speak more in favour of it. There are only two issues that I want to touch on in the second reading of the bill, but before I do I will pick up on a reference that was made in the first reading by the member for Tāmaki, Mr Allan Peachey.

Mr Peachey spent a lot of his contribution saying that if the bill results in fewer lawyers being involved, then he was in favour of it. That was the central premise of his contribution to the debate. I thought it was very unusual for the member of Parliament for Tāmaki in Auckland to be campaigning so openly against lawyers, given what a high proportion of the legal profession reside in his constituency.

**Allan Peachey:** I raise a point of order, Mr Speaker. I explain to the member that three of my four children are lawyers. The message was for them.

**The ASSISTANT SPEAKER (Hon Rick Barker):** Mr Peachey, that is interesting. I am sure there are other family details you would like to share with us, but this is not the place and that was not a point of order.

**Hon DARREN HUGHES:** I am absolutely aware of the fact, and I know what those three children say about him! He wants to criticise them on the floor of the House, but they have a good old go about him as well. I am sure they will charge him extra when it comes to matters such as his last will and testament, which none of his colleagues would be in, I suspect, going on the terrible way he was been treated. After the 2005 election they all would have got something from the Peachey estate; now, I suspect, none of them will. He would have asked all three children for different iterations of that particular legal document.

Mr Peachey said he forgets some things, and I will not criticise him for that because that can happen. When he criticised the Opposition for not supporting Government tax reductions, I was immediately reminded that, as a new member of Parliament, he voted against a cut in the corporate tax rate in this country. When the Labour Government reduced it from 33c to 30c, he voted against it. He voted against the cut in taxes for savers. He voted against a cut in taxes for working families in our country. So I can understand his difficulty when he spoke in the first reading of this bill and raised those points, and I wanted the opportunity to rebut that. The great benefit of *Hansard* is that those things can be checked very, very quickly. Despite that, in this bipartisan way, we do want to focus on that for too long.

I come to the two points that I wanted to speak about in respect of the convention. The first is that the premise for this bill is quite simple, as other speakers have said. This is a high-risk industry. If we can reduce the risk, then that should reduce the costs—particularly, the financing costs—across the industry as a whole. Those costs are often enhanced even further because so many different local laws operate and they do not protect lenders in a way that is consistent, and that multiplies the risk factor and results in higher prices. We are in absolute support of the premise, and we are very grateful to

those who have negotiated on behalf of New Zealand in order for us to accede to this convention.

The second point I want to make at the second reading is about the changes to the civil aviation law. Although we are all transfixed by the Cape Town Convention at the moment—

**Hon Dr Wayne Mapp:** Absolutely transfixed!

**Hon DARREN HUGHES:** I see that even the former Auckland polytech law lecturer Dr Mapp is transfixed on this point.

**Hon Trevor Mallard:** No, he was an assistant lecturer.

**Hon DARREN HUGHES:** An assistant lecturer? I thought he was a full lecturer in his own right. He was an assistant lecturer, and there is no shame in that, I say to Mr Mallard. I want to be accurate for the sake of the *Hansard* in that respect.

This may have been one of his areas of expertise. I recall once visiting Ōhākea air base, and Dr Mapp arrived by aeroplane, which was quite good. In fact, I think he flew himself down to Ōhākea on that occasion.

**Hon Dr Wayne Mapp:** I raise a point of order, Mr Speaker. I know that the member is having a little bit of fun in this instance, but I think he should at least try to make some reference to the facts. I was an associate professor at the University of Auckland.

**The ASSISTANT SPEAKER (Hon Rick Barker):** Well, Mr Mapp, that was not a point of order. But as member has made the point to Mr Hughes, I am sure Mr Hughes will feel very grateful that his knowledge on these matters has now been improved.

**Hon DARREN HUGHES:** Thank you, Mr Assistant Speaker. I am sure that the member will be rushing off now to correct his Wikipedia entry, because I suspect that we are not all as familiar with his CV as he might have assumed.

I was in the middle of referring to the fact that he flew himself into an air base I was visiting on one occasion. I know he is a very distinguished pilot. When he is buying his next Learjet, he can use the Cape Town Convention. He was in Opposition in those days. That was before he became a Minister of the Crown and took to rushing to the scenes of accidents, flourishing his business card around, and making sure that all the emergency workers knew he had just driven by. Quite how he copes when he flies over accidents, I am not too sure. Maybe the copilot has to bungy out with Wayne Mapp's business card and say: "Did you know that the Minister of Defence just flew by?", because no one else would know.

I do not want to be distracted in any way from the important changes to the Civil Aviation Act 1990 that this bill takes into account. I see that we have been focusing on the convention, but the bill addresses other matters, and we should make reference to them in the second reading. There is a fair amount of legalese, I guess we would call it, with regard to the civil aviation rule-making in our current law.

In the Committee of the whole House we will consider the clauses that seek to rectify the language to make sure that the rules are expressed in a way that is slightly easier to follow, and we will consider the clauses that set out which persons are able to determine, particularly, those ordinary rules. The legislation sets out what the Minister must take into account when that is happening and also what consultation requirements need to be followed. I think that is quite a good thing to do, as well. The less complex that laws like this can be, the better I think it is for, obviously, the industry players—those who have a very detailed technical knowledge—but also for those who have only a passing interest. From the average member of the public's point of view, having legislation that is easier to understand gives more confidence in our civil aviation system.

So the first reading is down, the second reading is still going, and Labour members are still in support of the bill. We are walking in lock step with the National

Government on this particular item, and we look forward to asking the Minister of Transport, Steven Joyce, some questions in the Committee of the whole House. We will expect those questions to be answered.

I serve notice of that to the Hon Kate Wilkinson now, too. I know that she has been reading through the bill quite a lot, so she will have the opportunity to answer our questions then. I am sure that when the third reading comes and people look to see what is happening in the House, she will know that if she wants those 43 Labour votes, there is a lot riding on her ability to answer these questions during the Committee of the whole House. Thank you.

**DAVID BENNETT (National—Hamilton East):** In the second reading of this Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill, I think we have strayed a little way off the track of what the bill is about, but I think that shows the context—that everybody is fairly much in agreement and that there is not a great deal of debate about it. It is something that needs to be done and needs to be done quickly, so that New Zealanders and the industry have the Cape Town Convention as a reality in the way that they do business in this area.

The nature of this bill has been pretty well exposed by members, as have some of the policy drivers behind it. We have also heard about some of the bill's background, such as the naming of the type of aircraft involved and what advantages this legislation hold. Some of those advantages are basically so that the security interests can be registered. We can have security as an investor in those kinds of instruments, and we know that it will be internationally competitive. They will apply when one's plane is travelling from country to country and when it is based in New Zealand.

