

Assets offer us a secure future

PARTY SCENE
David Clark



The Government is planning to sell Crafar farms to Chinese investment firm Pengxin. I think they are wrong to do this. There are a range of reasons why local ownership is a good idea. New Zealand owners are more likely to re-invest profits and support local enterprises. They

spend money at local shops (and pay tax on purchases). They may start another business locally (and pay tax on it). Local owners get involved in communities. Other countries understand all of these benefits. That is why it is almost impossible to buy land as a New Zealander in China. But it's not all one sided. Overseas investment can benefit New Zealand. That is why we have laws that allow for it. But foreign investors who want to buy land here must show what extra value they are going to add. We already produce milk and sell it to China, so it is not clear that Pengxin are going to bring any benefit to New Zealand that a

local owner couldn't bring. With respect to the energy companies, the case for retaining state ownership is clear cut. If the Government wants to sell Meridian, Mighty River Power and Genesis, it must first explain how it is going to ensure prices do not rise beyond the reach of ordinary consumers – you and me. Research shows that the current market doesn't work perfectly, but we have checks and balances. First, any excess profits currently go back into the taxpayer purse and thereby contribute to our schools and hospitals. Second, the threat of intervention from shareholding ministers for severe misbehaviour, while only ever

observed in the breach, remains an ultimate sanction. In current law, the power companies have to take social responsibility seriously too. The Government is proposing to change that. Elderly people unable to afford heating are an issue for politicians, but it is much easier for private enterprise to duck responsibility. And let's not forget that these power companies currently earn good money for us taxpayers. John Key seems focused on selling New Zealand. That is not the way to build a brighter future.

David Clark is the Labour MP for Dunedin North.

