



2008: A Fresh Start for New Zealand

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A State of the Nation Speech

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NATIONAL PARTY LEADER



This time a week ago we were saying goodbye to our country's favourite son.

Sir Edmund Hillary will be remembered through the ages as a rock-solid reminder of the heights to which we Kiwis can aspire and the feats we can accomplish.

When Sir Ed climbed Mt Everest back in 1953, he wasn't the only New Zealander on top of the world. We all were. We were among the five wealthiest countries on earth. Not any more.

Fifty-five years on, we are no longer an Everest nation. We are among the foothill nations at the base of the OECD wealth mountain. Number 22 for income per person, and falling.

But what does a wealth ranking matter, you might ask? Why does it matter if we're number 22 or number four?

It matters because at number 22 your income is lower, you have to work harder, and you can save less. You face more uncertainty when things go wrong, when you or your family get sick or lose a job. No New Zealand sports team would be happy to be number 22. Why is the Government?

This is a great country. But it could be so much greater. It has been so much greater.

So the question I'm asking Kiwi voters is this: Do you really believe this is as good as it gets for New Zealand? Or are you prepared to back yourselves and this country to be greater still? National certainly is.

Under Helen Clark and Labour, our country has become a story of lost opportunities.

Despite inheriting the tail wind of a strong global economy, Helen Clark has failed to use that momentum to make significant improvement in areas of real importance to New Zealanders. She has squandered your economic inheritance by failing to build stronger foundations for the future.

Tomorrow, Helen Clark will tell us what she thinks about the state of our nation. In all likelihood, she'll remind us how good she thinks we've got it, how grateful she thinks we should be to Labour, and why we need her for another three years.

Well, I've got a challenge for the Prime Minister. Before she asks for another three years, why doesn't she answer the questions Kiwis are really asking, like:

- Why, after eight years of Labour, are we paying the second-highest interest rates in the developed world?
- Why, under Labour, is the gap between our wages, and wages in Australia and other parts of the world, getting bigger and bigger?
- Why, under Labour, do we only get a tax cut in election year, when we really needed it years ago?

- Why are grocery and petrol prices going through the roof?
- Why can't our hardworking kids afford to buy their own house?
- Why is one in five Kiwi kids leaving school with grossly inadequate literacy and numeracy skills?
- Why, when Labour claim they aspire to be carbon-neutral, do our greenhouse gas emissions continue to rise at an alarming rate?
- Why hasn't the health system improved when billions of extra dollars have been poured into it?
- Why is violent crime against innocent New Zealanders continuing to soar and why is Labour unable to do anything about it?

Those are the questions on which this election will be fought.

Helen Clark thinks she can hoodwink Kiwi voters into giving her another three years to answer these questions. Well, I say she's had nine years, she's had her chance and she's wasted it. The truth is that as time has gone on, Labour has concentrated more and more on its own survival and less and less on the issues that matter to the people who put them there.

This year, signs are emerging that the winds of global growth have not only stopped but are turning into a head wind.

New Zealand cannot and will not be immune from the impacts of a slowing global economy. It's too early to say how severe the impact on our economy will be. However, we are already beginning to see the cracks appear in Labour's legacy.

Right now, we are sandwiched between low growth and high inflation. Finance companies are falling over and taking the savings of thousands with them. Mortgage rates are rocketing upwards. Retirement savings are being slashed by the falling value of shares. Inflation is eating away at spending power and living standards.

When the going gets this tough, is it any wonder that Kiwis look longingly at our Aussie cousins? Our Aussie cousins, who get paid a third more than us for doing the same job. Our Aussie cousins, who have been given a tax cut in every Budget for the past five years and who will continue to have their taxes cut for Budgets to come.

Too many Kiwis are looking at those stats and choosing to join their cousins across the ditch. We have to give them better reasons to stay.

So today, let me say this – unlike Labour, National is not in denial about the state that many New Zealand households find themselves in.

We know Kiwis are suffocating under the burden of rising mortgage payments and interest rates. We know you cringe at the thought of filling up the car, paying

for the groceries, or trying to pay off your credit card.

We know you think wistfully about how it would feel to be Michael Cullen, smugly sitting on a wad of your cash and thinking about how he can buy some more votes with it. Not all Kiwis have a surplus to fall back on Dr Cullen. They paid their surplus in tax.