I think that it is important when we look at this bill to note that we rely heavily on the aviation industry as a trading country and a tourism destination but also as a manufacturing exporter. In Hamilton we have some very big manufacturing exporters of aviation products, especially Pacific Aerospace Corporation, which manufactures a lot of planes that are sold around the world. I am sure that those in the New Zealand aviation industry will be very comforted to know that the Government is working hard for them by delivering rules and regulations that will assist them in their work, rather than having the rules and regulations that they have had in the past that have been detrimental to them carrying out their business. We look forward to this bill going through its further stages in the House, and we thank the other parties for their support so far.

**DARIEN FENTON (Labour):** It is great to take a call in the second reading of the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill. As my colleague Darren Hughes said, we continue to support this bill. We are supporting it at its second reading. We will see how it goes in the Committee stage, but so far so good. One of the things that I forgot to do when I was talking earlier on about the Transport and Industrial Relations Committee was to send my best wishes to the Hon Tau Henare. We wish him a speedy recovery. He plays an important if somewhat belligerent role in the select committee—

**Hon Trevor Mallard:** Nothing to what he plays in the lobbies.

**DARIEN FENTON:** —no—and he also played a very key part in the examination of this treaty. I know that he asked some very insightful questions, and he will be deeply, deeply disappointed that he is unable to be here today to see this bill pass through its stages and go through to its third reading. But, as I said, we all wish him well.

As we have all outlined, this is not a controversial bill. We are supporting it. It amends domestic legislation so that New Zealand can be a party to an international convention on aircraft ownership. That will be beneficial for developing countries as

well as our own country because of the high interest rates that airlines often have to pay. New Zealand, by the nature of our geography and isolation, has a long and proud aviation history. We have long been part of the international aviation community, so it is very sensible for us to be part of this convention.

I take the opportunity to congratulate Air New Zealand, our national airline, on its very high standards and on its many awards, including the prestigious *Air Transport World* Airline of the Year award for 2010, which is apparently widely regarded as being the Oscars of the airline industry. To the men and women, the workers and the management, of Air New Zealand, I offer my congratulations on that award. I think it is great. I am sure that all members in this Parliament support our national airline. I hope that we all support it by flying with Air New Zealand whenever we can.

It would also be remiss of me not to remind the House that a Labour Government had to rescue our national airline after the previous National Government wrecked it. I have been a bit concerned over the last couple of weeks that this Government is heading into a whole new era of privatisation of our precious assets. Its half-hearted support of rail speaks volumes about its commitment to the strategic transport assets that are owned by New Zealanders—and proudly owned by New Zealanders. After all, if the Government is prepared to flog off Kiwibank, who knows whether the national airline will be next?

Going back to matters of civil aviation, I cannot resist the urge to talk about one of the ridiculous situations that has arisen in our own country because of interference by the Civil Aviation Authority. I am talking about the rest and meal breaks dispute between the air traffic controllers and the airports. They reached a sensible agreement about sole air traffic controllers; let us understand that there are only a small number of these. We are not talking about every airport in the country; there are only a small number of them. They have peaks and troughs so there are times when aircraft are coming in and there are times when they are not. The agreement they came to was that they could take their breaks when there was no air traffic. That would work out perfectly well and would fit in with the very flexible and sensible legislation. In fact, the current Minister of Labour called it in 2008 common-sense legislation when it was passed by the National Government. However, the Civil Aviation Authority said that this was nonsense and that we could not have a flexible agreement where workers who worked 9½-hour shifts with no breaks could have a break when the aircraft were not coming in. It said that they had to have their breaks all at the same time across the country—quite ridiculous.

Unfortunately, the Government used that dispute as an excuse to rush in some very poorly drafted legislation that will essentially allow employers to require workers to work for nothing during unpaid break time, including air traffic controllers and, I assume, pilots. I think that is called slavery; I am deeply concerned about that. What is more, the proposed legislation is so crazy that it will enable an employer to take away all breaks and compensate employees with a muffin, a cracker, or a glass of wine. It is quite ridiculous.

**Carol Beaumont:** Or a muffin.

**DARIEN FENTON:** I said a muffin.

**Carol Beaumont:** Muffin break.

**DARIEN FENTON:** That is right.

Returning to the bill, the airline industry is an important part of our economy. We have a fantastic national airline. We have good support from the Civil Aviation Authority even though it makes some mistakes from time to time and is desperately underfunded. There are real advantages to us signing up to this convention, and that is why Labour continues to support this bill at its second reading.

**GARETH HUGHES (Green):** Kia ora. Ngā mihi nui ki a koutou, kia ora. It is a great honour to speak in the second reading debate of the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill. Today we are seeing why it is so important to have the Greens in Parliament. I have not heard a single member talk about the consequences of this bill on the environment or on our communities. We have talked about how this bill will make it cheaper for aircraft to finance aircraft and other heavy arms, but no one has talked about the impacts. The fact is that aircraft emissions have grown by 73 percent in the last 40 years. That is vitally important because climate change is the greatest threat facing the planet. *[Interruption]* I will let the honourable Minister Mapp repeat what he said; I do not know what he actually said.

**Hon Dr Wayne Mapp:** It's a relatively small percentage of the global total.

**GARETH HUGHES:** I would like to touch on that. It is around 3 percent, as the Minister will be aware. But the Minister will also be aware that there are significant debates globally about what the actual aircraft emissions are and what the global warming potential of those emissions are for the planet. The emissions are not just carbon dioxide but also nitrous oxide, which has a greenhouse potential nearly 300 times worse than carbon dioxide over a 100-year time frame. The Minister may also be aware of the radiative forcing effects from the contrails, which are condensation clouds at high levels, and the impacts of water vapour. It is estimated that sometimes those could be up to 10 percent of global emissions. I hear what the Minister is saying, but I think what we are hearing is—

**Hon Darren Hughes:** The Minister is slapped down by the youngest member of the House—fantastic.

**GARETH HUGHES:** I thank my colleague Mr Hughes. But I will get back to the issue of climate change. Today we are discussing how this legislation will make it cheaper for aircraft when aircraft emissions continue to grow. It is a big issue because greenhouse gas emissions in New Zealand and around the world are rising. Ladies and gentlemen, it is not just a problem for the polar bears any more; climate change is a problem facing the planet right now. Last year Kofi Annan, the former UN Secretary-General, published a report saying that 300,000 people die every year as a result of climate change, not in 10 years and not in 20 years. We are not just talking about the polar bears; we are talking about right now.

