

**LEADERS' DEBATE – DON BRASH AND HELEN CLARK**  
**22<sup>ND</sup> AUGUST 2005, TVONE**  
**PRESENTER: MARK SAINSBURY**

**MARK SAINSBURY:** Good evening. Welcome to this One News special – the Leaders' Debate. I'm Mark Sainsbury.

In less than four weeks, one of our two guests tonight will be destined to lead the country as Prime Minister for the next three years. They are, of course, Helen Clark, Labour's leader and current Prime Minister – welcome. And welcome also to National's Don Brash, currently Leader of the Opposition.

Tonight for the first time, they meet in a televised debate. We're here in our Auckland studios in front of an audience made up of an equal number of Labour supporters on one side, and on the other, those backing National this election. Before we begin, just a few rules – this will be a debate. We hope that the two leaders will engage with each other and not have to wait for me to invite them in, but I am here to moderate the discussion, to discourage overly lengthy answers and to make sure we hear from both.

Now, we'll be giving you at home a chance to participate in this debate as well. Go to the website [www.tvnz.co.nz](http://www.tvnz.co.nz) and type in the word 'debate' and you can email us till 9 o'clock tonight with your thoughts. We'll be reporting that reaction later in the evening on Tonight and tomorrow on One News and Close Up at 7.

Well, let's get started. We've tossed a coin and the first speaker will be Don Brash. You have 30 seconds to tell us why you should be Prime Minister.

**WHY SHOULD YOU BE PRIME MINISTER THIS ELECTION?**

**DON BRASH:** This election, we have a choice. On the one hand, a politically correct Labour government, which traps more and more people in dependency and has a long string of failings behind it. It'd be even worse in coalition with the Greens. Or a National government committed to delivering for New Zealand better education, safer communities and law which treats all New Zealanders as equal. I'm committed to those objectives.

**SAINSBURY:** Thank you, Don Brash. Prime Minister Helen Clark.

**HELEN CLARK:** Thanks, Mark. I believe I should be Prime Minister from the election because I have a positive vision for New Zealand. I have the experience of six years of leading our country. I believe we've got very good results right across the economy, health, education, law and order – many areas. And in the foreign policy area, I will always stand for New Zealand interests and keep our country nuclear free and out of wars we shouldn't be in.

**TAX AND THE ECONOMY**

**SAINSBURY:** Thank you. Thank you. Thank you both. Now, one issue that really seems to be the one that will define this election is tax and the economy. Now, I'd like, if possible, before we start, to get some agreement between the two of you. Are we both in agreement here, Don Brash, that there at least is room to do some spending or to put policy in – the economy is in a position to justify that?

**BRASH:** I think there's no doubt about that at all, Mark. We've got a \$7.5 billion surplus at this point and surpluses as far ahead as we can reasonably foretell. So I think there's no doubt we can afford tax reductions and we're committed to doing that.

**CLARK:** Well, it's a question of choices, Mark. You can choose to borrow and cut other spending to finance big tax cuts. That's what National announced today.

**BRASH:** We're not doing that.

**CLARK:** You can choose to make the difference between rich and poor even greater, as Dr Brash announced today. And I want to say to you, Dr Brash, that your policy today said that a person on \$30,000 would get \$10 a week, while you and I get \$92 a week. \$92. That is shameful and this comes, Dr Brash, only about a week after you said that you and I shouldn't get a subsidy for going to the doctor, yet you want to give both of us \$92 a week in a tax cut.

**BRASH:** Helen, the reality is that two-thirds of all New Zealanders would be better off under a National tax package than under Labour. Two-thirds of New Zealanders, and that is before the carbon tax is taken into account.

**CLARK:** Don, let me tell you about your two-thirds, because two-thirds of people under your package get under \$10 a week. Under \$10 a week.

**BRASH:** They're still better off than at 67c a week.

### **SPENDING CUTS**

**CLARK:** I'm afraid they are not better off, because, Don, you have already identified that you have to cut \$1 billion from what the Government has said it will be spending. We want to know where those cuts are. We want to know where they are. You've already said that it's not a priority for you to help young Kiwis into their first home, so you axe KiwiSaver. That is shameful. You've already said you're looking for \$300 million out of existing spending and that you would run next year's financial provision way down – \$600 million down. I've gotta tell you that if you don't keep increasing spending on areas like health and education with our growing population, we will go backwards, nurses will never get any more pay rises and we won't keep them.

