

MIN-3930 Beehive to Business Event

17 August 2022

This note provides you with some talking points for your speech at the *Beehive to Business* event on 23 August 2022, organised by the Wellington Chamber of Commerce. Some potential Q&As are also included.

Your talking points for Property Council Breakfast (which took place on 19 May 2022) are also enclosed for your reference (MIN-3879).

Transport

1. Let's Get Wellington Moving

Talking Points

Since I last spoke with you, the Government has made some important decisions on Let's Get Wellington Moving to support the city and region's growth.

This is a once-in-a-generation opportunity to shape Wellington's future, align transport and urban development, and help address the climate crisis by moving more people with fewer vehicles.

In late June, Cabinet agreed to the Let's Get Wellington Moving preferred programme. This includes:

- High-quality, high-capacity **mass rapid transit** from the Railway Station to Island Bay, and continuous bus priority to Miramar. This will substantially improve the quality and reliability of public transport options for people and enable more housing
- **Basin Reserve transformation** to improve all ways people travel around and to the Basin, and make the area more attractive
- An **extra Mt Victoria Tunnel** to improve public transport, walking and cycling to and from the eastern suburbs.

Our capital needs a linked-up rapid transit transport network that serves Wellingtonians into the future. We want to make it faster and more reliable for people to move through and around the city, connecting communities, providing better access to businesses, and reducing congestion.

By 2050, we're expecting up to 80,000 more people living in Wellington City, and 25 percent more people coming into the central city each workday from across the region. That's a huge opportunity for Wellington Inc; but also, a huge challenge to combine the resources and drive of the business community, central and local government, mana whenua and the community to create world-class infrastructure that's a great fit for the region and its people.

Light rail to the south is our preferred choice because of the potential this corridor has for more housing and neighbourhood growth. It can support more people living centrally, close to where they work, study and live their lives. Having said that, we're mindful that MRT technology is evolving rapidly, so we're retaining Bus Rapid Transit for further investigation. There is a good investment case for MRT subject to intensifying land use nearby.

We're working with our local government partners on urban development. We need to ensure more housing and urban intensification can be delivered via strong governance, regional alignment, investment and partnerships with Kāinga Ora and the private sector. We'll have more to say about this in future.

Our Basin Reserve solution – extending the Arras Tunnel towards Mt Victoria so local north-south traffic can pass over the westbound traffic on state highway 1 – will deliver transport benefits by prioritising MRT and public transport to the south and the east. It will also make this important space and the area around it more attractive and easier for people to get to and use.

Meanwhile, people in the eastern suburbs need fast and reliable public transport. This will drive mode shift, urban development and better access, including for trips to the airport. That's why new infrastructure through Mount Victoria is needed for dedicated public transport lanes and better access for people walking and cycling.

There's strong support from the public for change, for investment in MRT, improvements at the Basin Reserve, and an extra Mt Victoria Tunnel. There's also a strong appetite to make it happen sooner, deliver the best value and get public transport right.

So, I'm very pleased that since Cabinet's decision, Wellington City Council and Greater Wellington Regional Council have overwhelmingly supported the preferred programme.

The Let's Get Wellington Moving team will start detailed investigation work on the preferred programme in the new year once the current Indicative Business Case has been approved by Waka Kotahi NZ Transport Agency.

There's a lot of work to do, but now that we have agreement from the partners there's a real sense of shared purpose and a focus on delivery.

