

Barton Deakin Brief

New Zealand's Luxon National Coalition Government

27 November 2023

On Monday 27 November 2023 the New Zealand National Government, in coalition with ACT and New Zealand First, was sworn in.

Governor-General Dame Cindy Kiro signed a warrant formally appointing Mr Luxon as Prime Minister.

Mr Luxon and his ministers, including ACT leader David Seymour and New Zealand First leader Winston Peters, were sworn in at Government House.

Coalition Agreement

The swearing on of the Government follows the release, by the three party leaders Luxon, Seymour and Peters, on Friday 24 November 2023 of coalition agreements describing how the three parties will govern together.

The negotiations leading up to the agreements' release on Friday were the second longest in New Zealand political history and produced two detailed coalition agreements, between [National-ACT](#) and [National-NZ First](#).

Key roles

- Christopher Luxon is the Prime Minister of New Zealand. He becomes the first person to gain the office after only one term in Parliament.
- Winston Peters is Deputy Prime Minister for the first 18 months of the coming term of Parliament, until 31 May 2025. Mr Peters is also the Minister for Foreign Affairs and Minister for Racing.
- David Seymour will be Deputy Prime Minister for the second 18 months of the coming term of Parliament, from 31 May 2025. Mr Seymour is Minister for Regulation and has associate ministerial responsibilities for Education (Partnership Schools), Finance and Health (Pharmac).

This is the first time that the Deputy Prime Minister role has been split as part of a governing arrangement in New Zealand.

Ms Nicola Willis, the Minister of Finance, is only the second woman, and the first in 30 years, to hold the role in New Zealand.



New Zealand's 30-strong Ministry includes:

- 19 National Ministers, five ACT Ministers (and one Parliamentary Under-Secretary), and four New Zealand First Ministers (and one Parliamentary Under-Secretary)
- Seven returning Ministers from previous governments (Goldsmith, Upston, Collins, Mitchell, McClay, Peters, Jones)
- Two first-term MPs (Hoggard, Costello)
- New Zealand's first Korean Minister (Lee)
- 12 women and 18 men
- Nine Māori MPs, including a record seven in Cabinet hold the role.

A full Ministerial list published on 24 November is [here](#).

First steps for the new Government and Parliament

New Zealand's Cabinet will formally meet several times in the Government's first week, starting with its first the day after being sworn in, to make initial decisions and to activate the government work needed to begin to implement its programme. This will include agreeing the '100 Day' plan, getting advice on policy design and implementation questions, commissioning legislation to be drafted, and working out the Government's Parliamentary agenda for the remainder of the year.

New Zealand's Parliament is expected to resume in the following week starting 4 December 2023. The first opening day of Parliament, referred to as the Commission Opening, is ceremonial and involves Parliament being summoned by Commissioners (the Chief Justice and two other judges) on behalf of the Governor-General. MPs are then sworn in.

The next day the State Opening of Parliament will take place, where MPs listen to the Speech from the Throne, a speech delivered by the Governor-General outlining the Government's plans for the coming term of Parliament. This is then debated by Parliament in the 19-hour Address in Reply debate, which will include Mr Luxon's first speech in Parliament as Prime Minister, new MPs' first speeches, and the first confidence vote in the new Government.

Legislative business may begin the following day, if legislation is ready, alongside the Address in Reply. By tradition, Parliament rises on the Wednesday of its last sitting week of the year, after an adjournment debate - the last Wednesday before Christmas this year is the 20th. This means there would be only five ordinary sitting days for legislation before Christmas for the Government to pass its mini-Budget and make good on its commitments to repeal Fair Pay Agreements and the Clean Car Discount before the end of the year. The Government may seek more time by putting Parliament into Urgency, having the ceremonial openings of Parliament on non-sitting days, or delaying adjournment.

Major policies agreed

The parties agreed in the coalition agreements to implement National's eight-point commitment card, Fiscal Plan, Tax Plan, 100 day plan, and 100 point economic plan, except where specifically



altered or cancelled. They also agreed to specific ACT and New Zealand First policies. The list of agreed major policies below, therefore, will not include other National policies.