**BRASH:** The KiwiSaver scheme will do nothing for homeowners until 2010 – until 2010. Not a dime until 2010 – nothing.

**SAINSBURY:** Isn't this?

**BRASH:** It doesn't help anybody until 2010.

**CLARK:** Well, I can say that the Treasury's advice to our Government – and you would have read it carefully – said, avoid undue fiscal stimulus in the next two years, and you, Don, want to chuck \$2.2 billion in it next year, provoke Alan Bollard to do what you would have done in his position, which is put up interest rates as you did for years.

**BRASH:** Mark, every independent economist who has commented about the inflationary implications of our package has said there aren't any.

**CLARK:** Because, Don, like you, Don, they want to cut public spending. That's their priority, that's your priority – our priority is the common good.

**BRASH:** No inflationary implications at all.

**SAINSBURY:** Dr Brash, I mean, one of the issues that is raised through this campaign is that, in terms of what's levelled at National, is that inevitably, there will be cuts in some of that core spending. Is that correct?

### **NATIONAL'S ECONOMIC POLICY**

**BRASH:** No, that's not correct. What we have said- Listen, what Labour has said is they want to increase government spending by \$1.9 billion a year each year for the next three years, 50% faster than they themselves project the economy to grow. 50% faster. What we're saying

is we want to increase spending by about an average of \$1.5 billion a year, slightly slower, but an increase, not a decrease.

**CLARK:** Uh, Don, your own figures put out on Friday say you would take the \$1.9 billion not down by \$300 million, as you just said, but by \$600 million. Now, details do matter in this, because we know how hard it is going to be to keep to \$1.9 billion of new spending. Dr Cullen estimates that health alone can take \$750 million, because our population is ageing and it's growing, and our people deserve the very best of First World health treatment. First World health treatment.

## **A PHILOSOPHICAL DIVIDE**

**SAINSBURY:** Health is an issue that we're gonna come to later, but it seems here.... Irrespective of the figures, there is a philosophical divide here, isn't there?

**CLARK:** Sure is.

**SAINSBURY:** On one hand, Dr Brash, National believes in across-the-board tax cuts and choice.

**BRASH:** For all workers. For all workers.

**SAINSBURY:** On the other hand, fair Prime Minister, that you're saying that targeted assistance is going to deliver more. Is it welfare?

**CLARK:** No, most certainly not. You know, the National Party definition of welfare is that someone has to fill in a form in order to claim their rebates for student loans...

**BRASH:** That's Working for Families.

**CLARK:** ...and for childcare, you have to fill in your whole tax return, which most Kiwis don't do any more. Is that welfare as well?

**BRASH:** That's what Working for Families is about.

**SAINSBURY:** I mean, is there an argument there, Dr Brash, that in terms of... It's a paper war, isn't it?

**BRASH:** No, you're absolutely wrong on that point. What we're saying is that money which taxpayers earn first and foremost belongs to them, and the government should take enough to ensure that adequate funding is available for the public services – no doubt about that. But this government's been raking in more money, more money, more money every year for the last six years and they say you could have a tax reduction of 67c a week in three years' time. That's what Labour's offering.

## **TAX CUTS VS. SOCIAL POLICY**

**SAINSBURY:** Why should someone on a low income vote for National?

**BRASH:** Because, frankly, we are doing more for all New Zealanders than any other party.

**CLARK:** I have to say, Mark, that what was set out today gives two-thirds of taxpayers \$10 or less a week, and the price for that would be falling health spending, falling education spending,...

**BRASH:** No, no, no, no, no – no falling. No, no – that's not right.

**CLARK:** ...falling spending on our police, less spending on our roads was outlined today, and we're in Auckland and we know the money's gotta go into our roads, so people would settle for very very small tax cuts for two-thirds of them and lose the huge benefits we all get from investing in the common good, the services governments have to provide.

**SAINSBURY:** Dr Brash.

**BRASH:** This is a very fundamental point for your viewers to understand. Two-thirds of New Zealand taxpayers are better off under the National package than under Labour and we will not cut a single dime off either the health vote or the education vote or the New Zealand Super vote. Not one dime.

**CLARK:** Don, Don, you know that is completely misleading, because if you leave the health vote the same next year as this year, that is a real cut,...

**BRASH:** We won't be.

**CLARK:** ...because our population is growing, our population is ageing and we have to keep increasing the spending in line with that.