My message to Kiwis is that under National you will come first – not the fanciful whims of big-spending Ministers who have long since stopped worrying about how to make ends meet.

The National Party has an economic plan that will build the foundations for a better future.

- We will focus on lifting medium-term economic performance and managing taxpayers' money effectively.
- We will be unrelenting in our quest to lift our economic growth rate and raise wage rates.
- We will cut taxes, not just in election year, but in a regular programme of ongoing tax cuts.
- We will invest in the infrastructure this country needs for productivity growth.
- We will be more careful with how we spend the cash in the public purse, monitoring not just the quantity but also the quality of government spending.
- We will concentrate on equipping young New Zealanders with the education they need for a 21st century global economy.
- We will reduce the burden of compliance and bureaucracy, and we will say goodbye to the blind ideology that locks the private sector out of too many parts of our economy.
- And we will do all of this while improving the public services that Kiwis have a right to expect.

Because the hard truth is that Labour's economic underperformance hasn't delivered the social dividend they promised us.

So, make no mistake: this election won't be fought only on Labour's economic legacy. National will be asking Labour to front up on their social legacy, too. Many of the social problems the Government said it would solve have only got worse.

This time a year ago, I talked about the underclass that has been allowed to develop in New Zealand. Labour said the problem didn't exist. They said there was no underclass in New Zealand.

But who now could deny it? 2007 showed us its bitter fruits. The dramatic drive-by shooting of two-year-old Jhia Te Tua, caught in a battle between two gangs in

Wanganui. The incidence of typhoid, a Third World disease, reaching a 20-year high. The horrific torture and eventual death of three-year-old Nia Glassie. The staggering discovery of a lost tribe of 6,000 children who are not enrolled at any school.

The list goes on and on. The fact is, that under Labour, there has been no let-up in the drift to social and economic separatism.

We don't need more of their hand-wringing, their strategies, and their interdepartmental working groups. What's needed is the courage to make the tough calls to fix these problems.

Today, I'm going to announce a new set of policies which will leave you in no doubt that National has that courage.

Youth Plan

These policies are about delivering for our young people.

Young people are a group I'm passionate about. For them, more than anyone, will determine the future shape and prosperity of New Zealand. The energy and enthusiasm of the vast majority of our young people make me hugely optimistic for our country.

But the sad fact is that a growing number are failing to deliver on their potential.

This wasted potential is there for us all to see: teenage parents with no plans for their or their children's future; illiterate and innumerate school leavers; youth gangs prowling our neighbourhoods and sporadically dishing out beatings.

More than 25,000 Kiwis aged 15-19 are not in any form of education, training or work – that's despite Labour's promise to get that number down to zero. Those young people are disengaged from education and are at a loose end.

More than one in five kids leave school with no qualifications. Almost half of all kids – four out of every ten – leave school without a qualification that provides them with the foundation skills needed for work or further study. More than 13,000 teenagers are collecting a welfare cheque and many others are filling their days with nothing but Playstation and TV soaps.

Violent youth crime is at an all-time high. Robbery is up. Grievous assaults are up. Aggravated robbery is up. Young criminals are graduating from petty crime to more serious crime; unexploded time-bombs on a fast-track to Paremoremo.

The victims are people like you and me. Innocent Kiwis randomly beaten by teens on the North Shore. A Wellington Uni student beaten to a pulp on his walk home. A dairy worker stabbed to death in South Auckland last week. A 14-year-old arrested at the weekend for a fatal stabbing in Tokoroa. The list goes on and on.

Rather than being the hope for our future, these young people represent our future fears.

The habit of the Clark Government is always to shy away from these problems. They prefer to poke their noses into the lives of good parents while ignoring the ticking time bombs right in front of them. That's not my approach.

Today, I'm going to outline some new policy that forms part of National's plan for giving young people the future they deserve. This Youth Plan will have two major aspects to it.

One part is about education. The other part is about rolling up our sleeves to prevent New Zealand's youth crime problem from becoming tomorrow's crisis.

This plan is about giving all young people the opportunity and responsibility to better themselves, no matter what their circumstances, abilities, or track record. That's the Kiwi Way.

Youth Guarantee

Firstly, let me turn to education.

In an ever more competitive and highly-educated world, we must do better at engaging our young people in education. Far too many teenagers leave school at 16 without even a basic qualification. That might have worked 30 years ago, but it won't cut it in the future I'm aiming for.