Fiscal/Economic

- Deliver income tax cuts through threshold adjustments and the FamilyBoost childcare rebate
- Continue with National's policy of 6.5% cuts to 'departmental outputs' spending for certain agencies
- Reduce Core Crown expenditure as a proportion of the overall economy
- Establish a select committee inquiry into banking competition with broad and deep criteria to focus on competitiveness, customer services, and profitability
- Explore options to strengthen the powers of the Grocery Commissioner, to improve competitiveness, and to address the lack of a third entrant to remove the market power of a duopoly
- Increase funding for Inland Revenue Department tax audits
- Rewrite the Credit Contracts and Consumer Finance Act 2003
- The Reserve Bank's full employment mandate will be removed
- National's proposal to allow foreign buyers to buy homes priced over \$2m with a 30% tax will not proceed

Mr Luxon said that the loss of the foreign buyers' tax will not impact the affordability of National's tax package due to additional savings and contingency money in National's plan.

Climate Change

- Repeal the Clean Car Discount
- National's commitment to supercharge electric vehicle infrastructure with a comprehensive, nationwide network of 10,000 public EV chargers by 2030 will specifically take into account ACT's concern that there be robust cost benefit analysis to ensure maximum benefit for government investment.
- Restarting offshore exploration and supporting development of hydrogen technology to produce hydrogen from natural gas without co-production of CO₂
- Stop the current review of the ETS system

Mr Luxon said the Government will be committed to New Zealand's emission reductions targets under the Zero Carbon Act.

Transport and infrastructure

- 13 new Roads of National Significant and four major public transport upgrades
- Cancel Auckland Light Rail and Let's Get Wellington Moving and reduce cycleways expenditure
- Work to replace fuel excise taxes with electronic road user charging for all vehicles, starting with electric vehicles
- A Regional Infrastructure Fund, proposed by NZ First, will have \$1.2 billion in capital funding
- Establish a National Infrastructure Agency
- Institute long-term city and regional infrastructure deals, allowing PPPs, tolling and value capture rating to fund infrastructure



Workplace relations

- Repeal the Fair Pay Agreement regime by Christmas 2023
- Expand 90-day trials to apply to all businesses
- Commit to moderate increases to the minimum wage every year
- Strengthen obligations on Jobseeker work ready beneficiaries to find work and make use of sanctions for non-compliance with work obligations and consider time limits for under 25s
- Remove median wage requirements from Skilled Migrant Category visas

Resources and energy

- Assess and respond to the impact that energy prices have on inflation including consumer led institutional improvements
- Repeal the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023
- Amend the Resource Management Act 1991

Housing

- Legislate to make Medium Density Residential Standards (MDRS) optional for councils, with the need for councils to ratify any use of MDRS, including existing zones
- Introduce financial incentives for councils to enable more housing, including considering sharing a portion of GST collected on new residential builds with councils
- Restore mortgage interest deductibility for rental properties with a 60 per cent deduction in 2023/24, 80 per cent in 2024/25, and 100 per cent in 2025/26
- Allow landlords to issue a 90 day notice to a tenant to end a periodic tenancy without providing a reason or applying to the Tenancy Tribunal

Law and Order

- Train 500 more frontline Police over the next two years
- Restore Three Strikes legislation, with amendments to tighten the definition of strike offences and ensure some benefit for pleading guilty
- Introduce boot camps for serious young offenders, and stronger sentencing
- Re-write the Arms Act

Education

- The Fees Free Tertiary policy will move from the first year of study being free to the third year being free
- Reintroduce partnership schools and to allow state schools to become partnership schools
- Classes taught an hour each of reading, writing and maths every day
- Removal and replacement of the gender, sexuality, and relationship-based education guidelines
- Maintain the Apprenticeship Boost scheme

Health

- Abolish the Māori Health Authority
- Repeal the Therapeutic Products Act 2023
- Make pseudoephedrine a non-prescription medicine



- Full cost benefit analysis must be presented before any binding agreement is made with respect to the Waikato medical school

Other

- Keep the superannuation age at 65. This reverses National's policy to increase the age to 67
- Reverse the recent ban on live animal exports
- Cease implementation of new Significant Natural Areas

Constitutional

- National has agreed to support ACT to "introduce a Treaty Principles Bill", so it makes to select committee, but it has not agreed to support it all the way to becoming law
- Commit that in the absence of a referendum, the Government will not change the official name of New Zealand
- Support to select committee a bill that would enact a binding referendum on a four-year term of parliament
- Legislate to make English an official language of New Zealand
- Ensure all public service departments have their primary name in English, except for those specifically related to Māori. Require the public service departments and Crown Entities to communicate primarily in English - except those entities specifically related to Māori
- Remove co-governance from the delivery of public services
- A new agency, accountable to the Minister for Regulation, will assess the quality of new and existing regulation. This agency, proposed by ACT, will be funded by dis-establishing the Productivity Commission.

Further information

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