

Key to a Safe, Prosperous and Successful NZ

As I made my way across 'the ditch' (Kiwi for the Tasman Sea) to attend the NZ National Party Annual Conference and to mark the 75th Anniversary of the Party's founding last weekend I was well prepared. I polished up on my Kiwi jokes, lined up all the excuses I could muster for the Bedisloe Cup (our 12th defeat in 25 years; a crushing 30-14) and dusted off my Kiwi vocabulary. What I didn't anticipate was the realisation that NZ has left Australia behind on another front; confidence driven by national leadership. The contrast was on display everywhere one turned. NZ is a nation on the move and Australia should start paying attention. What is truly remarkable is that this small country of just on 4.3 million people (and 40 million sheep – sorry couldn't resist) has been battered by the Canterbury earthquakes and the West Coast Pike River mine disaster yet they have picked themselves up and got on with it. There is a sense of renewed national determination and confidence that is slipping away in Australia. This sentiment I attribute to one man. John Key the NZ Prime Minister is a charming, engaging and somewhat disarming individual who has a very clear plan of where he wants to take the country. Behind that broad welcoming smile is a clinician focused on what needs to be done – that's leadership. Some might call him visionary; for me he is a man with plan, a very well thought out plan and an intellect to match of where he wants to position NZ in these uncertain and unpredictable times.

Key governs in his words ".for a safe, prosperous and successful New Zealand, where all Kiwis have the opportunity to get ahead and realise goals. (he) believes in personal responsibility, individual freedom and choice (and) in encouraging potential and rewarding achievement". That's a political manifesto easily understood and embraced by everyday kiwis. What's more he has real achievements to back up the rhetoric – since coming to office 43,000 new jobs, wages are growing, three quarters of NZ income earners have a tax rate no higher than 17.5%, there are 20,000 more elective surgery operations a year, 600 more police on the front line, biggest ever investment in State Highways, roll out of ultra fast broadband and he upped the ante in education by introducing National Standards in schools. Government debt will peak at less than 30% of GDP in comparison with other developed countries approaching 80% (including the UK). What really had me sitting up paying attention however was the claim that in the first quarter of this year the NZ economy grew by 0.8% while the Australian economy shrank 1.2%.

John Key used the Conference to announce a restructuring of welfare policy; politically courageous less than 100 days out from the next election as will become evident below. He clearly subscribes to the view that if you get the policy right the politics follow. John Key has a unique background; his mother lived on a Widows Benefit and the family grew up in a State house (public housing); he was educated in State schools. He believes in the welfare state but not long term welfare dependency. Today in NZ 328,000 are receiving a benefit; that's more than 10% of the entire working age population. Of those more than 170,000 have spent at least five out of the past 10 years on a benefit. There are 222,000 children living in benefit dependent homes and the NZ Government spends \$20 million a day on benefits and hardship assistance. Key asks the question "Is this what the architects of the welfare state had in mind?" He doesn't believe so. He says "...you measure a society by how it looks after its most vulnerable...you also measure a society by how many vulnerable people it creates". The first leg of his reforms will centre on young Kiwis.

Over the last 12 months alone upwards of 13,500 young people aged between 16 and 17 were not in education, training or work. The NZ authorities predict when many of those same young people turn 18 over 90% will move across on to a fully fledged adult benefit and remain there long term.

Key's describes these outcomes as a waste of human potential and poor social outcomes. He and David Cameron are on the same page in describing these social outcomes in the context of a 'broken society'. He proposes a radical overhaul of benefits paid including adult oversight, tied expenditure, enforced reduction of discretionary expenditure (cigarettes, alcohol and drugs are on the hit list) and mandated training and education. No longer will welfare benefits be simply handed over. Legislation where necessary will be amended to carry these measures into effect. This approach will be less difficult for Key than were Cameron to adopt the same given the constraints of EU obligations. It's a courageous and timely course of action by John Key which fits neatly with the way he is reshaping NZ.

John Key exudes inclusiveness; his modest background underscores his commitment to taking all New Zealanders with him on the journey. The Maori long sceptical of conservatives have responded supportively so far. His recommendation of former NZ Defence Force Chief Lieutenant General Sir Jerry Mateparae as next Governor General underlines that inclusiveness. He is what we Aussies would call 'fairdinkum'.

In other respects he is not your run of the mill recruit to Parliament. A commerce graduate from the University of Canterbury he was Merrill Lynch global head of foreign exchange based in London and between 1999 and 2001 served as a member of the Foreign Exchange Committee of the NY Federal Reserve Bank. This is a formidable skill set that any Government would welcome regardless of political colour. The fact that he stepped off the world scene to return home to serve his country on an MP's salary speaks volumes.

John Key is the man of the moment in NZ; together with his wife Bronagh they are an impressive team who can hold their own at home and abroad. As one insider quipped "John Key could be PM of both NZ and Australia and still manage 18 holes in the afternoon". He might be onto something.