Today, I'm going to announce a new education entitlement – National's Youth Guarantee. It's based on National's expectation that all young people under the age of 18 should be in work, education, or training.

To make this possible, a National-led Government will provide a universal educational entitlement for all 16- and 17-year-olds. The Youth Guarantee will allow them to access, free of charge, a programme of educational study towards school-level qualifications. This new entitlement will be on top of, not instead of, the education entitlements they have now.

The Youth Guarantee will be wholly different from the education entitlements of the past – because a National Government won't presume that in the 21st century, school will always be the best place for every young adult to be educated.

We don't think that simply raising the school leaving age is good enough. We know there are plenty of 16- and 17-year-olds who have jobs and are learning from them. We also think there are some kids who might be more motivated and who might achieve more if they could learn in a non-school setting.

They might get more out of their education at, for example, a polytechnic, a wananga, a private training establishment, or a combination of these options.

Many will still do better at school. That's fine. But it's time we provided for the minority who don't.

There are many reasons why an alternative provider might suit a young person better than their local high school.

A disengaged teenager might need more intensive reading and writing help than a typical Year 12 class is geared up to give. A young person might not be interested in the conventional subjects offered at their local high school, but could be interested in doing a basic skills course to prepare them for trade training. A pregnant teen or teen parent might not be able to access a place in a teen parent unit, but could stand to gain a lot from a specialised parenting course.

Under National's future-looking scheme, those choices won't come with a cost penalty.

Because we don't think it's fair that a 16- or 17-year-old can get a free education at their local high school, but is asked to front up with as much as \$4,000 in fees for a work-skills course at their local polytechnic.

We also think this new approach will encourage tertiary education providers to develop new courses that cater to the specific needs of unqualified and lowly qualified school leavers. It will help this large and potentially productive group of people make a smoother transition from school into further education.

Rest assured, no one will be playing twilight golf or doing sing-along classes. Providers offering courses under the Youth Guarantee will have to meet quality criteria to ensure they are effectively engaging their students.

What is more, the Youth Guarantee comes with obligations. As a society, it's time to stand up and say to our young people that we will support them, but only if they are supporting themselves by developing the skills and knowledge they need to succeed.

Under National, young people who aren't working and who fail to take up their educational entitlement will not be eligible to receive a benefit.

In saying that, the policy will take account of the special circumstances that young people and their families may face. For example, some 16- or 17-year-olds may genuinely be too sick to work or participate in education. And a short stand-down period will be necessary so those who are genuinely looking for work have a reasonable window of time in which to do so.

Teenage parents will be specifically catered for. Programmes incorporating childcare, parenting advice, and tailored education will be developed to meet their particular needs.

National will be conscious that people's circumstances are many and varied. But the bottom line is this – the days of 16- and 17-year-olds being able to leave school and drift along aimlessly while being financially supported by the

Government are at an end.

Youth Justice

The second part of National's Youth Plan is for dealing with the kids who already pose a serious threat to the security of our communities.

We think it's time to provide the youth justice system with a modern set of tools for getting young people out of the crime cycle.

First, we are going to extend the jurisdiction of the Youth Court so it has the power to deal with 12- and 13-year-olds accused of serious offences.

At the moment, 12- and 13-year-olds accused of high-order crimes, such as aggravated robbery and home invasion, can only be dealt with by the Family Court. National thinks the Youth Court, with its wider range of powers, could play a much stronger role in getting these young offenders back on track.

Secondly, we're going to give the Youth Court new powers for following up on proven young offenders once they walk out the courtroom doors. This will involve a new range of Youth Court orders.

Thirdly, we're going to create a tough new range of sentencing options for dealing with the hardcore group of young criminals.

Before I say anything more about these new initiatives, let me state for the record that our youth justice system does an excellent job of dealing with most young people who get into trouble.

The vast majority of youth offenders are dealt with by the Police and don't end up in court. There are lots of teenagers who make mistakes and do dumb things, but who learn their lessons and become law-abiding adults.

The problem I am talking about today is the group of serious persistent offenders. In the view of Principal Youth Court Judge Andrew Becroft, this is a group of about 1,000 young people. We don't need a pre-school check to work out who they are. We already know their names. Too often, these kids are simply sifted through the youth justice system and into adult courts in what can become a shoddy game of pass-the-parcel.