In 2007 Sir Nicholas Stern said in the Stern report that it is cheaper to take action now. It is expensive to tackle climate change, and we hear about that almost daily from Mr Boscawen. The cost of tackling climate change is in the order of 2 percent of global GDP, which is not an insignificant number. But when we look at the estimates of the costs of climate change in our lifetimes, we are looking at potentially 20 percent of global gross domestic product being affected by climate change. The time to act is now, and if we keep increasing our emissions from aircraft in New Zealand and around the world, I ask where else we will make needed cuts to stay within the safe climatic band, which is 350 parts per million.

The bill makes it cheaper to own and operate an aircraft, which, I guess, we all agree with, and which is what we are talking about today. But we are not asking the important questions of whether we want to increase air travel in New Zealand or whether we want to make an essentially unsustainable sector continue to grow when we know the impacts of climate change. We know oil will not get any cheaper. In Louisiana over the last couple of months oil drillers have had to go further and deeper into more extreme environments, because the easy sources of oil have already been tapped. We are reaching what is described as peak oil, which is the end of cheap oil. The members of the Finance and Expenditure Committee heard about that in a letter from Dr Russel Norman, and I hope that the committee will make an inquiry into it. It is an important

issue because in New Zealand, nearly 10 years ago, we sunk over \$800 million into saving our national airline. It is an important issue, but, as the price of fuel continues to increase, we will see lessening usage internationally and lessening returns on our considerable investment.

Climate change is a major issue for the New Zealand brand. The Green Party talks about it a lot because this Parliament is seeing a stark contrast in vision at the moment. On one side, we can mine our treasured places, try to squeeze more dairy production—4 percent a year of continual growth—and keep investing in mad motorways, which do not make economic sense. On the other side, we can focus on our “clean, green” brand, making that a reality, and focusing on premium products. Those are the kinds of questions being asked considerably more and more by hundreds of thousands of tourists who are flying here every year. We have, potentially, 80,000 people coming to New Zealand for the Rugby World Cup next year. We will have maybe a billion people watching. But with the Rugby World Cup, New Zealand could become like China at the time of the Beijing Olympics, with questions being raised on human rights. New Zealand could become like South Africa at the time of the Football World Cup, with questions being raised on racism and housing issues. Will the Rugby World Cup highlight our hypocrisy on our green issues? Will it be around the fact that we are not facing up to the growth in our airline emissions, and that we are not facing up to any sector growth of emissions in New Zealand?

I wish that we were debating a bill that would see aircraft become more sustainable. I am not a doom and gloom merchant. There are options available for aircraft industries worldwide. I wish we were discussing the “Wellington Convention”. There is an option going around the world pushing for more stringent aircraft sustainability standards. I wish we were pushing for regulation of greenhouse gas emissions from the aircraft and shipping industries, which, so far, are not counted under the Kyoto Protocol. I wish we were including those gases in our Kyoto register and in our emissions trading scheme. I know it will happen one day, but the sooner we face up to the fact that our considerable 3.4 million tonnes of emissions that come from our international aircraft sector is massive and will be counted one day, the better. We may as well start facing up to the truth.

So in summary I am disappointed that no one else in the House has raised these sustainability issues and has asked the core question. Sure, we want to make it cheaper for aircrafts to operate in New Zealand and globally, but do we want to support and keep subsidising the aircraft industry in New Zealand through our emissions trading scheme? It is being subsidised for its pollution when we know that we do not have a second planet. Kia ora.

**CAROL BEAUMONT (Labour):** I will go back to the issues around the civil aviation Cape Town Convention and the Aircraft Protocol that goes with that, and I will talk a bit more about that in the second reading debate on the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill. The protocol, as I said, relates to aircraft that carry at least eight people, and helicopters that carry five or more. The treaty resulted from a diplomatic conference held in Cape Town in South Africa in 2001, as the name suggests. I thought people would be interested to know more about the conference. It was attended by 68 countries and 14 international organisations. Fifty-three countries have signed the resolution proposing the treaty. The convention portion of the treaty came into force on 1 April—gee, that is a bad date for conventions to come into force—2004 and has been signed by 28 countries. The protocol, which is the bit that specifically applies to aircraft and aircraft engines, took effect on 1 March 2006 when it was ratified by eight countries—Ethiopia, Ireland, Malaysia, Nigeria, Oman, Panama, Pakistan, and the United States. In the US the treaty was approved by



the Senate in 2003 and implemented by the full Congress in the Cape Town Treaty Implementation Act 2004.

The other dimension is the registry of mobile assets. It has been set up under this convention to establish the record of international property interests in the equipment covered by the treaty, which is located in Ireland. Mediation cases for leasing disputes are to be heard in the High Court of Ireland. That is just a bit of background.

When we look at the bill itself, we see that the overwhelming portion of it is the convention and protocol, which are appended to it in the schedule. We have the full text of the civil aviation Cape Town Convention and the Aircraft Protocol I have just referred to appended to this bill.

There are a couple of things I would like to cover off. The first is the Civil Aviation Authority itself. It operates in an international system, hence the need for conventions like this. The Civil Aviation Authority, as it says in its annual report, is an international system and it works within frameworks set by the International Civil Aviation Organization. As a contracting State within the International Civil Aviation Organization, New Zealand has responsibility to comply with the standards set by that organisation. It has a number of effects. Interestingly, in relation to the points just made by the Green member, the other strategic objectives—it has a series of objectives for 2010, focused on enhancing global aviation safety and security—include minimising the adverse effects of aviation on the environment, in particular aircraft noise and aircraft engine emissions. I think there is an awareness of the problem. It is an issue for a country like New Zealand, where we are reliant on aviation. We are a country a long way from markets that we trade with, and, indeed, we are a country of destination for tourists from all around the world, so we are highly reliant on aviation to bring people to this country and to get our products to market.

Mr Bennett, the chair of the Transport and Industrial Relations Committee, noted that there is another important role in that we export in the aviation area. I was interested to hear him talk about that matter, because my late father, Ron, worked at Hamilton Airport. He was a mechanic, but he went on to get his trade certificate in aircraft engineering. He worked there producing top-dressing aircraft, and they were world-leading aircraft. I thought it was interesting that Mr Bennett noted that as a small but important part of our manufacturing exports.