**BRASH:** Of course.

**CLARK:** You know this and you are not making proper provision for it.

**BRASH:** Mark, we want to spend an extra \$1.5 billion each year...

**CLARK:** Oh, \$1.3 billion by your own calculation that you put out on Friday.

**BRASH:** \$1.5 billion, on average, over the three years. \$1.5 billion, on average, over the three years.

**CLARK:** Oh, a new formula.

**BRASH:** \$1.5 billion, on average, over the three years, and that is more than enough to cope with both health and education.

**CLARK:** Well, I'm afraid it is not, and you know that what you have outlined is a strategic deficit which would require you to severely cut public spending.

#### **“WHOSE MONEY IS IT?”**

**SAINSBURY:** There's one issue I would like to address to both of you. We'll start with you, Prime Minister. When we talk about this money – and we've seen large promises from both parties, we've seen money that it appears we now have to spend – the big question, I think, for a lot of people is whose money is it?

**CLARK:** Well, we live in a country where traditionally, our people look to the government to collect the revenue to put into health and education. You know, what I'm hearing from this Tory crowd here is they want to pay everything for their public schools out of their own pockets. I'll tell you what, most Kiwis don't. Most Kiwis don't. Most Kiwis look to us for First World public education, public health, looking after our old people, our families, our roads – that's what we stand for.

**SAINSBURY:** Don Brash, is it not the case that on both sides this election, the promises you're making... It's the same question. You're making promises with our money.

**BRASH:** I want to reduce the amount of money the government takes of yours. Let me say one other thing – there are two aspects of the tax package we announced today. One was to give more money back to the people who earned it; the second point was to reduce the tax

rate on additional income earned. At the moment, someone on the average wage loses a third of their new income to tax. We want to cut that to 19%.

**CLARK:** What is clear is what we've got here is the one-trick pony. Ask it what its policy is and it says, 'tax cuts'. Whereas Labour puts out a comprehensive policy dealing with the needs that Kiwis have.

**SAINSBURY:** We are gonna move on. I mean, one thing is certain for sure is whatever we call them, whether it's tax cuts or tax relief, it is one of the pivotal issues of this election.

**CLARK:** Well, only if you look at it... Don't look at it in isolation, Mark, because one person... Don Brash's \$92 a week is somebody else's health and education.

**SAINSBURY:** Thank you. But we'll be coming back to other issues shortly. Now again, I remind you, if you want to have a say on this debate, go to [www.tvnz.co.nz](http://www.tvnz.co.nz) and type in 'debate' and send us an email, and you can check out the feedback later on. There's been lots of food for thought already. We're back after the break with the Treaty and race relations.

## THE TREATY AND RACE RELATIONS

Welcome back to our One News special, the Leaders' Debate. The next topic we're gonna look at is another contentious one, certainly over the last 12 months. That's the Treaty and race relations. And again, to some levels, there is some agreement between the two of you. In terms of the Treaty at least, both parties agree there needs to be a deadline for lodging claims and for settlements. The difference is that National has a 2010 deadline, and for Labour, Helen Clark, 2020. Why do you need an extra 10 years?

**CLARK:** Well, firstly, the deadline for lodging claims is the first of September 2008. You gotta get all the claims in, get them on the table, and then you can prioritise a move to settlement. I'd love to do it faster, but I think 2020's realistic. They're complex, people have gotta get mandates, they've gotta negotiate with the Crown. We're a tough bargainer, by the way. Then people have gotta settle, go back for ratification, and get legislation through Parliament. So it is complex. You gotta be fair about it, but we've gotta be fair to everybody.

**SAINSBURY:** You think you can do it faster, Don Brash.

**BRASH:** I do. I have to say that the Labour government does not take accelerating this process seriously at all. Last year the Waitangi Tribunal asked for a further \$2.8 million to accelerate their process, and they were turned down. They asked again for money this year, and again were turned down. I mean, I don't think it's ha—It's impossible to believe the Labour government is serious about accelerating this process.

**CLARK:** Well, with all due respect, Don—

**BRASH:** And their deadline of 2020, of course, is not a deadline, it's a target, it's an aim, not a deadline at all.

**CLARK:** With all due respect, Don, with all those spending cuts you're gonna have to do, I can't see the Waitangi Tribunal being top of your list of priorities.