I don't think it's good enough to simply throw up our hands and allow these troublesome teens to become life-long criminals. Good, law-abiding Kiwis end up paying the price. We must act now to defuse these unexploded human time-bombs.

New powers for the Youth Court

The first set of powers I'm proposing today are aimed at the young offenders who the Youth Court thinks are at risk of becoming part of the hardcore offending group. They are not the worst kids, but they are in danger of heading down that

track.

The Youth Court currently has limited tools for properly dealing with these known offenders. National will give the Youth Court three new powers for pushing them back onto the right track. We will back those powers up with increased funding to the services involved.

First, the power to issue parenting orders.

These orders will require parents of youth offenders to attend parenting courses that address problems at home that may be contributing to their child's offending. The young person will also be required to co-operate with the requirements of these programmes. Non-compliance will result in community work or fines for parents and child.

Secondly, the power to refer young offenders to mentoring programmes.

Programmes like Project K and Big Brother have been highly successful at turning around the lives of hundreds of struggling teenagers.

A mentor may, for example, give the extra push that encourages a young person to join their local rugby team and start turning up for practice. They may help a young person recognise the value of school or get them to honestly examine some of the negative things they're doing in their life.

At the moment, access to effective mentoring programmes is limited by funding shortfalls and uncertainty. National will fund these programmes properly to ensure the Youth Court can refer young offenders to them, regardless of where they live, for a period of up to 12 months.

Thirdly, the power to refer young offenders to compulsory drug or alcohol rehabilitation programmes.

As many as four out of five young offenders before the Youth Court have a drug or alcohol problem. Despite this it can be difficult for the Youth Court to ensure young offenders get the treatment they need.

A kid with a P addiction will reoffend; it's that simple. So we have to do something about getting them off the drug. National will ensure that proven drug and alcohol rehabilitation providers are funded to get these kids sober.

I'm confident these three new tools – parenting orders, mentoring programmes and targeted drug and alcohol rehabilitation – will go a long way to flushing more young people out of the crime cycle.

In all these areas, National will fund providers with proven results. We'll ensure there's a range of programmes available that cater to the individual needs of the offenders and their whanau. This would include iwi-based services and other services aimed specifically at Maori or other cultural groups.

Tougher sentences

But the fact is, those new tools by themselves won't be enough – because some young people have committed crimes so serious and so chilling that we must take far more drastic action.

Currently, the Youth Court has the power to refer the worst of these offenders – the Bailey Junior Kurarikis of this world, the rapists, the murderers, the aggravated robbers – to the adult courts. That should continue to be the case.

All offenders over the age of 16 are also referred to the adult courts. This, too, should continue to be the case. Labour thinks 17-year-olds who commit adult crimes should get youth sentences. National thinks they should pay with adult sentences. For the next group down – those who are currently sentenced by the Youth Court – there needs to be a range of tougher sentencing options. I propose three new measures:

The first is longer residential sentences.

The Youth Court currently has the power to place young offenders in youth justice residential facilities for a period of up to three months. Many are released after just two.

Last year, long-overdue legislation was tabled to allow these sentences to extend to six months. National supports this extension and in Government we will, as a matter of priority, pass the legislation to make it happen.

In addition, National will fund a new type of programme for teenagers who aren't bad enough to be put in a youth justice facility but who need a serious dose of intervention.

The 'supervision with activity' sentence is already available for these kids. It's hardly ever used, however, because though there are some very good programmes that work, there are far too few of them. Youth justice experts have been making this point for years. National has been listening, and we will act.

National will fund a new range of revolutionary 'Fresh Start Programmes'.

They will be designed to give young offenders what they need to make a fresh start – structure, routine, clear boundaries, intensive support and a sense of self-discipline and personal responsibility.

The programmes will last up to one year and will include up to three months of residential training at, for example, army facilities. Young people sentenced to Fresh Start Programmes will be intensively supervised by high-quality staff dedicated to getting them back on track.

Fresh Start Programmes will be designed to address the problems underlying a

young person's offending and may include, for example, drug and alcohol rehab, outdoor and physical fitness training, literacy and numeracy teaching and work towards NCEA credits, teamwork exercises, and reinforcement of community values.

In all cases where a Fresh Start sentence is imposed, participation will be compulsory.