In the meantime, the pace of work is building on the earlier parts of Let's Get Wellington Moving:

- You'll have noticed intersection upgrades on Vivian Street. These will help make the central city a better and more attractive place for people to spend time in and walk around. They'll be followed by upgrades along the Waterfront Quays starting later this year – including the intersection right outside the door here at Deloitte – making it easier and safer for people to enjoy the waterfront.
- The new crossing on State Highway 1 **Cobham Drive** will be finished in the next few months, providing safe ways for people to get between Miramar, Kilbirnie and the ASB Centre without a car.
- Let's Get Wellington Moving will use feedback from the recent public engagement on the **Golden Mile Transformation** project to complete the designs for Lambton Quay to Courtenay Place and seek approval from the programme partners. Construction is scheduled to start in March 2023. This project will revitalise the heart of the city and make it a more attractive place for people to visit and spend time in, while making bus trips more reliable along Wellington's fabled strip.
- Later this year, the team will seek input from businesses, locals, and the wider community on initial designs for the **Thorndon Quay and Hutt Road** improvements. Construction is due to start next year on dedicated bus and cycleways, and street improvements to help move more people with fewer vehicles through this important city gateway.
- Also on the go is the **People Friendly City Streets** programme. Later this year, I hope you'll provide feedback on the first tranche of projects designed to improve options for people moving between the suburbs and the central city on the bus, on a bike, or on foot. This programme will help complete a connected cycling network across the city alongside Wellington City Council's transitional cycling programme. Alongside this, construction on the first of 83 targeted improvements will start next year.

There is a tonne of work going on, and you'll start seeing that on Wellington's streets next year.

There's a long way to go before we see the completion of the major projects in the programme. But the \$7.4 billion investment in Let's Get Wellington Moving, alongside upgrades to 3 Waters and the port, will significantly revitalise the city and region.

Before I move on to other priorities, I want to acknowledge that there are some in the business community who are sceptical of Let's Get Wellington Moving and the change it will bring to the city.

I hear you. I totally understand the pressures and concerns businesses have faced in central Wellington over the past two years. There have been Covid impacts, business restrictions, a Parliamentary occupation, and the hiatus in our tourism sector.

But I also know that Wellington cannot continue as it was. It can't keep growing as a car-dominated city. In the 21st Century, more roads, more cars, and more emissions are not the answers.

If Wellington is to continue to be an attractive, dynamic, growing city it must be a place for people, with an ambitious and sustainable transport system, and urban development plan to match.

Let's Get Wellington Moving is an exciting, city-shaping programme. It will support Wellington and its growth for decades to come. It will help make this the great harbour city it should be and attract the next generation of talent, ideas, innovation and investment we all need.

Potential Q&As

What's the difference between light rail and bus rapid transit?

Light rail would supply more public transport capacity than bus rapid transit. Light rail would also offer more intensive land use opportunities, which offers a better Benefit Cost Ratio as well as social and environmental opportunities.

However, we are keeping an eye on new mass rapid transit technologies, which means that bus rapid transit could provide the same capacity and customer experience as light rail while also providing other benefits such as flexibility and resilience. For example, it does not rely on track infrastructure so can be moved more easily if necessary.

Is the Government considering value capture or tolls such as congestion charges to help fund mass rapid transit?

Let's Get Wellington Moving outcomes rely on behaviour change. How that is achieved has many options. The Programme has done some initial work on what is required to meet Programme objectives.

How many homes or businesses are expected to be impacted by MRT through the proposed corridor?

While we expect that some properties will be affected by the development of mass rapid transit, it is still too early to know which individual properties will be affected, and what those effects might be. At the completion of the initial investigation phase, we will have greater clarity on properties affected.

How will these properties be acquired?

The government has several levers to use to acquire property for infrastructure programmes of this nature, such as the Public Works Act. It is too early to get into this detail, however.

You said last time that businesses should expect some assistance for disruption caused by the programme. Are there any details on this?

For Minister's office to answer.

Why is the programme so dependent on intensive land use and urban development?

The more intensive land use scenarios have better economic outcomes, meaning that light rail can deliver more intensification and therefore a higher Benefit Cost Ratio. For example, Option LRT (High Land Use) can deliver a Benefit Cost Ratio of between 0.9 to 1.2, while BCR (High Land Use) can deliver between 0.8 to 1.0. The benefits are not just economic, however. More intensive land use would mean people could live closer to the city and their jobs, reducing commuting times. Urban development also enables new amenity for communities and local business opportunities.