**BRASH:** It'll be high on our list of priorities. High on our list of priorities, I can assure you.

## THE ROLE OF THE TREATY

**SAINSBURY:** Don Brash, can I ask you what is a Maori?

**BRASH:** Pardon?

**SAINSBURY:** What is a Maori?

**BRASH:** Well, that's a very good question. In theory, in law it is anyone with any Maori ancestor. And I think that is almost—Well, for some people it's a serious issue, because they are substantially Maori. For others, they can't be told, frankly, from you or me. So I find it absurd that we make a big distinction between someone who is seven-eighths Maori and someone who is one-sixteenth Maori.

**SAINSBURY:** But given that, do you believe, then, I mean, that there is a role for the Treaty?

**BRASH:** I think the Treaty was a very—is a very important historical document – very important indeed. But it is not a living document, in my view, and it certainly is not a constitution. It's not a constitution. We've got to avoid interpreting contemporary claims, because if we do that, we're going on and on and on. It's important we get to a point where every New Zealander, irrespective of their race, is treated equally.

**SAINSBURY:** Prime Minister, how do you see the role of the Treaty?

**CLARK:** It is a founding document, and it is an important historical document, but you can't just write it off to history. The reality is that the Treaty of Waitangi was one of the instruments which enabled the British to establish rule in New Zealand, and we, and our forebears, are here basically because of that.

But the critical thing to me is we are one nation. We're made up of many peoples. We're all proud of our culture. I'm extremely proud of mine, which is almost all— Which is entirely derived from the British Isles. Every weekend in my multicultural electorate, I'm out with Indian festivals, Chinese festivals, festivals of people from around the world. Let's celebrate this great, rich nation that we have together.

#### **MAORI WARDS**

**BRASH:** Mark, this government, Helen Clark says that, but meantime she creates a situation where local governments establish separate Maori wards, where DHBs have separate Maori representation, where PHOs have separate Maori representation. That's not the way to a united country.

**SAINSBURY:** Don Brash—

**CLARK:** Well, ah, Dr Brash.

**SAINSBURY:** At Orewa earlier—At your Orewa speech, you said we were on a dangerous drift towards racial separatism.

**BRASH:** That's right. That's right.

**SAINSBURY:** What is what you are doing going to do to rectify that?

**BRASH:** I want to abolish those separate Maori wards, separate Maori seats, separate Maori representation on DHBs and PHOs. Look, we have 19 Maori MPs currently. Seven are represented by Maori seats. We don't need Maori seats to have Maori in Parliament.

**SAINSBURY:** Not many Maori in your party, though.

**BRASH:** Pardon?

**SAINSBURY:** I said, not many Maori MPs in the National caucus.

**CLARK:** One.

**BRASH:** We have—Well, it depends if you count—There are two, actually.

**CLARK:** (LAUGHS)

**BRASH:** There are two. And we have four other Maori candidates in our list.

## **NATIONAL AND THE MAORI VOTE**

**SAINSBURY:** The thing is, why would Maori vote for National?

**BRASH:** Because the National Party has policies which are best for every single New Zealander.

**SAINSBURY:** OK, Helen Clark, I mean, we now have a Maori Party, and you could argue in some ways that perhaps they felt that neither of the mainstream parties were accommodating their needs. You are gonna have to deal with them, and there's also some resentment there over Labour's policies towards Maori as well.

**CLARK:** I'm strongly opposed to that party because I believe the way forward for New Zealand is for us all to be working together. I think it's very important—It's very important going forward in the future that Maori are found across the political parties. It so happens that my party has had very strong support from Maori for a long time, and I think we'll have again.

But I want to come to the point of what I believe is fundamentally destructive about what Dr Brash is saying. If a parliament with a majority – which is clearly not Maori, cos Maori are a very small minority in our parliament – were to, over the heads, over the views of Maori, abolish the Maori seats, I think that would be dangerous for our race relations. I think it would be very damaging.

I want to say—I want to say further, that with respect to local government, local government asked the government to legislate so that where local government itself took a decision accountable to its own voters, that it wanted Maori representation, it could have it, and we believe in working cooperatively with local government, not on telling it what's good for it.

**BRASH:** Why on earth would we encourage, or indeed allow, local government to set up separate, racially-based constituencies?

## **A COALITION WITH THE MAORI PARTY**

**SAINSBURY:** Just one very brief last question. A yes-or-no question from both. If you had to, could you deal with the Maori Party in terms of forming a coalition? Yes or no.

