

New Zealand Labour Party offers no alternative to austerity and war

Tom Peters**23 January 2026**

Following Prime Minister Christopher Luxon's "State of the Nation" speech and his announcement that New Zealand's general election will be held on November 7, opposition Labour Party leader Chris Hipkins delivered a characteristically vacuous response, devoid of anything substantive to address the deepening social crisis facing the working class.

Speaking from the party's caucus retreat in Auckland, in his first major public statement of the year, Hipkins feigned opposition to the National Party-led coalition government's brutal austerity measures. He declared that Labour was committed to "getting Kiwis back into work, dealing with the crisis in our health system, making healthcare affordable for all New Zealanders... restoring the dream of home ownership," improving conditions for those who rent, and "tackling the cost of living, where the government have failed over the last two-and-a-half years."

Yet the Labour Party leader did not announce any policies to reverse the government's attacks, which have included thousands of public sector job cuts, pay cuts for hundreds of thousands of workers, and the refusal to adequately fund hospitals, schools and welfare services.

So far, the Labour Party has only announced one election policy: a modest capital gains tax on profits from the sale of investment properties. The revenue would be used to fund three doctor's visits per year for every person in the country. Even if implemented, this will not solve the public healthcare crisis that included long waiting lists for surgical procedures due to the severe shortage of doctors and other healthcare workers.

The Labour Party led a coalition government from 2017 to late 2023, with Hipkins serving as prime minister for the last year following the resignation of

Jacinda Ardern. The party suffered a landslide defeat in the 2023 election precisely because Ardern's promises in 2017 to address child poverty, the healthcare crisis, and the lack of affordable housing had all been exposed as a fraud. Homelessness and child poverty both increased during the Ardern-Hipkins government, while healthcare and education services were starved of funds.

Meanwhile, after bailing out corporations and the rich during the COVID-19 pandemic, the Labour government refused to increase tax on the country's billionaires, whose wealth had exploded.

Now Hipkins is once again spouting empty slogans and soundbites promising to "address" and "focus" on "jobs, health, homes and real action on the cost of living."

Labour's real agenda was indicated at the party's conference last November, where the party's finance spokesperson Barbara Edmonds declared: "Getting the economy growing and balancing the books means we can't say yes to everything, and I make no apology for that. Responsibility must always come first."

In other words, a Labour-led government will prioritise "economic growth," i.e. maximising profits for big business by keeping taxes low and maintaining "fiscal responsibility"—code for austerity—in public services.

Hipkins was silent on Luxon's bellicose statements to justify increased spending on the armed forces—with which Labour and the union bureaucracy fully agree. The bipartisan agenda to double military spending from 1 to 2 percent of GDP will be funded by further gutting social programs.

The last Labour government allocated \$4.7 billion for new military hardware, including Poseidon anti-submarine surveillance aircraft, to improve

“interoperability” with the US and other allies. It also increased the funding and staffing of New Zealand’s spy agencies by about half, boosting their contribution to the US-led Five Eyes intelligence-sharing network.

The aim of the ruling elite and the entire parliamentary establishment is to fully integrate New Zealand into US-led war plans against China, which are already far-advanced.

Hipkins, well aware of widespread anti-war sentiment in the population, tried to obscure this reality by telling journalists: “New Zealand should be principled and independent in its foreign policy... The United States’ threats against Greenland are a threat towards international law. What they have done around Venezuela is also in breach of international law, and New Zealand should continue to be principled in calling that out.”

Asked if the US was “a rogue nation,” however, Hipkins merely said it was “pushing the boundaries.” In fact, the Trump regime is seeking to create a fascist police state within the US while asserting the right to bomb and invade any country it chooses.

Labour has no “principled” opposition to these criminal actions. It continues to support New Zealand’s alliance with the US, including its membership in the Five Eyes and the US-led military build-up against China. Hipkins, while he was still prime minister in late 2023, also supported the genocidal US-Israeli assault on Gaza—which contributed to Labour’s crushing loss in the election.

In a sign of Labour’s continuing lurch to the right, Hipkins refused to rule out forming a coalition with the Trumpian, anti-immigrant New Zealand First Party. NZ First is part of the National-led coalition government, but was a coalition partner with Labour and the Greens in the 2017–2020 government. Labour adopted many of NZ First’s policies, including its demands for draconian restrictions on immigration.

During the 2023 election campaign, Hipkins described NZ First’s statements attacking Asian immigrants and Mori as “racist” and denounced Luxon for being willing to work with the party. Hipkins said in one Newshub debate that he would “never” again work in government with NZ First leader Winston Peters. But with recent polls showing that NZ First (with about 10 percent support) could be in a position to decide which of the two main parties leads

the next government, all this is being buried.

The Green Party’s co-leaders Marama Davidson and Chlöe Swarbrick also would not rule out joining another coalition with NZ First, in an interview with the *Post* published on December 25—despite NZ First’s fascistic smear campaign against Green MP Benjamin Doyle (who resigned from parliament in October).

As is the case internationally, the working class in New Zealand is moving to the left in response to the deepening crisis of world capitalism—including the assault on living standards and the eruption of imperialist violence. On October 23, more than 100,000 workers joined the country’s biggest strike since 1979 in opposition to attacks on public healthcare workers and educators. The union bureaucracy is seeking to prevent further strikes and impose sellout agreements—partly by encouraging the illusion that workers can improve their conditions and wages by electing a Labour-led government.

The Socialist Equality Group warns that regardless of the outcome of the election later this year, the assault on workers’ living standards, democratic rights, and the militarisation of society will only escalate. The fundamental task facing the working class is not to choose between the parties of big business and war, but to break decisively from them and build an independent revolutionary leadership capable of leading the struggle for socialism.



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