What impact could this have on heritage properties or sites of iwi significance?

LGWM has been working closely with its partners, Heritage New Zealand and iwi partners who advise the Programme. It is anticipated that some processes for development may require engagement and permissions due to heritage considerations. LGWM has undertaken preliminary heritage and landscape assessments. These helped shape the development and selection of the MRT engagement options. It's too early to tell what impact MRT would have on specific sites.

Why are you not progressing just one option for MRT?

LGWM is just finishing its initial investigations into MRT options. While early analysis shows that light rail would be more beneficial from an economic, environmental and social perspective, technological advances mean bus rapid transit is an important consideration at this stage.

Will not choosing one option cause delays and extra cost?

Both bus rapid transit and light rail are expected to take a similar time to complete. Construction on either is expected to start from 2028.

Where will the funding come from for MRT? Will it be equally split between the Crown and local government?

Final decisions about funding have not been made.

How do carbon emissions compare between light rail and bus rapid transit?

Investment in mass rapid transit, provides the foundations for a fundamental change to the way Wellington City grows. In a similar manner to the economics, the more intensification that can be enabled, the better the outcome for carbon. This is due to both shorter trips being required and a greater proportion of those trips using active or public transport modes.

Enabling land use intensification significantly outweighs any small, embodied carbon benefit of bus rapid transit over light rail, which would be present due to reduced pavement construction requirements.

However, there is no silver bullet and mass rapid transit will need to work alongside other investments and initiatives to reduce travel by private vehicles and facilitate mode shift to zero-carbon options to meet the City's and the Region's immediate carbon reduction goals.

Golden Mile Questions

Please refer to **Appendix 1** for comprehensive Q&As on Golden Mile.

2. Ōtaki to north of Levin new highway

Talking Points

- The new highway will dramatically improve safety, improve resilience and provide better access to walking and cycling facilities for people moving around, or through, the Horowhenua District and lower North Island.
- In the last five years, 72 people have died or been seriously injured along the route, making it one of the country's most dangerous sections of road to drive.
- The new highway will also provide a much-needed alternative route and build resilience into the state highway network for when SH1 is closed by crashes or weather-related events.
- The Ōtaki to north of Levin project team continue to work with iwi partners in a 'One Client' approach and engage with stakeholders and potentially affected property owners as the project progresses.
- During April and May 2022, preliminary designs and effects of the highway were shared for feedback in a month-long community engagement, with a range of events and opportunities to engage. The overwhelming message received from this community was to get on with building the new road.
- Behind the scenes, the team is working hard to progress towards construction, which is programmed to start in 2025. The Detailed Business Case is now finalised, and design is progressing to consent-level detail. Waka Kotahi is also seeing continued purchase of properties, where appropriate, and the Notice of Requirement for highway designation lodged and RMA consent applications later this year.
- All things going to plan, Waka Kotahi expects this critical north Island link to open by the end of the decade.
- Alongside progress on the new highway, Waka Kotahi is continuing to improve safety on the existing state highway network in the region, with infrastructure improvements and appropriate speeds
 - Construction is underway on SH57 safety improvements, including a roundabout at SH57 / Queen Street and stretches of wide centreline and side barriers.
 - A part of the planned SH1 Ōtaki to Levin safety improvement at Kuku has been completed; the remaining works are expected to start in summer 2022/23. Formal consultation has been carried out on the speed review in the area.
 - Engagement on SH1 Levin to Foxton safety improvements concluded 7 July.

Potential Q&As

How is the project funded and how much is the allocated budget for the project?

The project is funded through the NZ Upgrade Programme (NZUP). The allocated budget for the project is \$1.5 billion, including contingencies. The costs will continue to be refined.

Considering the on-going impact of COVID-19, how is the Government going to ensure that the project will still go ahead?