Talking of that select committee, I would like to join with my colleague Darien Fenton. She took the words right out of my mouth in that I too wish a speedy recovery to our fellow select committee member Mr Tau Henare, who is, as we all know, unwell at the moment. While I am talking about that fellow member, I note that he is in the interesting position of having his own member's bill before the select committee. That bill is an interesting one. It is in relation to employment rights. We talked in the first reading about the fact that New Zealand is a country that takes international obligations very seriously. We think it is important to sign up to relevant conventions and to play a good role in the international community in regard to many areas. We have often been in a world-leading role, and certainly that is the case in terms of international labour standards. New Zealand played a founding role in the International Labour Organization. We have a proud history in that organisation, and in any given international labour conference, which is an annual process and is in fact going on at the moment, often New Zealand will have people who end up chairing committees or who are involved in drafting committees, and we are seen as a country that takes these matters seriously. So it is a bit of a shame that Employment Relations (Workers' Secret Ballot For Strikes) Amendment Bill is one that I think will see us going in the reverse direction from what we would want to in terms of workers' rights. Whether that will

have the effect of our coming up against what would be seen as international best practice remains to be seen.

Getting back to the this bill, as I was saying before, the full text of the convention is appended to the schedule of this bill. Members will be pleased to know that I do not want to go through this bill, article by article—

**Hone Harawira:** Oh.

**CAROL BEAUMONT:** Well, OK, because there is a desire for that, I will just tell members what the respective articles are. I will not read them out to members given they run to many, many pages. In due deference to my colleague from the Māori Party, let me say that—

**Paul Quinn:** Just the flavour.

**CAROL BEAUMONT:** Yes. Article 1 is “Definitions”, and that goes to several pages, as members can imagine. Article 2, “The international interest”, provides for the constitution and effects of an international interest in certain categories of mobile equipment and associated rights. Article 3 is “Sphere of application”, article 4 is “Where debtor is situated”, article 5 is “Interpretation and applicable law”, article 6 is “Relationship between the Convention and the Protocol”, article 7 is “Formal requirements”, and article 8 is “Remedies of chargee”. As members can see, this goes through a range of articles, right through to article 39, 40, 54—perhaps I will not go through the rest of them for members in the House. Seriously, these are important matters that will streamline and standardise processes internationally and that hopefully will have an effect that means there is greater certainty for those who are financing aircraft. We are making sure that instead of a wide range of different domestic legislation applying, we will have standards. It will be simpler to use the registry located in Ireland to identify what the status of ownership or whatever of a particular aircraft is, and I am sure we are all pleased to know that any disputes will be dealt with in the court system in Ireland, which I am sure is a very robust one. I will leave my contribution to this second reading there, and I look forward to further comment in the third reading.

Bill read a second time.

### In Committee

**JO GOODHEW (Junior Whip—National):** I seek leave for the Committee stage of this debate to be taken as one question.

**The CHAIRPERSON (Eric Roy):** Leave is sought for that purpose. Is there anyone opposed to that course of action? There is not. Leave is granted.

### Parts 1 and 2, schedules 1 and 2, and clauses 1 to 3

**Hon DARREN HUGHES (Labour):** The Committee of the whole House is now considering the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill, and as signalled to the Minister during the second reading, the Opposition has some questions on which we are seeking clarification. I have three or four questions, and I know my colleagues have some as well. I should say that we are now considering every clause, both parts, plus the title and commencement as one question, so the comments and observations we are making range across the 15 clauses and the various schedules that are set out in the bill.

My first question to the Minister in the chair, Kate Wilkinson, is to note that Part 1, as she will be aware, inserts a new Part 12 into the principal legislation. I want the Minister to comment on which of those parts will take precedence if New Zealand domestic law goes down a different path from what may be in a clause within new Part 12. Once it is inserted into the principal legislation, presumably Part 12 will not be in a

position to be amended by the New Zealand Parliament, because it will need to reflect the requirements of the Convention on International Interests in Mobile Equipment, which have been carefully negotiated by our negotiators and those who participated in the agreement. If Parliament is to consider other matters to do with civil aviation that amend the principal legislation, I ask how new Part 12, which we are inserting in Part 1, will make a difference in our law for this country. I think that goes to the heart of economic sovereignty for New Zealand. If the Minister can give us an answer on that matter, it will answer some questions we have about how these conventions fit in when they are not stand-alone and end up fitting in with existing New Zealand legislation. I would be very interested in her comments on that.

Clause 6 sets out matters that are to be taken into account by the Minister when making rules. It is an amendment to section 33(2) of the Civil Aviation Act. I wonder whether the Minister could set out the kinds of matters the Government thinks the Minister will have to take into account when he or she is making any rules, or recommending the making of any rules, as part of clause 6. I am also interested in clause 7, which is the procedure for making ordinary rules, which the Minister must take into account, and the question of consultation. I wonder how that was arrived at. Clause 7(1)(b)(i) mentions “the persons, representative groups within the aviation industry or elsewhere, government departments, and Crown agencies;”, and it would be helpful if the Minister gave us a flavour of the kinds of organisations we are talking about there. When the Government uses language like that in legislation that, of course, we are supporting, to what extent is it making that consultation as broad or as narrow as possible? Given that we are talking about simplifying civil aviation rules in other parts of this bill, it would help if she could clarify for us who will be affected by the consultation provisions set out in clause 7 for the procedure for making these ordinary rules. Those are just some questions I have, and if we could get some answers or clarification on them from the Minister, I would be most interested.

I make the observation that new section 34A, inserted by clause 8, gives the Governor-General new powers to make ordinary rules in respect of civil aviation, and ask whether the Government gave any consideration to the Governor-General's other role as Commander-in-Chief of New Zealand, and whether that vests just far too much power in the hands of one person. Oh, my luck has turned: the Minister of Transport has arrived, just to take those questions. I hope the Minister of Labour, who has been the Minister in the chair, will give him the notes she took of my questions. It would be a shame if I was to be seated, and he was not in a position to answer my questions. I am not getting an indication from either of them that that is the case. I will update Mr Joyce, who was no doubt behind the Cape Town Convention, and the suggestion for it, because we know from the feature articles that he has arranged to be written about himself what a quite high opinion he has on the world stage. New Zealand would be quite a small market for him, so probably in Cape Town he was the guy who sealed the deal.

