

# New Zealand Green Party postures over tax, poverty

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In the final week of campaigning for the New Zealand election on October 17, a squabble has erupted over the Green Party's tax policy and its implications for a possible Labour-Greens coalition government.

The Jacinda Ardern-led Labour Party is polling well ahead of the opposition National Party, but may need the Greens to form a government. An unpublished UMR poll leaked on Tuesday had Labour on 50 percent, National on 29 and the Greens on 6, just above the 5 percent threshold to re-enter parliament. The right-wing populist NZ First Party, polling 2.7 percent, is facing a rout.

The Greens, despite being part of the pro-business Labour-led coalition government with NZ First since 2017, are promoting themselves as a "left" alternative, in order to appeal to a shift to the left among workers and young people. By late August about 30 percent of under-25-year-olds had not registered to vote, reflecting disillusionment in the entire political establishment.

Opposition National Party leader Judith Collins has sought to scaremonger over the influence the Greens might wield in any post-election horse trading. She declared last Sunday her "day of action" against the "Labour-Greens wealth tax." Collins claimed that in any coalition negotiations Labour "will do exactly what the Greens want them to do, they will do anything to get into government."

The Greens' tax policy, however, is far from radical. Those with a net worth greater than \$NZ1 million would pay 1 percent above \$1m in tax while those worth more than \$2m would pay 2 percent above that figure. Only the wealthiest 6 percent of the population would be affected, and then only marginally, by the tax.

Labour's Finance Minister Grant Robertson more than a month ago ruled out a wealth tax. Labour's policy would restore a top income tax rate of 39 percent

on income over \$180,000, which prevailed under the 1999-2008 Labour government, and only impact the top 2 percent of earners. National is promising a temporary tax cut, favouring those on higher incomes, for a period of 16 months.

In an interview with Newstalk ZB on Monday, Ardern assured right-wing host Mike Hosking that a wealth tax was not Labour policy and would not be part of any post-election negotiations. "We have ruled it out. And I've done it multiple times," she declared.

The Greens have backed away from insisting the wealth tax as a "bottom-line" policy. MP Julie Anne Genter declared that it was a condition for joining a coalition with Labour during a business panel forum last month. However, Greens co-leader James Shaw promptly declared that Genter had "misspoke." He substituted the term "top priority," and said the party has no "bottom lines"—that is, there is no policy it will insist on.

The subservience of both parties to big business was underlined last year when the Labour-led government, which included the Greens and NZ First, abandoned plans to implement a Capital Gains Tax in the face of media hostility. Labour and the Greens had campaigned for the tax, saying it was necessary to tackle inequality. Ardern has promised that it will never be revived as long as she is the leader.

The fracas over the paltry proposed tax changes exposes the fraud, perpetuated principally by the pseudo-left groups and trade unions, that a future Labour-Greens government will be "progressive" and subject to pressure from the so-called "left."

The Greens are showcasing a so-called "Poverty Action Plan" as their central election priority. It includes a Guaranteed Minimum Income of \$325 per week for students and people out of work, and a

universal child benefit for each child under three of \$100 per week. A simplified Family Support Credit of \$190 per week for the first child and \$120 for subsequent children would replace Labour's current Working for Families tax credits while single parents would get a \$110 per week top-up.

Like the Greens' tax plan, these are meagre initiatives that will do little to offset rapidly deepening poverty and inequality. They do nothing to address declining wages, the ballooning housing crisis, or escalating health and education costs.

Above all, such policies have no chance of being implemented, as the record of the last three years proves. Labour was installed in 2017, along with the Greens, promising "transformative" policies to end child poverty and unaffordable housing. Ardern even made herself Minister for Child Poverty Reduction.

It was all a lie. Contrary to Ardern's claims in the election debates that child poverty has been reduced, the measures were worsening even before the COVID-19 pandemic hit.

According to the government-appointed children's commissioner Andrew Becroft, the government has failed. There are 148,000 children currently living in homes experiencing material hardship, including lack of access to basics such as warm clothing, health care and food. Meanwhile, state housing waiting lists have ballooned to approximately 20,000 people from 5,000 in three years.

Researcher Max Rashbrooke has found that in 2017-2018 the wealthiest 10 percent controlled 59 percent of assets, while the poorest half has just 2 percent. The top 1 percent, about 38,000 people, owns 20 percent of all assets, with approximately \$NZ140 billion secured in trusts, largely to avoid paying tax.

As in every country, New Zealand's business and ruling elite have used the COVID-19 pandemic to further enrich themselves at the expense of the working class. The Greens fully supports the government's unprecedented package of \$50 billion worth of tax breaks, bailouts and subsidies for big business, and up to \$100 billion more being printed by the Reserve Bank to prop up the banking system.

In government, the Greens have done nothing to mitigate the social crisis. Rather, their role has been to give Labour's right-wing administration, in which the anti-immigrant NZ First Party played a major role, a

false veneer of "progressivism."

As Climate Minister, Shaw was responsible for the toothless Zero Carbon Act (ZCA), implemented last year following climate strikes involving tens of thousands of students. It set the goal of making the country carbon-neutral by 2050—three decades from now—and even then contains exemptions for the agriculture industry, New Zealand's biggest source of emissions. Its main mechanism is an emissions trading scheme—a market-based tool that will do nothing to stop the threat of catastrophic climate change.

Further, Shaw joined the defence minister, a NZ First member, in releasing a climate change policy for the armed forces. He absurdly presented a \$20 billion plan to upgrade the military, including new aircraft and navy vessels, as necessary to respond to natural disasters caused by climate change. In fact, the spending is to assist New Zealand's integration into the US-led war preparations against China.

The Greens' class orientation was exposed in August when Shaw announced a grant of \$11.7 million to a private Green School in Taranaki. The school is an elite institution with domestic student fees ranging from \$16,000 to \$23,000 a year. The announcement triggered a backlash from angry teachers, who had held nationwide strikes last year over chronic under-staffing and a public education funding crisis.

With the country now officially in its first recession in 11 years, the working class is facing an onslaught on jobs, living standards and social conditions. The Greens, like their counterparts in Australia, Europe and elsewhere, represent a section of the upper-middle class, backed by sections of big business. If the Green Party is part of the government after the election, it will deepen the agenda of austerity, handouts to businesses, militarism and anti-immigrant policies.



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