Like the rest of New Zealand and other parts of the world, Waka Kotahi is facing the challenges related to the impacts of COVID-19; a constrained labour market, supply chain issues and cost escalations. The Government allocated increased contingency and put in place processes to help manage cost pressures across all NZUP projects in mid-2021. Waka Kotahi is progressing the NZUP projects, including Ō2NL, while closely monitoring the impact the changing cost environment may have.

3. SH58 Safety Improvements

Talking Points

- State Highway 58 (SH58) is a regional route providing critical east-west access from SH 2 to SH1 and is key to the region's state highway network.
- Over 19,000 vehicles travel SH58 daily, but its current geometry and roadside hazards are contributing factors to many of the high severity crashes in recent years.
- Its 5-year crash history includes 10 serious or fatal crashes. These incidents also cause delays and closures of the road.
- Waka Kotahi has already completed safety improvements between Western Hutt Road (State Highway 2) and Mount Cecil Road. Other improvements are now underway between Mount Cecil Road and Harris Road.
- With this work now well underway, Waka Kotahi is turning its focus to the next stage of safety improvements along SH58 between Harris Road and the new Transmission Gully interchange. The improvements in this area will include:
 - roundabouts at the Moonshine Road and the Murphys/Flightys Road intersections
 - widening the road, adding sealed shoulders and side barriers
 - installing median barriers for the entire length of the road.
- Initially there was only funding available from the National Land Transport Fund for the first phase of safety improvements and to design and consent the second.
- Following feedback from the community, Waka Kotahi also funded some interim safety measures in the second phase. These measures included new line marking, improved lighting, electronic speed indicator devices and larger signage.
- In January 2020, the SH58 Stage 2 safety improvements were announced as part of the Government's multi-billion NZ Upgrade Programme (NZUP).
- In June 2021, the Government reconfirmed its support for the direction and funding commitment to deliver the NZUP, providing certainty for the delivery of the SH58 Safety Improvements project.
- The estimated \$105 million investment recognises the importance of road safety and the key role of SH58 in the continued growth of the Greater Wellington region.

Potential Q&As

Why are we progressing safety enhancements to SH58?

Over 19,000 vehicles travel SH58 daily, but its current geometry and roadside hazards are contributing factors to many of the high severity crashes in recent years. Its 5-year crash history includes 10 serious or fatal crashes. These incidents also cause delays and closures of the road.

Delivering safety improvements will help reduce deaths and serious injuries on this stretch of State Highway and enable greater resilience of the corridor for continued growth of the region.

What progress has been made to date on the project?

Waka Kotahi has already completed safety improvements between Western Hutt Road (State Highway 2) and Mount Cecil Road. Other improvements are now underway between Mount Cecil Road and Harris Road. Waka Kotahi is turning its focus to the next stage of safety improvements along SH58 between Harris Road and the new Transmission Gully interchange. The improvements in this area will include:

- roundabouts at the Moonshine Road and the Murphys/Flightys Road intersections
- widening the road, adding sealed shoulders and side barriers
- installing median barriers for the entire length of the road.
- Following feedback from the community, Waka Kotahi also funded some interim safety measures in the second phase. These measures included new line marking, improved lighting, electronic speed indicator devices and larger signage.

Where did the funding come from for the project?

Stage 1 (\$54m) was funded from the National Land Transport Fund, and Stage 2 (\$105m) was funded from the New Zealand Upgrade programme.

The estimated \$159 million in total investment recognises the importance of road safety and the key role of SH58 in the continued growth of the Greater Wellington region.

4. Melling Transport Improvement

Talking Points

- Lower Hutt is home to over 110,000 people and its population is rising.
- Changes need to be made to the transport network to keep up with the Hutt Valley's urban and economic growth.
- The transport improvements at Melling will build a safer, more reliable, and more accessible transport system, offering residents and visitors more choice in how they get around.
- A new grade separated interchange and bridge over Te Awa Kairangi connecting directly to Queens Drive will help improve access during peak travel times, improve safety, and reduce congestion on the state highway.
- A newly relocated Melling Train Station, and changes to the rail network, will improve reliability and accessibility of the train service for commuters. The station will also include a bus hub, cycle storage, and park and ride facilities.
- A network of new walkways and cycle paths are planned along the river, designed for both commuting and leisure activities.
- A new walking and cycling bridge will provide access for pedestrians and cyclists from the Lower Hutt City CBD to the Melling Transport Hub, and connects directly into Te Ara Tupua, offering different ways to safely commute daily into Wellington.