I will recap, now that the Minister who is sponsoring this legislation is in the chair. I have a question concerning clause 6, which covers the matters that are taken into account when making ordinary rules. I have another question about clause 5, on the power of the Minister to make ordinary rules, and a further question on the insertion of new Part 12, which sits in Part 1, into the principal legislation. If there are changes in other civil aviation law that are not consistent with the convention, and if the convention is now being codified as the new Part 12 of the law, I ask which one takes precedence. I presume the Government is not in a position to make any amendments to new Part 12, which is presumably the text of the convention that we have signed up to at another

level. If the Minister could answer those very simple and very few questions that we have put to him—

**Hon Pete Hodgson:** They are searching questions, not simple.

**Hon DARREN HUGHES:** It is very generous of my colleague to say so. As this Minister is constantly telling his colleagues, nothing is beyond his purview, remit, or ability, so we look forward to elucidation by him of the questions I have asked, and those of my colleagues Darien Fenton and Carol Beaumont. Thank you.

**DARIEN FENTON (Labour):** While the Minister is consulting, I ask that he take note of my questions as well, because they are serious questions. I will refer to new Part 12 and the interpretation clause. I note that the national interest analysis states that although reservations are not permitted, declarations are. It states: “Article 56 of the convention and Article XXX of the Aircraft Protocol provide that States may make up to 20 declarations, ‘opting in’ or ‘opting out’ of various articles in the Convention and the Aircraft Protocol. Declarations are intended to allow some tailoring of the Convention and Aircraft Protocol to domestic circumstances.” It goes on to state that some declarations must be made at the time of accession.

I am very, very interested to get information from the Minister about declarations. In new section 104(1), declaration means “a declaration made by New Zealand under the Cape Town Convention and the Aircraft Protocol”. I am very interested to know whether the Government intends to make any declarations on accession in relation to the convention, and whether it has any intention to make future declarations. It is a very, very important question. I know that the Minister is occupied at the moment, but I would like an answer to that, because the answer may well make a difference in terms of whether we continue to vote for the bill. A declaration can completely change the nature of a convention, so it is very, very important that we get an answer to that.

The other part of my question relating to new Part 12 is that there is a definition of a “Contracting State”, which means “a State that is a party to the Cape Town Convention and the Aircraft Protocol”. In the national interest analysis it talks about the “Obligations which would be imposed on New Zealand by the treaty action, the position for reservations to the convention, and an outline of any dispute settlement mechanisms.” I have read this several times, and I appreciate the efforts to which people have gone to try to make this clear to us, but I really cannot understand much of what it means. I suppose my question is what it means in terms of the obligations of New Zealand. What will we have to do as a country? Will there have to be Budget appropriations for the implementation of this convention? Will it require more resources for the Civil Aviation Authority? Will the Governor-General need to have more resources? I would like some clarification of what the obligations are for New Zealand, and what the implications are in terms of resourcing. Now that the Minister has returned from his distraction, I draw his attention—

**Hon Darren Hughes:** China’s not a distraction.

**DARIEN FENTON:** I know he is working; I am not being critical. I know he is just trying to get an answer to our questions. My question earlier, I say to the Minister, was about declarations, and whether we intend to make any declarations on accession to the convention, because they must be made at the time of the treaty, according to the national interest analysis. I would like to know, if that is the case, what they are, and what difference it will make in terms of the international obligations we have as a country under this convention.

**CAROL BEAUMONT (Labour):** It is with great pleasure I rise again to speak on the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill 2010. I have focused primarily to date on the actual Cape Town Convention and its associated protocol. I will talk now about the provisions in the bill that provide more flexibility in

civil aviation rule-making. Like my colleagues Darren Hughes and Darien Fenton, I will also ask the Minister some questions.

The reason for the changes in Part 1 are to do with making sure that ordinary rules, and the making of ordinary rules, are expressed in a more straightforward way. New section 28(5), substituted by clause 5, rules that an ordinary rule may allow “a matter to be determined ... by the Authority, the Director, or any other person; or ... empower the Authority, the Director, or any other person to impose requirements or conditions ...”. Amendments are also made, in clause 6, to provisions relating to “Matters to be taken into account in making rules”.

The consultation requirements in section 34(1), which must be observed before ordinary rules are made, are amended by clause 7(1) to require the Minister to “(a) publish a notice of his or her intention to make the rule;” and to consult certain persons. I will talk a little more about that provision. It is primarily outlined in clause 5, which amends section 28, the “Power of Minister to make ordinary rules”. I am very interested to know, in relation to the consultation requirements—and I know that the Hon Darren Hughes has already asked some questions on this—what the Minister of Transport’s view is on what “consultation” really means, and how robust, I suppose, he believes the consultation process needs to be in the civil aviation area.

When I look at the annual report of the Civil Aviation Authority, I see that the authority needs to deal with some very important matters. As I noted earlier, the authority is part of an international system. Civil aviation, by its very nature, is an international system. The role of the Civil Aviation Authority is to provide policy advice and civil aviation rules development; to certify and license aviation participants; to monitor the compliance to civil aviation and security standards by participants; to educate about and promote aviation rules, advisory circulars, and other safety and security-related information; to investigate aviation incidents and analyse safety trends; to enforce civil aviation legislation and rules; to publish aeronautical information; and to oversee the administration of the Health and Safety in Employment Act and the Hazardous Substances and New Organisms Act 1996 in the aviation sector. That is a fairly significant range of responsibilities that the Civil Aviation Authority has. They are quite critical: the safety of people who are flying, the safety of people who work in civil aviation, and making sure that we comply with important legislation.

I am interested in how the new consultation requirements outlined in clause 5 of this bill, the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill, will work, and in how robust the consultation processes are that the Minister is envisaging in relation to the development of rules in civil aviation. We all know that consultation can mean different things to different people. Unfortunately, I have had the experience in my working life where consultation has meant that an employer, for example, might tell a group of workers something and put it in a notice, and that was seen as consultation. I am hoping that consultation in this regard will be more robust, and I look forward to hearing the Minister’s response to that question. Thank you.

**Hon STEVEN JOYCE (Minister of Transport):** I thank Opposition members for their fulsome analysis of this Civil Aviation (Cape Town Convention and Other Matters) Bill. I think it is very important that it be analysed fully. I will offer a couple of matters in response. Firstly, the declarations that were the subject of one of Darien Fenton’s requests are contained in the national interest analysis. They are all laid out there for the member, and I refer her to them.

In regard to—working alphabetically is, I think, the best way—clause 6—

**Hon Darren Hughes:** That’s not alphabetically; that’s numerically.

**Hon STEVEN JOYCE:** No, clause 6 begins with “c”. The clauses are all alphabetical and they all begin with “c”. Therefore, I can put them in whatever order I wish for that member.

**Hon Darren Hughes:** He’s the Government’s numbers man!

**Hon STEVEN JOYCE:** Clause 6—alphabetically and, subsequently, numerically—amends section 33, “Matters to be taken into account in making rules”, of the Civil Aviation Act. It aligns section 33(2) with new section 34A, and it states that the Minister is to consider those matters when recommending rule-making action to the Governor-General.