**BRASH:** I think it would be very hard indeed, given our differences.

**SAINSBURY:** Helen Clark?

**CLARK:** They would be the last cab off the rank, cos I've got other options.

**SAINSBURY:** Perhaps last cab off the rank for both parties, but of course neither outright ruling anything like that out. We will wait and see in four weeks' time as to what happens there. And don't forget, once again, you can email your thoughts in this debate by going to [www.tvnz.co.nz](http://www.tvnz.co.nz) and typing in the word 'debate'. After the break – immigration, nukes and foreign policy.

## **NATIONAL'S FOREIGN POLICY**

**SAINSBURY:** Welcome back to our Leaders' Debate. We're moving on now to foreign relations, and there is one issue within that, I suppose, that dominates everything – that is our relationship with America and the nuclear-free policy.

Dr Brash, can I please start with you? 'Gone by lunchtime' – it's on all the Labour billboards. Did you say it?

**BRASH:** Mark, I have said consistently for more than 12 months now that I do not recall making that comment. Let me also say, though, that if I had made any kind of commitment to those American senators, I certainly would remember it. Let me also say one other thing. The New Zealand Herald tried to get confirmation of that comment from the senators, and the only two they could contact said they had no recollection of my making that comment at all.

**SAINSBURY:** OK, putting that, please, to one side. Putting that, please, to one side. If you win the election in less than four weeks' time, you'll go into a Cabinet where foreign relations comes on the agenda. You yourself will have to lead that discussion. What do you personally believe should happen in terms of the relationship with America and the nuclear ban?

**BRASH:** Look, the nuclear legislation is, at this point of time, such an iconic piece of legislation that it's important that it does not change whenever parties change. It's important that if there's to be a change, it should be ratified by referendum. Frankly, we've got no plan for such a referendum.

**SAINSBURY:** But do you personally believe it would be in our interest to change it? If the public could be swung, do you believe it is a good thing?

**BRASH:** If the point comes when it seems in New Zealand's interests to change that, if that happens, then I would put that to the people of New Zealand, and I would vote for it. If I was persuaded that that was in New Zealand's interests. I have not yet been persuaded of that fact.

## **LABOUR'S FOREIGN POLICY**

**SAINSBURY:** Helen Clark, I mean, we look at the lead-up to this campaign, and you look within your own party – the Americans, in some ways, have become, well, quite literally, according to Trevor Mallard, the bagmen. Your party have posters out with Don Brash and President Bush. We've had accusations the Americans are writing foreign policy. Isn't it a bit of a double standard? Because you, at the moment, probably have a better relationship with America than we've had since 1984. I mean, we are exercising together, you have troops in Afghanistan – isn't it a bit rich to criticise National for cosying up to the Americans when you've done it yourself?

**CLARK:** What our Labour Government has shown, Mark, is that New Zealand can be, as Colin Powell described, a very, very, very good friend of America and keep its self-respect and be nuclear-free. I believe in that policy, and I really don't know why Dr Brash is raising the issue of a referendum. He says, 'I won't change it without a referendum.' Then he says, 'I'm not planning a referendum.' Then he says, 'If there was a referendum, I'd vote against the nuclear-free ban if it was in New Zealand's interests.' I'm confused, Mark, and what I know...

**SAINSBURY:** Can you end the confusion, Dr Brash?

**BRASH:** Helen Clark listed the highest...

**CLARK:** ...is that he would spend the next three years trying to get rid of it.

**BRASH:** Helen Clark listed her highest priority in foreign policy to get a free-trade deal with the United States. She has totally failed to even get in the door on that issue. And it's partly because she goes out of her way to insult the President of the United States.

**CLARK:** Actually, Dr Brash...

**SAINSBURY:** Could you do better?

**BRASH:** I believe we could do better. I believe we could do better.

**CLARK:** Because he'd sell out on the nuclear-free issue.

**BRASH:** We've got, among our candidates, the most experienced trade negotiator this country has ever seen.

**CLARK:** Well, that's not true either.

**BRASH:** And one of the things which made me very disgusted by the Labour Government was when this man decided to stand for the National Party in this election, she bagged him as if he was a hopeless guy. He is a very impressive trade negotiator. Arguably done more for New Zealand trade than any other individual...

**CLARK:** My top foreign-policy priority is to see New Zealand contribute to a more peaceful and harmonious world. That's why I believe in the nuclear-free policy.