Potential Q&As

Why is it taking so long to deliver RiverLink?

RiverLink is a complex set of interdependent projects covering the Melling Transport Improvements, Greater Wellington flood protection works, and Hutt City urban revitalisation. Each of these components requires

careful planning, coordination, and a unified delivery at the same time to achieve the best outcome for our communities.

All five project partners have worked hard together to jointly deliver this project, including submitting one single set of resource consents and progressing one alliance to deliver all construction works.

Considering the project works are in the middle of a busy CBD, are over and next to a well utilised water source, next to SH2 and an active railway, it is important these works are carefully planned and considered to achieve best outcomes and above all, the safety of workers, commuters, and residents in the project area.

The expectation is construction will begin next year.

What progress has been made to date on RiverLink?

The project is progressing well with resource consent due from the Environment Court this month (August 2022).

Work has significantly advanced with the purchase of most properties in the construction zone, initial demolition works at some sites, reference design works nearly complete and ground investigations underway in locations where key structures will be built.

Is the project on schedule and budget?

The RiverLink partners have started the process for selecting design consultants and construction contractors to form an alliance to deliver the project. It expects to announce a preferred proponent early next year for the Interim Project Alliance Agreement phase and sign a Project Alliance Agreement mid to late 2023. Construction will begin shortly after that in 2023.

Like all construction projects, RiverLink and the wider NZUP are facing significant cost pressures that are being experienced globally.

Because NZUP is directly funded by the Government, Waka Kotahi and KiwiRail needs further direction from joint ministers on how cost pressures are managed.

In the interim, the RiverLink partnership is continuing its preparations to ensure it is ready to start procurement once direction from Ministers is provided.

5. Te Ara Tupua

Talking Points

- We are making a significant investment to provide a walking and cycling link between Wellington and the Hutt Valley.
- This will provide a truly accessible corridor linking the Hutt with Wellington City – with road, public transport and walking and cycling options available
- The Ngā Ūranga ki Pito-One (Ngauranga to Petone) section is at the heart of the link.
- It is a very large, complex and expensive project but it has many benefits.
- It will provide the missing link between the two cities for walking and cycling – where no safe cycling route exists currently

- Being on the coastal edge, its new sea defences will improve the resilience of the rail and road, which is important given rising sea levels and increasing effects of storms as the climate changes
- It has been designed in partnership with mana whenua to be an iconic and meaningful part of the waterfront of Te Whanganui a Tara

Potential Q&As

When will construction begin on Te Ara Tupua?

Te Ara Tupua is a spine of three walking and cycling share paths from Wellington CBD to Hutt City CBD. Construction has already begun on the Petone to Melling section, and a Project Alliance Agreement has been signed to deliver the Ngā Ūranga ki Pito-One section, due to start construction in late 2022 and be completed in 2026.

The first work for Ngā Ūranga ki Pito-One will be construction of the new Integrated Clubs building on Honiana Te Puni Reserve, including Tawharau Pods, which provide an iwi cultural presence and a new building which the existing Rowing and Water Ski organisations on the Reserve will be relocated to. There will be other 'enabling' works early in the project, like setting up yards and building a temporary railway crossing at Ngā Ūranga for construction vehicles to use.

The third and final section from Wellington CBD to Ngā Ūranga is being considered for progression under the Let's Get Wellington Moving project works.

How will the funding decision for the Ngā Ūranga ki Pito-One section affect other walking and cycling projects given the strain on the Walking and Cycling activity class?