Clause 7 concerns the procedures for making rules, and the whole point of this exercise is to streamline and simplify the rule-making process. It provides some flexibility in terms of the notification requirements. Obviously, that still has to be appropriate to the rule-making procedure.

One of the issues we have in civil aviation is the very long time that it takes to make rules, and we are trying to simplify the process and speed it up. In fact, civil aviation is unlike other industries. The civil aviation industry, in the general rules, is looking to make civil aviation rules faster to match the International Civil Aviation Organization requirements.

Clause 8—which Darren Hughes was concerned about with regard to the Governor-General and his unfettered and outrageous powers; I am paraphrasing the member a little bit—refers to the Governor-General making rules on the recommendation of the Minister. The Governor-General does not wander out and make rules on a daily basis to suit the Governor-General.

Finally, clause 12 does give the convention primacy over the relevant New Zealand law. The convention is consistent with, and additional to, the relevant New Zealand law. That is the point of clause 12. I think that covers most, if not all, of the matters raised by members opposite.

The question was put that the amendments set out on Supplementary Order Paper 145 in the name of the Hon Steven Joyce be agreed to.

Amendments agreed to.

Parts 1 and 2, schedules 1 and 2, and clauses 1 to 3, as amended, agreed to.

Bill reported with amendment.

Report adopted.

### Third Reading

**Hon STEVEN JOYCE (Minister of Transport):** I move, *That the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill be now read a third time.* In the first reading of this bill I advised that by accession to the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment, New Zealand will become part of an international system to protect commercial security interests in mobile aircraft equipment. Some 34 States and the European Union have already ratified or acceded to the convention, and 31 States and the European Union to the protocol, so it is clear there is global support for the regime. Likewise, the New Zealand aviation sector and the financial sector have supported accession. It is worth repeating that the estimated financial savings over the next 6 years to the aviation industry, including to Air New Zealand, could range from \$18 million for savings in export credit guarantees to a figure as high as \$325 million in reduced financial charges. The benefits will continue into the foreseeable future.

The Government is pleased to be able finally to bring these opportunities to the aviation industry. I appreciate the support given to this bill across the House, and therefore to the Government's intention to accede to the Cape Town Convention and the Aircraft Protocol, by members on both sides of the House. Similarly, members' support of the amendments the bill makes to streamline the rule-making process will ensure that our rules do not lag behind developments in the aviation sector. I commend this bill to the House.

**Hon DARREN HUGHES (Labour):** The Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill has made good progress through the House this afternoon. It has met with support from right across the political spectrum in a way that we do not often see in the House. Obviously members have reflected on it and believe it will be of practical application to New Zealand, to people who travel, and to people who export. As I said in my first reading speech, I hope it will also, critically, enable those in developing countries—be they State-run airlines or private enterprise airlines—that face significant barriers to entry into this market to offer airline services for passenger and freight flights around the world. That has to be seen as a good thing; it cuts the cost of business. This bill does not necessarily, of itself, change the quantity of flights that are taken, but it acts as a way of providing security for those who lease out these very expensive types of equipment and for those who seek to operate them, to ensure that they are able to offer people all around the world, in some of the most impoverished parts of the world, access to these sorts of services for their economic and social development.

I acknowledge the points that the Green Party made in respect of the environment. It is a matter of enormous regret that we hardly ever hear Government legislation explained in any context of sustainability. That seems to be very much out of vogue with the present Government, but I hope that with continued activism on these issues by parties on this side of the House, we can make sure that those issues are taken into account as legislation is developed. When we are incorporating an international treaty, it somewhat limits the ability of the New Zealand Government to make changes, but it would have been nice if at least we had heard some reference to sustainability from Ministers as they spoke. That did not happen today. There was more of a limited view on the dollars and cents aspect, and not looking at the opportunities this might provide for people in some of the poorest parts of the world.

During the Committee of the whole House a number of questions were asked of the Minister of Transport. He took the last speech in that part of the bill's consideration. His answer to some of the questions was to simply reread the clauses that were already published, which was not entirely helpful, because we already had them. But he did answer questions in a couple of areas. He was silent on the aspects of obligations, which my colleague Darien Fenton mentioned. I was interested that he did not pick up the issue of consultation, because that is what one of the clauses we debated in the Committee stage was about. As we sum up the bill and sum up what it does, one of the reasons we questioned that issue is that we know this Minister has a unique definition of "consultation". Some of the processes he follows for consultation are not the standard ones that we would see in many other places.

**Hon Steven Joyce:** That's unfair.

**Hon DARREN HUGHES:** Let me give him one example. This is the Minister who rolled up to the Kapiti coast one day and said that, despite what his party campaigned for in Opposition, he was going to build a four-lane, 100-kilometre expressway through the community. He asked them to let him know what they thought about it in 4 weeks' time, as he was not very busy for the next month, so he said they could kick the tyres. He asked them to let him know what they thought about it. I suspect as that plan goes

through more and more tyres will be kicked, and some of them will be on the Minister's Crown car.

**Hon Clayton Cosgrove:** What about the optics?

**Hon DARREN HUGHES:** The optics get worse and worse on some of these things when we do not consult, which is why we are pleased that this civil aviation bill is an example of consultation. Parliament has come together, united on it.

The Minister's other definition of "consultation" is that if he lived in an area 35 years ago, and if he heard of something when he was growing up there as a teenage boy, he can come back years later and say that they all knew about it, because he remembers it from when he was a teenager on roller skates. This is the definition of something that everyone should expect!

Putting aside what everyone had thought for the previous 20 years would be the case, the expressway proposal for Kapiti that he is advancing is a disaster. I am pleased that he has at least one bill on which he is able to bring Parliament together. What we wanted in Kapiti was Transmission Gully; a local western link road; improvements to State Highway 1; a commitment to our rail services to push electrification further north, up to Levin, Ōtaki, and Shannon; and the electrification and double tracking that would have ensured quality, reliable, and affordable public transport services.

I guess what I am saying, as we sum up the bill, is that there are two ways of operating. The Minister gets a big tick for this bill—10 out of 10. We will all vote for it. But some of the unusual approaches he has taken to other areas of the transport portfolio are, I think, worthy of mention at this point.

