

# New Zealand Labour government imposes austerity, war and endless COVID infections

Tom Peters  
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*This is the report delivered by Tom Peters, a leading member of the Socialist Equality Group in New Zealand, to the 2023 International May Day Online Rally. To view all speeches, visit [wsws.org/mayday](https://wsws.org/mayday).*

At this May Day rally, the Socialist Equality Group in New Zealand extends revolutionary greetings to workers and young people throughout the world.

The imperialist powers are responding to the historic breakdown of capitalism with ever-more ruthless attacks on the living standards and basic rights of working people, and by preparing for a catastrophic Third World War to redivide the globe.

The Labour Party-led government in New Zealand is deeply involved in the US-led NATO war against Russia in Ukraine. It has funneled tens of millions of dollars to support the war and has sent troops to Britain to train Ukrainian conscripts.

As a minor imperialist power in the Pacific, and as a member of the Five Eyes surveillance network led by the United States, New Zealand is also integrated into the far-advanced plans for war against China.

Defence Minister Andrew Little has expressed support for the anti-China AUKUS pact and declared that New Zealand's military must be prepared to back its allies as great power "competition" intensifies in the Indo-Pacific region.

While billions of dollars are being funnelled into the military and intelligence agencies, the working class faces a profound and worsening social crisis. After five years of the Labour Party government, its promises about reducing inequality and poverty stand exposed as a fraud.

Jacinda Ardern's sudden resignation as prime minister in January, following a collapse in support for Labour, highlighted the increasing political turmoil. With an election scheduled for October, the established

parties have nothing to offer except further war and austerity.

About one in five families in New Zealand now lives in poverty, including over 200,000 children. Inflation has remained at 7.2 percent since mid-2022, outstripping incomes. Food prices soared by 12 percent in the past year, the biggest jump since 1989, and charities are facing record demand for food parcels.

More than 100,000 people are either homeless or in severely inadequate housing. Auckland, New Zealand's biggest city, has the seventh least affordable housing in the world, according to one survey.

The median weekly rent has gone up 16 percent since the beginning of the COVID-19 pandemic. The housing crisis has been exacerbated by unprecedented flooding in January and February, which displaced around 10,000 people and destroyed entire communities along with farmland and infrastructure.

Mortgage rates have doubled since 2021, reaching nearly 7 percent and adding hundreds of dollars a week to household bills. The number of mortgages in arrears rose 23 percent in the past year alone.

But for the rich, things have never been better. During the pandemic, tens of billions of dollars have been handed over to big business and the banks, via bailouts, subsidies and quantitative easing. The banks made a record collective profit of \$7.18 billion last year.

These record profits and bailouts are being paid for by the working class, through increased exploitation and the gutting of all social services.

In Auckland, according to one report, "[E]verything from library hours to arts programs, environmental initiatives and cultural events are under threat" in the council's upcoming budget.

In November, Reserve Bank Governor Adrian Orr admitted that the state is deliberately engineering a

recession by raising interest rates, in order to reduce consumption and boost unemployment.

Nationwide, the government recently announced that 1,600 administrative jobs may be destroyed in restructuring the public health sector. This comes as hospitals have been swamped with COVID patients, vital surgeries are delayed, and there is a shortage of thousands of nurses and doctors.

Despite the deepening crisis in New Zealand's health care sector and the ongoing spread of COVID infections and deaths, on April 11, Prime Minister Chris Hipkins declared: "We are heading towards a point where COVID-19 will become normal."

What does this even mean? About 3,000 people have now died from the coronavirus in New Zealand, almost all of them since Labour scrapped the Zero COVID policy in late 2021.

Last year, total deaths went up by 10 percent—the biggest annual increase since the 1918 flu pandemic. More than 27,000 people have been hospitalised for COVID in New Zealand, including 2,500 children aged under five years old, and tens of thousands are likely suffering from Long COVID.

This is the horrifying "new normal" that the Labour government has created with its criminal decision to adopt the policy of mass infection demanded by the corporate and financial elite.

These conditions are driving workers into struggle. Thousands of health care workers protested across the country on April 15 against low pay and the crisis in hospitals. One month earlier, 50,000 teachers held a nationwide strike after rejecting a below-inflation pay offer. They demanded action to address the stark inequality between rich and poor schools.

Workers want to fight. The main obstacle they confront is the trade unions.

The Socialist Equality Group calls for a rebellion against these bureaucratic organisations, which collaborate with the government and big business to suppress workers' opposition. The unions have enforced the dismantling of public health measures, allowing COVID to spread through schools, hospitals and factories, killing and disabling workers in every industry.

The unions and their pseudo-left cheerleaders have raised no objection to the government's policies of war against Russia or China, because they support these

wars.

Workers urgently need new organisations that are independent of the pro-capitalist unions. I join other speakers at this May Day rally in urging workers to contact us and discuss how to build independent rank-and-file committees, controlled by workers themselves.

These committees will fight to unite workers across New Zealand and forge links with workers throughout the Asia-Pacific region and internationally, overcoming the nationalist divisions stoked by the unions and capitalist politicians.

Above all, the Socialist Equality Group seeks to arm workers with the socialist and internationalist perspective of the ICFI. To end social inequality, stop the insane drive to World War Three and eliminate COVID-19 globally, workers must abolish the capitalist system and reorganise the world on the basis of human need, not private profit.



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