This is something that the Waka Kotahi Board has considered. Waka Kotahi is committed to delivering a strong nationwide programme of investment in walking and cycling projects to support emissions reduction goals.

In addition, because of the extension of the design phase of the project, the construction phase will begin later. Waka Kotahi funding allocations are managed in three-year periods, and this means some of the project's funding will move to the 2024-2027 funding period, reducing the demand on the 2021-2024 period.

What are the benefits of Te Ara Tupua?

By providing a safe, attractive 5m wide path, separated from motorised traffic, Te Ara Tupua will make it possible for more people to try new and active ways of getting around.

By 2030, Waka Kotahi estimates people making over 2000 trips by bike on the path each weekday, as well as around 725 walking or running trips, and around 160 trips on e-scooters or other devices. Recreational use will see even more people walking, running, and enjoying the path at weekends.

More people choosing to walk, run, cycle or scooter means lower emissions from transport and less pressure on our roads and public transport services. The project will help protect the main road and rail corridors from the effects of sea level rise and climate change, and also create an amazing new piece of harbour waterfront right around the edge of Te Whanganui a Tara.

Why have costs increased so much?

The cost increase is a result of both global factors, and a better understanding of the complexities of the site.

The project is technically complex to deliver and is impacted, like construction projects nationwide, by cost increases resulting from COVID-19, disruption to international supply chains and a workforce shortage.

The project site is extremely challenging, within a sensitive coastal environment, and right alongside Wellington's busiest rail line for commuters. We must protect wildlife during construction, and certain types of activity are restricted when trains are running, to keep people safe. These challenges add complexity and cost to delivering the project.

Released under the Official Information Act 1982

Immigration

1. Border Open

- We recently marked the final step in the Government's reconnecting plan, with the border reopening to all visitors, including from non-visa waiver countries and international students from 31 July 2022.
- Prior to the pandemic, the international education sector was worth several billion dollars to our country and education providers. While we've continued to support the sector with border exceptions through the pandemic, the full resumption of visa processing is great news for our universities, polytechnics and wānanga, and schools, English language schools, and private training establishments.
- As we warmly welcome the world back to our shores, it's the perfect time to showcase New Zealand to the world.
- This is great news to the tourism industry and economy as we approach spring and summer, with people from the Northern hemisphere booking their winter holidays. We've heard optimistic messages from tourism operators who are ready to welcome back international visitors from all over the world.

2. Rebalance Underway

- The Government is rebalancing the immigration system to support its plan for a higher-productivity, higher-wage economy.
- The Rebalance has been designed to make it easier to attract and hire high-skilled migrants, while supporting some sectors to transition to more productive and resilient ways of operating, instead of relying on lower-skilled migrant workers.
- The rebalance puts the right incentives in place to lift working conditions for everyone, improve career pathways for New Zealanders, and encourage businesses to focus on increasing productivity and resilience as part of our plans for economic recovery from COVID-19.
- New Zealand will remain a welcoming country for migrants. Migrants have helped shape our society and made massive contributions to New Zealand; and will continue to do so with the Rebalance changes.
- The Rebalance is underway, with the new Accredited Employer Work Visa up and running since 4 July 2022.
- We have announced details of the Green List and Highly Paid residence pathways – these give more certainty to migrants coming in to fill specified occupations and highly paid jobs
- We have finalised settings for the sector agreements which will allow limited exceptions to the median wage requirements for hiring skilled migrant workers on an Accredited Employer Work Visa in specific occupations. They will support these sectors as they work towards more productive and resilient ways of operating.

3. Accredited Employer Work Visa

- The Accredited Employer Work Visa (AEWV) is the new process that all employers must go through if they are wanting to hire a migrant worker. All three stages are now open.