Labour has offered its support for the bill. The reasons are obvious and manifest, so I will not take any more time now other than to say that I hope the kinds of arrangements that should flow from this convention actually do flow. I am sure that the officials, who have worked very hard on making this legislation acceptable in the New Zealand context, will be monitoring it and will be in a position to offer advice as time goes on, on whether it has had the ability to meet its objectives, particularly the objectives that members have drawn to the attention of the House and the Committee today, which are the things that we see as being most important to the passage of this bill. The Labour Opposition offers its support for the third reading of the bill.

**DAVID BENNETT (National—Hamilton East):** I am speaking in respect of the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill. Most members of the House have exercised the debate on this bill very fully today, and it looks as though there is full support across the House, and that is good to see.

The bill amends domestic legislation and some company insolvency and statutory management legislation to enable New Zealand to take part in the convention, known as the Cape Town Convention, and associated protocols in respect of basic aircraft equipment—basically, the Aircraft Protocol and the Cape Town Convention. Those two important documents then become part of our legislative framework in New Zealand.

The bill amends the powers in the Civil Aviation Act in relation to the making of civil aviation rules. New Zealand's use of the Cape Town Convention and the Aircraft Protocol will support an international legal regime regarding security interests in aircraft, and potentially enable most aircraft operators to secure savings in funding and transaction costs in future aircraft acquisitions.

This bill is important. It gives us some consistency with other countries and with international obligations. It enables some flexibility in terms of civil aviation rule-making, to strike a balance between our international and domestic requirements so that we are more responsive to changes that may occur in the aviation sector. All parties look as though they are supporting the legislation, so we thank them for their support



and for the way that this bill has gone through the House today. I commend this bill to the House.

**DARIEN FENTON (Labour):** I am delighted to take a call in the third reading of the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill 2010. I think it has been a very, very interesting debate this afternoon. One never knows what topics will come to the House that will take us into all sorts of interesting territories, and I think we have had some very good discussions on this bill. I am pleased that the Labour Opposition is supporting the third reading. I want to go back and reinforce the work of the Transport and Industrial Relations Committee and the officials. Obviously a lot of work has gone into this bill; there is no doubt about that. Negotiations have been involved, and the officials have been involved in them. I thank the officials who work in our Public Service, who work for the people of New Zealand, for all of their work that goes on behind the scenes. I also thank them again for their efforts to try to help us understand what is indeed a very technical bill, but we all seem to understand that it is a very, very good thing, and that is why we are supporting it.

I wanted to pick up my colleague Carol Beaumont's point about consultation. I think this is a good model of consultation that the Government could consider for future bills. I was looking at the national interest analysis, which talks about the consultation that took place. Obviously this was started under the previous Labour-led Government, so there was consultation with the aviation sector, the Financial Services Federation, and Toll NZ in 2005-06, and then in May 2009 further consultation was conducted with a range of parts of the aviation sector and aviation stakeholders.

It is interesting to go through them. There was a variety of views to start with on this bill. Air New Zealand, of course, first proposed consideration of accession, and as a group of companies continues to support accession. I am pleased, just speaking about Air New Zealand, that I have had the opportunity again today to commend our national airline, to say how proud we are, and to say how thankful we are that a Labour-led Government rescued it—

**Hon Member:** Bought it.

**DARIEN FENTON:** —bought it, for the people of New Zealand, and it is a very high-quality, high-standard airline. The 8,000 workers who work for Air New Zealand do a fantastic job.

Airwork (NZ) Ltd supports accession to the convention. The Qantas Group is no longer here, but its subsidiary, Jetconnect, was neutral, but it has now decided to support accession. Pacific Blue was originally supportive, but it did not respond on the subject of internal transactions, so I do not know what happened with it. The Aviation Industry Association of New Zealand can see benefits to industry from accession, and remains supportive. The Flight Safety Foundation was originally supportive, provided that internal transactions were excluded from coverage, but it has since agreed to internal transactions being covered. The Royal New Zealand Aero Club, which is a general aviation interest group, supports accession. Toll NZ supports accession to the convention, and it wants to be consulted in the future regarding accession to the protocol on railway rolling stock, and KiwiRail has now confirmed that position. Vincent Aviation Ltd supports accession. The Aircraft Owners and Pilots Association was consulted but did not respond, and then a range of ministries were also consulted.

As I have said, the Transport and Industrial Relations Committee then examined this treaty. With the assistance of officials, we were given a very good explanation. As I said, it is a highly technical convention, so we really appreciated the fact that there was a briefing to the committee, because sometimes select committees can decide that these things are just a little bit too boring and that there should be just a standard report back

to the House. We did not do that; we asked for a briefing. As I said, we appreciate the efforts that the officials went to in order to help us to understand the convention.

So I am pleased that Labour is supporting this bill. As I said, we have had an opportunity to traverse many areas in this debate. There are some issues that I would like to repeat very briefly on the matters of conventions. We are disappointed that we seem to be able to support some conventions but not others. Other conventions would do something about the fundamental rights and protections for workers, in particular, and other members have talked about other conventions. There are some civil aviation authority issues, there are some air transport issues, and there are some safety issues. I am interested in those, and, again, I think the Civil Aviation Authority does a fantastic job with the scarce amount of resources it has. I had a bit of a concern that it would be expected to implement this convention with no extra resources. We asked the Minister about that, but we received no response.

In closing, I thank everybody again—the officials in particular. It is good to be part of a bill that the whole of Parliament is supporting, and we are pleased to support it.

**GARETH HUGHES (Green):** I was not going to take a call on the third reading of the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill, but given that Minister Joyce is here I thought I would take the opportunity to do so.

First of all, I would like to send my best wishes to Tau Henare, who is a member of the Transport and Industrial Relations Committee. I thank the officials who have worked on this bill for all the hard work that has gone into it. I would also like to thank Darien Fenton for her contribution to this debate. There are other conventions that we probably should be discussing, and it would probably be more fitting to be discussing them under urgency rather than this bill.

I am glad I am supporting this bill, and I am glad that the Greens are in this House and are able to raise the environmental issues. It is a pity the Minister of Transport was not here for my second reading speech, but I am sure he will eagerly look it up in *Hansard* to find out about the climatic and environmental impacts of our airline industry.

I heard the Minister pick up on the figure that we could be saving—up to \$325 million. That is not a figure to sneeze at, but I guess it is in the context of other wasteful spending by this Government, including the “Pūhoi to Wellsford Holiday Highway”, which has a benefit-cost ratio of 0.8, meaning we will not see any extra benefit economically from this one project. I would like to see more prioritising from this Government on where it is putting its transport focus and where it is spending its scarce transport dollars.

