

New Zealand: Labour's hollow promises in lead up to November election

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New Zealand's opposition Labour Party held its annual congress on June 28, marking the start of its campaign for the November 7 election. In his keynote address, leader Chris Hipkins declared that a Labour government would deliver “a fair go for everyone” and “better jobs, affordable healthcare, and household bills you can finally pay.”

The purpose of the speech was to conceal Labour's fundamental agreement with the National Party-led government's program of austerity and expanding the military. It reflected deep concerns in the ruling establishment that workers and young people are moving to the left and are increasingly hostile to all the capitalist parties.

The election year is unfolding amid a global economic crisis, deepened by the criminal US-Israeli war against Iran, which is part of a developing world war.

New Zealand's ruling class demands the full cost be imposed on working people. The government's May budget increased public housing rents, slashed welfare entitlements and announced thousands of public sector job cuts. Wages for teachers, nurses, doctors and other healthcare workers have been cut, with the assistance of the union bureaucracy.

Unemployment has risen to 5.3 percent, and youth unemployment is 17.3 percent—the highest rate in more than 30 years. After housing costs are deducted, 16.5 percent of the population is living in poverty, including one in five children.

The National Party is deeply unpopular, getting 29 percent in a recent One News-Verian poll. It is in a coalition with two widely despised far-right parties, NZ First and the ACT Party.

The Labour Party, however, is only slightly ahead on 32 percent. It is widely and correctly seen as another party of big business and war. Labour lost the October 2023 election in a crushing defeat, after six years in which the Labour-Greens government oversaw rising poverty, homelessness, and social inequality.

Labour is running what the media calls a “small-target” campaign: criticising the government's funding cuts while revealing little about Labour's own positions. This is because it has no intention of reversing the major attacks on working people, and will in fact deepen them in order to keep taxes low for the rich and to pay for war.

Hipkins told reporters Labour will campaign on “some

immediate cost of living relief, some immediate things we can do that are going to make life easier for New Zealanders, help get Kiwis back into work, and a longer-term plan to turn the economy around.”

He said Labour's policies to cap public transport fares at \$20 a week in Auckland, Wellington and Christchurch and provide three free doctor's visits per year “will make a huge difference.” These very limited measures will be a drop in the bucket.

According to Labour, the average public transport user will save just \$25 a week—less than half the \$55 increase in weekly household living costs this year alone (as estimated by ASB Bank). The estimated \$300 annual saving in doctors' fees is less than this year's council rates increase in Auckland and Wellington.

Hipkins stated that “creating jobs and opportunity is at the heart of our plan,” but Labour has not announced any real plan to eliminate unemployment, such as a program of public works. The party wants to establish a new “Future Fund” that will pour hundreds of millions of dollars into unspecified infrastructure projects and “innovative” businesses. Hipkins' claim that these handouts to businesses will give “working people the power to shape their own future” is simply absurd.

Labour has called for the extension of an existing \$500-a-month subsidy scheme for businesses to take on apprentices from one year to two years. This will do nothing to halt the wave of redundancies and factory closures across the country.

The party has not committed to reversing the government's recent decision to increase fees for university students by thousands of dollars.

Significantly, Hipkins told the party congress he would not make “promises we can't keep” or “pretend we can fix [everything] straight away.” He added that Labour “won't tear down everything this government has done just to score petty political points.”

Whatever tinkering a Labour-led government does, it will maintain the same basic framework of austerity. Economics commentator Bernard Hickey noted that Labour does not propose to increase overall government spending and said Hipkins' rhetorical denunciations of “neoliberalism” were “empty and performative.”

The Labour Party has ruled out any significant increase in tax on the rich, apart from a capital gains tax on commercial and residential property excluding the family home and businesses. This would bring in an estimated \$2.8 billion over four years, an increase in annual government revenue of about 0.5 percent.

Not mentioned at Labour's congress was the fact that the party fully supports the National-led government's plan to double military spending as a percentage of GDP from 1.2 to 2 percent, which means increasing the annual Defence budget by at least \$4 billion. This will be funded by starving essential services including health, education and welfare.

Straining to present Labour as a progressive alternative, the "liberal" *Daily Blog* editor Martyn Bradbury recently claimed that Hipkins "is someone who truly at his heart is a believer in public service" and a Labour government would provide "solutions for everyone."

The record shows that the 2017–2023 Labour-led coalition government, which also included the Green Party, presided over a worsening social crisis for working people.

In his speech at the party congress, Hipkins declared, "Houses should be homes first, investments second." Under his government, however, unbridled property speculation pushed house prices to record levels, with a staggering 25 percent increase in 2021 alone.

Labour's 2017 election promise to build 100,000 "affordable" houses was a fraud: only about 2,300 houses were built under its KiwiBuild policy and they were sold at unaffordable market prices. Homelessness increased between 2018 and 2023 from 99,462 to 112,496 people (2.3 percent of the population).

At another point, Hipkins asked: "When did it become acceptable for so many Kiwi kids to grow up below the poverty line?" Under Labour, the number of children living in "material hardship"—in families unable to afford basic necessities such as fresh fruit and vegetables, healthcare and heating—increased from 135,000 in 2017 to 143,700 six years later (about 1 in 8 children).

To divert attention from the real causes of social inequality, Prime Minister Jacinda Ardern's government—which also included the right-wing NZ First Party in its first three years—sought to scapegoat immigrants, imposing increasingly harsh restrictions to bar working class migrants from the country.

During the pandemic, the Labour government delivered tax breaks and subsidies for big business and, with the unions' assistance, froze or reduced pay for healthcare workers and teachers. Ardern scrapped the successful COVID-19 elimination policy in late 2021, allowing the virus to spread rapidly, killing thousands of people and overwhelming public hospitals.

The Ardern government strengthened New Zealand's alliance with US imperialism, including by sending troops to Britain to help train Ukrainians to serve as cannon fodder in NATO's

proxy war with Russia. Military spending increased year after year, and the government labelled Russia and China the main "threats" to the world, as it dragged the country into US-led war preparations.

Hipkins, who became prime minister after Ardern resigned, supported the genocidal Israeli attack on Gaza in late 2023, describing it as self-defence.

The pseudo-left group Socialist Aotearoa has recently provided Labour MPs with a platform at rallies and meetings to whitewash the party's record and pose as anti-war. The International Socialist Organisation is also trying to channel anti-war sentiment back behind Labour and its allies, the Greens and Te P?ti M?ori.

The Labour government's right-wing program paved the way for one of its worst-ever election defeats in 2023 and the installation of the National-led coalition.

In opposition to all the pseudo-left groups, the Socialist Equality Group and the WSWs warned in 2017 that Ardern would lead a pro-imperialist government that would deepen the attacks on the working class. Those warnings were entirely vindicated.

Like social democratic parties internationally, Labour ditched any association with policies of social reformism four decades ago. It is today a party of big business and war, just like its counterparts in Britain and Australia. Whichever capitalist party leads the next government come November, it will escalate the militarisation of the country to place it on a war footing, which will be paid for with a deepening assault on social programs and workers' living standards.

The working class can only oppose this agenda by building its own party to fight for the socialist reorganisation of society as part of the struggle for socialism on a global scale. We urge readers in New Zealand who agree with this perspective to contact the Socialist Equality Group.



To contact the WSWs and the Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)