- A median wage threshold applies to the AEWV, unless an exemption has been provided through a transitional arrangement or sector agreement. These settings focus the AEWV on supporting employers to recruit a more highly skilled cohort of temporary migrants. Migrants with open work right such as working holiday makers and students can continue to fill lower paying roles.
- It is a quicker and easier process to hire a migrant worker, with a more streamlined approach to proving there are no New Zealanders available to do the job.
- As with any new policy, there needs to be an education period to ensure that employers and those using the system, understand how it works and what the new requirements are.
- We are acutely aware of that, which is why Immigration New Zealand is working hard to educate and support employers on what is required, while also taking a pragmatic and facilitative approach to assessing and deciding applications.
- There are several resources available on the Immigration New Zealand website for employers – they include an employer agreement builder, a 'checklist' which details what employers need to provide as part of their Accreditation and Job Check applications, and a dedicated Immigration New Zealand phone line for employers to call if they need help or have any questions about their applications.
- We want to ensure our immigration settings are facilitative and enable employers to have access to the workers they need, when they need them.

4. Investor Changes

- As part of the Government's Immigration Rebalance strategy, changes to New Zealand's investor visa settings have been made to attract experienced, high-value investors bringing growth opportunities to domestic businesses.
- The new Active Investor Plus visa category, which opens on 19 September 2022, is replacing the existing Investor 1 and Investor 2 visa categories, which closed to new applications on 27 July 2022 (Immigration New Zealand will continue to process on hand applications).
- The previous investor policies have served New Zealand well, but they often resulted in passive investment in shares and bonds rather than directly into New Zealand companies. Under the new policy, investors will be able to choose from a list of acceptable investment categories that will be maintained by New Zealand Trade Enterprise.
- The list of acceptable investments incorporates a weighting system to incentivise direct and impactful investment:
 - direct investments receive a 3x weighting per dollar invested, meaning that applicants who want to make acceptable direct investments can meet the investment threshold criteria with a \$5m direct investment
 - acceptable private funds receive a 2x weighting, meaning investors can meet the threshold with a \$7.5m investment, and
 - listed equities and philanthropy receive a 1x weighting with a 50% cap on each, meaning indirect investments require a minimum \$15m investment.
- We're also improving the flexibility for the investor by allowing them to invest over a three-year period and maintain their investments up to the end of a fourth year. Investors will need to spend at least 117 days, or around a month a year, in New Zealand over the four-year investment period.

- Being in New Zealand will provide more opportunities to become involved in the businesses they've invested in, further sharing their expertise and connections. Spending time here also increases the likelihood of further active investment.

5. Working Holiday Visa (NOT PUBLIC YET – PENDING ANNOUNCEMENT ON 21 AUGUST 2022)

- I acknowledge the number of working holiday makers has been slow to rebuild and this is being particularly felt the by the hospitality and tourism sectors.
- We have seen large numbers of applications approved, but this hasn't yet translated into large numbers of arrivals, as flight costs, source country factors, and the fact it is winter in New Zealand, appear to be a barrier to travel.
- I've recently announced changes to help ease casual workforce shortages by increasing access to working holiday makers

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Workplace Relations NZCTI Biennial Conference 2022 – Speech notes

I am grateful to be able to speak to you today.

Throughout New Zealand's history, unions have played a vital role in improving workers' wages and other employment conditions.

This Government believes in the mahi that unions continue to carry out to benefit workers and their whānau in Aotearoa, and shares in many of the beliefs that unions hold.

We believe that work should enable Kiwis to support themselves and their whānau.

We believe that work should be safe.

We believe that work should provide Kiwis with a sense of purpose and opportunities for personal and professional development.

We want all Kiwis to have equal opportunities to participate in a strong economy and to share in the rewards of economic growth.

We have sought to ensure that this is a reality, through a focus on improving the performance of our labour market, and addressing low pay.

It has been three years since I spoke to you at the last New Zealand Council of Trade Unions biennial conference.

I am pleased to be able to share with you the progress that the Government has since made.

Protecting workers from COVID

Over the last three years, COVID has become the backdrop of work in New Zealand.

This Government has worked hard to minimise the impact of COVID on workers and their whānau, amid COVID's wider impact on the global economy.