Graduates from Fresh Start Programmes will be expected to comply with Fresh Start contracts outlining the changes they have pledged to make in their lives. They will work with mentors and social workers to ensure the changes are permanent.

These programmes will be run by specialist providers with a proven track record of getting troubled young people back on the straight and narrow. The Army may work with others to provide these programmes. After all, they have a long and successful history of instilling values and discipline into young men and women.

Take, for example, the Limited Service Volunteers scheme (LSV) run at Burnham Army Base and aimed at long-term unemployed young people aged 17-25. It works. Seventy per cent of participants go on to full-time employment and demonstrate an improved respect for the laws and norms of society. Despite this, Labour has hacked away at LSV, ideologically reducing the number of participants year after year.

In 2002, a Ministerial Taskforce on Youth Offending recommended that the Army could run programmes for young offenders at army bases. That recommendation was ignored by Labour. National won't be so blind.

I want to make one thing clear, however. Fresh Start Programmes are not going to be some sort of short-term camp run by a tyrannical sergeant-major, which attempts to scare kids straight. What I'm talking about is a much more modern approach that tackles the underlying causes of criminal offending. I want to take the effective elements of army-type training and combine them with the most advanced expertise in youth offending and rehabilitation that New Zealand has to offer.

Providers like Graeme Dingle's Foundation for Youth Development have the expertise to develop these programmes. National will back them and others like them to get to work on dismantling some of New Zealand's ticking time-bombs.

Finally, we think the Youth Court needs better teeth for following up serious youth offenders when they are released back into the community.

I'm sick of hearing about serious young offenders who receive community-based sentences but who fail to comply with the requirements of those sentences.

I'm thinking, for example, of the case last year of a 16-year-old member of an Auckland youth gang who was sentenced to supervision and community work

on nine charges, including burglary and wilful damage. While supposedly being 'supervised' in the community, he carried out seven more crimes, including assault with a weapon and threatening to kill.

That's unacceptable. Teens who don't comply with supervisory sentences should face serious consequences.

National will introduce a new "Spotlight Sentence" that can be issued by the Youth Court.

Young people sentenced to a Spotlight Sentence will be ordered to comply with a court-ordered contract. The contract will set out the court's expectations of the offender including, for example, curfews, an end to gang involvement, compliance with drug treatment programmes, or regular school attendance.

To ensure compliance, the court will wield a big stick to be used in the event of a contract breach. That stick will be intensive supervision and surveillance, including electronic monitoring of the young person using an ankle bracelet.

All these tough new youth justice measures will carry a considerable financial cost. It will be money well spent. It will save lives. It will save young people from a life of crime.

Without doubt, the financial cost of getting serious about youth justice is far less than the social and economic cost borne by the community when young offenders are allowed to go on offending without sanction.

Under my leadership, a tough approach will always be accompanied by the provision of opportunity and a second chance.

I believe in the ability of every individual to take their life in their own hands and change it for the better. That's why I want to see a new Youth Guarantee to provide under-18-year-olds with a universal educational entitlement. That's why I want to see better and more extensive provision of parenting courses, mentoring programmes, and drug and alcohol treatment programmes.

I want every young Kiwi to be able to find a way onto the path to success. I believe the only limit on our nation's ambition is the limit which our young put on their individual ambition.

We owe it to our children and to our country to have great expectations for what they can achieve. Their prospects are New Zealand's prospects. We must raise their sights.

Conclusion

The approaches to education and youth justice I've outlined today demonstrate the positive and pragmatic approach National will take in all our policies.

We will not sweep problems under the carpet. We will not meet the country's challenges by quietly lowering our expectations.

We will focus on the real issues facing New Zealand. We won't fixate on the tired old political debates from 20 or 30 years ago.

National knows New Zealand has a great future if we embrace good ideas and put them into action. And my sense is that in 2008, New Zealand is ready for those new ideas – ready for a fresh start.

At this election, the National Party has the chance to harness the growing mood for change and march New Zealand towards a better tomorrow.

We know this isn't as good as it gets. We know Kiwis deserve better than they are getting. We are focused on the issues that matter and we have the ideas and the ability to bring this country forward.

National is ambitious for New Zealand and we want New Zealanders to be ambitious for themselves.

Election 2008 is your chance to act on that ambition. Let's make it count.