I talked a little bit about the environmental cost, but what I would like to touch on now is the opportunity cost of this bill. I would have preferred it if we were discussing the sustainability issues around the aircraft industry, because there are things—and I addressed them in my second reading speech—that we could be doing right now to lessen the greenhouse gas emissions and the environmental impacts of aircraft industries on the planet, on the climate, and also on the communities that are impacted by both noise pollution and particulate soup pollution.

I think we could have been debating the Sustainable Biofuel Bill, which is still on the Order Paper. It was introduced by my colleague and predecessor Jeanette Fitzsimons. Air New Zealand has been using atrophy in its air fleets as a biofuel alternative to kerosene. I think this is something that needs more investigation to make sure, for people and the planet, that the sustainability of the fuel is ensured.

I would have liked to be speaking about our rail lines in New Zealand. I would have liked to be talking about a Hamilton to Auckland rail link, for example, which could help to reduce the demand for air services and be more efficient, more cost-efficient,

and more economically sane than what we are seeing. This is what we are seeing overseas. Governments and private companies are putting more focus on fast and more efficient rail links than on expanding a greenhouse gas - causing aircraft industry. Once again, I lament the use of urgency. I feel it is pointless, especially in relation to this bill. It did not need to go through under urgency.

Lastly, I challenge other members of this House to be like the Green Party and maybe consider offsetting their flights. It is a privilege as a member to use domestic air travel in New Zealand. We all know that the impact of one flight to the UK is more than a Swedish citizen will emit in an entire year—just one flight. We are spending hundreds of tonnes of carbon on our budgets. I challenge all members to take up the Landcare challenge and think about offsetting their own flights from their own personal budgets, and pressuring the Speaker to see whether the House can do it for us. Kia ora.

**CAROL BEAUMONT (Labour):** It is with great pleasure that I rise to speak on the third reading of the Civil Aviation (Cape Town Convention and Other Matters) Amendment Bill 2010. I thank the previous speaker, Gareth Hughes, for his challenge; I will certainly think seriously about it. It has been a very interesting debate. Perhaps, if I am honest, I would say that it has been more interesting than I expected it to be.

**Grant Robertson:** But you had low expectations.

**CAROL BEAUMONT:** Ha, ha!

I am a member of the Transport and Industrial Relations Committee, which received a presentation on the matters around the Cape Town Convention. Again, I join with colleagues in thanking officials for the work they did on that convention. It is important that New Zealand signs up to relevant international conventions. The convention and the associated Aircraft Protocol deals with a serious matter, and that, of course, is about items that are by their nature very mobile—that is, aircraft—and about the fact that those who are financing those aircraft need to know the status of those aircraft. It provides for a simply accessed registry based in Ireland, and that is positive.

The full wording of the convention and the associated protocol are part of this bill, and will be included in schedules to the Civil Aviation Act. It standardises transactions involving movable property and sets down international standards for registration of ownership and for securing the interests of all parties. As was said earlier, that is important, particularly in relation to the fact that, otherwise, rules are based on domestic legislation in different countries, and that is not really very helpful with something like a plane, which moves all around the world.

The other matter the bill contains is, of course, the ordinary rule, which tries to clarify—let us be straightforward about this—how civil aviation rule-making is done. It provides for ordinary rules to be determined by the authority, the director, or other persons, and it imposes requirements and conditions on those rules. As I outlined in some detail, consultation requirements must be observed before ordinary rules are amended. Those include the requirement on the Minister to publish a notice of his or her intention to make the rule, and to consult.

I reinforce the point that has been made by a number of speakers, including myself, that consultation requirements are important. We need to have confidence that consultation is not just window dressing or something done in an ad hoc manner, but is taken very, very seriously. I hope that the Minister of Transport has taken that on board in this discussion. Certainly, in relation to many other matters, consultation has been a sham. I use the Auckland super-city as an example of very poor consultation and of disenfranchising the people of Auckland, of whom I am one.

Also I touched on the work of the Civil Aviation Authority, and I acknowledge that agency. It is doing a very important job. It is a very serious area, with a lot of security

issues and safety issues for the travelling public and for the people who work in that industry. They have a wide range of responsibilities, which I outlined.

A number of us have commented on the fact that signing up to international conventions is important in terms of playing our role globally. New Zealand has always taken those responsibilities seriously. The Transport and Industrial Relations Committee, of course, covers both transport matters and what are called industrial relations matters but are broadly employment issues. I have raised, as my colleague Darien Fenton did, our concern in relation to employment matters that perhaps New Zealand, through various actions of this Government, is at risk of getting into difficulty with international best practice in the employment relations area.

Interestingly enough, the Civil Aviation Authority, in its annual report, covers matters relating to employment issues. I thought it was worth noting that and congratulating the authority on the fact that it has a good-employer programme. The programme covers seven main areas: leadership, accountability, and culture; recruitment, selection, and induction; employee development, promotion, and exit; flexibility in work design; remuneration, recognition, and conditions; harassment and bullying prevention; and safe and healthy environment matters. So both the transport and employment relations matters are together in one annual report, and I acknowledge and thank the Civil Aviation Authority for its efforts in terms of being a good employer.

It is a pleasure to join with my colleagues and stand to speak on this bill. We are, of course, continuing to support it.

Bill read a third time.

## **POLICING (INVOLVEMENT IN LOCAL AUTHORITY ELECTIONS) AMENDMENT BILL**

### **First Reading**

**Hon JUDITH COLLINS (Minister of Police):** I move, *That the Policing (Involvement in Local Authority Elections) Amendment Bill be now read a first time.* Nearly 2 years ago when the Policing Act 2008 was passed, there were some provisions within that legislation that set some police staff apart from their fellow State servants. Under section 99 of the Policing Act, all constables, authorised officers, and supervisors without any constabulary powers must be placed on leave if they want to stand as a candidate in a local authority election, and if they are elected they must resign from the police.

Under section 115 of the Act there is an exception for police who were sitting members of local authorities at the time the Policing Act came into force on 1 October 2008, but only for as long as they are re-elected. For other State servants, however, there is no law that stops them from standing or serving on a local authority. They are simply required to remain politically neutral in what they do and follow any departmental rules that are in place. Any conflicts of interest must be declared, but it is up to the individual and the department to manage them. This Government sees no reason why police should be treated any differently, and that is what this bill aims to achieve.

If this bill is passed, then police will have in place rules and policies along the lines of those of other Government departments, which have to manage any actual or perceived conflicts of interest that may arise. Many members of the police already have strong relationships with their communities. It is common to have area commanders, community constables, and other police working together with local councils to make their local community safer. Making it easier for police staff to serve on local councils will help strengthen that relationship. This Government is keen to ensure that when it