Our Wage Subsidy Scheme, and other schemes such as our Short-Term Absence Payment and Leave Support Scheme, have succeeded in protecting jobs that might have otherwise been lost.

While the number of Kiwis receiving a Main Benefit from the Ministry of Social Development rose due to COVID, this number was well below what was forecast.

We have treated New Zealand's COVID recovery as an opportunity to shape the future that we want for all Kiwis, including workers and their whānau.

That is why, as part of our recovery process, we have continued to build on the progress we made in our last term of Government.

Increasing the minimum wage

Improving labour market performance and growing the incomes of all Kiwis starts with ensuring that the minimum wage is set at an appropriate amount.

We know that when our lowest paid workers are earning more money, they are in a better place to provide for themselves and their whānau.

We also know that increasing wages has a stimulatory effect on the economy, as many workers spend their additional money on goods and services.

This particularly goes for lower paid workers, who are more likely to spend their wages in their own neighbourhood.

When I spoke to you three years ago at the last biennial conference, I told you that the Government had a goal of lifting the minimum wage to \$20 an hour by 2021.

We achieved this goal, and committed to continuing to increase the minimum wage.

On 1 April this year, we increased minimum wage by a further \$1.20, to \$21.20 an hour.

The increases that this Government has made to the minimum wage have supported our COVID recovery, by helping many of the households that have been most impacted by COVID.

Investment in education and training

Improving New Zealand's labour market performance and growing the incomes of all Kiwis requires ensuring that workers have the right skills.

We know that making sure workers have the right skills strengthens employment security, increases wages, and improves working conditions.

We also know that having the right skills provides workers with more opportunities to find fulfilling jobs.

That is why one key part of this Government's economic plan, and of our response to COVID, was to invest in education and training.

In June 2020, we introduced the Targeted Training and Apprenticeship Fund, which covers the cost of vocational training programmes.

On top of this, we introduced the Apprenticeship Boost in August 2020. It supports employers to keep apprentices in work and continue their training.

We have also taken an active approach to support Kiwis into work, through targeted initiatives such as He Poutama Rangatahi and Mana in Mahi.

According to Stats NZ, the unemployment rate was at a historically low 3.2% in the March 2022 quarter.

This shows us that our investment in education and training throughout New Zealand's COVID recovery is paying off.

The Fair Pay Agreements Bill

When I spoke to you three years ago, I noted that work was being undertaken on the introduction of a Fair Pay Agreements system. We have made significant progress on this since, with the introduction of the Fair Pay Agreements Bill in March this year, which we expect to be passed later this year.

The new Fair Pay Agreements system will contribute towards our focus on improving New Zealand's labour market performance and growing the incomes of all Kiwis, by enabling unions and employer representatives to bargain for minimum employment terms in a sector or occupation.

Addressing modern slavery

While improving New Zealand's labour market performance, it is crucial that we ensure our operations and supply chains are not contributing to exploitation in order to get ahead.

We are currently considering how we could change the way we do business in New Zealand, to address modern slavery and worker exploitation in operations and supply chains domestically and internationally.

We want to level the playing field for responsible organisations, to disincentivise the use of exploitative practices.

Increasing protection for contractors

We are also progressing action on better protections for contractors. Unions made a valuable contribution to this work last year through the tripartite working group.

We want to ensure that workers are not systematically misclassified as self-employed contractors. This means they cannot access the protections that employment law provides.

The tripartite group recommended that the Government ensure that employees are recognised and treated as such, and policy work on that is now underway.

Conclusion

Since I last spoke to you, a lot has changed.

We have experienced a global pandemic, which has had a large impact on the global economy.

What has not changed, however, are the beliefs that this Government shares with unions.

We have made significant progress towards ensuring that all Kiwis have equal opportunities to participate in a strong economy and to share in the rewards of economic growth.

Together, we can shape our future to benefit all Kiwi workers, their whānau, and their communities.

I would like to thank you for your ongoing support, and wish you a successful conference over the next two days.