**BRASH:** That wasn't what you said back in 1999.

### **THE WAR IN IRAQ**

**CLARK:** That's why, Dr Brash – and you got the first three questions. I do have some things to say about that. That's why our country kept out of the war in Iraq. Because we believe that was wrong. You thought it was right. You would have had young Kiwis dying in a cause that is totally unjust, and I think that's wrong.

**SAINSBURY:** Let's clear that one issue up. Let's clear up that issue before we move on to immigration. Dr Brash, the issue of sending New Zealand troops to Iraq – would you have done it?

**BRASH:** I can't conceive of circumstances where we would send New Zealand troops – combat troops – to Iraq. Helen Clark, of course, sent troops to Iraq, but not combat troops.

**CLARK:** Sent engineers.

**BRASH:** They are, effectively, combat troops. They had heavy machine guns with them. They had heavy machine guns with them.

**CLARK:** Dr Brash, I went to Basra. I know what they did. I know they fixed school water supply, electricity – things that ordinary people needed. That's what they did.

**BRASH:** And they had heavy machine guns with them.

### **LABOUR'S POLICY ON IMMIGRATION**

**SAINSBURY:** Thank you both, but we want to briefly cover immigration before we move on, starting with you, Helen Clark. Who should we be bringing in?

**CLARK:** Skilled people. And Labour, for the first time in New Zealand's history, brought in the skilled-migrant category and said that 60% of those who came had to come under that category. Now, that never happened before.

And furthermore, the way the system works now, almost all those who come under the skilled-migrant category have to have a job to come to, because the policy we inherited from the National Party of the '90s had people coming here with high qualifications who could not get work here. So we've done away with that syndrome. You come here now under that category, you come to a job, you stand on your own feet.

## **NATIONAL'S POLICY ON IMMIGRATION**

**SAINSBURY:** Dr Brash, you've outlined some quite tough... you're saying you're going to get tough on immigration, tough on the controls who may come here. Is that going to discourage the migrants that people say we desperately need?

**BRASH:** No, it will not, because what we're saying is we don't want migrants coming here and going on to benefits; we don't want migrants here committing crime. And if they do, we should send them back. But most migrants of the kind we want aren't going on to benefits and aren't going to commit crime.

**CLARK:** What Dr Brash is saying is that he's looking at every migrant as a potential criminal and putting them on probation. That's what he's saying.

**BRASH:** No, no, no, no. Come on. Come on.

**SAINSBURY:** We are going to have to stop it there. We have a lot more to get through. We are going to be back with you after the break to debate education and health.

## **EARLY-CHILDHOOD CARE**

**SAINSBURY:** And welcome back to the first televised head-to-head debate between Helen Clark and Don Brash. We're now moving on to education and health.

We've tried to look for points of agreement in the past – at the start of some of these sections. We were going to start with one which was a point of difference, but that appeared to change today.

Early-childhood care – today Labour announced a \$53 million policy that was going to extend the community-based care to the wider options for parents. Now, Don Brash, you criticised Labour for their policy. You're welcoming it today?

**BRASH:** Well, I'm certainly delighted to see this U-turn, Mark, and it's only a few months ago since they said only community-funded organisations would get their 20 free hours. Now they're extending that to private, and that's good.

But, frankly, they do nothing at all for children under 3, and our package, by contrast, enables parents to deduct childcare costs for all preschool children, irrespective of the kind of care they get.

**SAINSBURY:** This was a change today, Helen Clark.

**CLARK:** Yes, and it's a fantastic change, and it means, for parents, around \$90 a week extra in support for childcare. But it's also fair to say, Mark, that Labour has built up early-childhood education. We've put a tremendous amount more into subsidies. About 70% of our families now are eligible for support with childcare needs. So I'm very very enthusiastic about what we've achieved. It's done a great deal for New Zealand.

**BRASH:** But it is a U-turn. It is a U-turn. When the Government initially announced this package, it was for strictly community-owned organisations only, and private organisations were excluded deliberately.

**CLARK:** That's right, Don, because that's as far as the money went. Now we've got the money, we're going for it.

**BRASH:** Ah – now you've found some more. Now you've found some more.

**CLARK:** We're putting it directly where it can do the most benefits. And I think what people are now seeing is that Labour puts families at the top of its priority list – small children, families.

## **STUDENT LOANS**

**SAINSBURY:** Let's move on from early-childhood education to one of the other big issues, which, of course, is tertiary education and student loans. Did you get gazumped by the interest-free policy?

