

Govt is to blame for tough times

PARTY SCENE
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We have tough times in Dunedin at present. Delta recently announced it is likely to cut 30 jobs, mostly due to decreases

in demand for private property development and reduced council spending on roading projects. I don't blame the council for this; I blame the Government. Here's why. Three factors contribute to a lack of money in Dunedin. First, general conditions including the buoyant (or otherwise) economies of our trading partners set the context. Second, the economic management of the Government of the day affects business and job prospects. Third, Government decisions about where taxpayer money is spent (or not – as Delta knows) have an effect in each region.

I will focus on the second factor, although the Government is failing Dunedin with the third too. Briefly, on the first issue: the general conditions for a healthy New Zealand economy are in place. We weren't as exposed as we might have been during the Global Financial Crisis because the last Labour Government ran surpluses

and left the books in good shape. Furthermore, our main trading partners have been growing faster than most economies since then.

But this Government is failing to manage our economy. Costs have risen and real wages have been dropping. People who supported John Key say they are disappointed and feel let down. The median wage recently dropped 3 per cent and the gap between rich and poor is bigger than ever.

New Zealand has structural economic issues that need fixing. Most of the Western world, the Treasury, the IMF and World Bank suggest things that would make our tax system friendlier for business and jobs. The Government won't go near these solutions. National has its head in the sand. National is defining itself as the party of "too hard" and "can't change".

There is no excuse for the Government sitting on its hands. Labour has already indicated a range of areas positive change can happen. These include a move towards a more universal savings policy, using monetary policy to support export industries, changes to superannuation so it is affordable and sustainable for future generations, and pro-growth tax reform.

The current Government needs to show willingness for change or step aside and let a Labour-led Government get on with the positive change needed.

■ David Clark is the Labour MP for Dunedin North.