**BRASH:** Listen, I'd have to say, Mark, I think the Labour Party student-loan scheme is very bad policy indeed, and it will result in government debt rising much more substantially under Labour than under National. Much more substantially. Government debt will be higher under Labour because of their student-debt policy than under National.

**CLARK:** Isn't it incredible that National can announce today \$2.2 billion worth of tax cuts and say that's policy, and Labour's \$300 million to help our young people is a bribe? This is, frankly, ridiculous, and the show of pique that we're seeing over here is because the National Party knows that young people see this as a priority issue and Labour is dealing with it.

**BRASH:** Mark, the only independent assessment of Labour's scheme suggests that students will borrow an extra \$11 billion over 10 years.

**CLARK:** Absolute drivel.

**BRASH:** Mark, let me say one other thing. The student-loan scheme is an important issue, but equally important is the extraordinary waste of government money – of taxpayers' money – in the tertiary sector under this Labour Government.

**SAINSBURY:** But you have a son, Don Brash. Would you want him to pay interest on a student loan?

**BRASH:** I would want him to get deductability for the interest on student loans, which we have offered, and I want him to pay no more tax than he needs to. And we've offered that.

**CLARK:** I think, Mark, the answer is, yes, that Dr Brash is quite happy for his son to pay interest on his loan. That's what I heard. But what I say is that our generation got a much better deal, and as fast as we can make it better for today's young people, we should do that. We owe them that.

**SAINSBURY:** But, Helen Clark, two of the major banks, after the release of your policy, basically raised similar concerns to Dr Brash's.

**CLARK:** Yes, because, like Dr Brash, they had their assumptions completely wrong. They assumed- They assumed- And, by the way, they didn't tell us about the loss leading policies they had – to get people with student loans to cash them in and take them at a discount from those banks. But the point is...

**BRASH:** Ask the Treasury to cost it. Ask the Treasury to cost it.

**CLARK:** ...that Dr Brash and the banks think like merchant bankers. And merchant bankers think that if there's a loan with no interest, everyone will rush out and take it.

**BRASH:** Ask the Treasury to cost it.

**CLARK:** Our experience is, when we took all the interest off student loans while kids are studying, there was hardly any more who took out loans at all. And we know people don't borrow money unless they need it. They don't think like merchant bankers. They don't think like merchant bankers.

**BRASH:** She should invite the Treasury to cost the project. She hasn't done that yet, and she does not dare do that.

**CLARK:** Ah, Dr Brash... Dr Brash, unlike the National Party, we don't ask Treasury for permission for our policies.

**BRASH:** But we... But you should, as Government, get objective advice on that.

**CLARK:** We're capable of thinking for ourselves.

#### **DEALING WITH STUDENT DEBT**

**SAINSBURY:** One issue with student debt is getting to the amount of debt that's actually raised. Isn't one of the problems with the cost of the universities, the rise in the bureaucracy within the universities that's increasing the amount of debt students have to raise irrespective of whether they pay interest?

**CLARK:** Mark, the Labour Government froze fees for three years. That was tremendous. The Labour Government did that after years of double-digit-percentage fee increases under National. And after the three-year freeze, we capped and controlled those fees. The Labour Government has also had fairer repayment terms and more students getting allowances, and we will continue to give more students allowances.

**SAINSBURY:** Because the issue of...

**BRASH:** University education funding under Labour has gone up 28%. Community education courses have gone up by 800%. And those are very low quality, poor value for money.

#### **LABOUR'S POLICY ON HEALTH**

**SAINSBURY:** One of the issues that's raised, as I've said, within education is the cost of the bureaucracy. And that's also one of the criticisms that, I think, that you have when it comes to health. We've had a 40% increase in spending in the last five years. We spend nearly \$10b on health. Are we that much better off?

**CLARK:** We certainly are, Mark. For a start-

**BRASH:** We're not. We're not. Wait a second. Can I-?

**CLARK:** For a start, we've got more than 3000 extra nurses and, very importantly, we are paying-

**SAINSBURY:** I want to try and bring Dr Brash in here.

**CLARK:** No, well, Dr Brash has got the first question just about every break and I'm gonna take the first one this time. Because... Because, not only do we have 3000 extra nurses, we're also paying them better, and that's important as well.

**BRASH:** There are 180,000 New Zealanders either waiting for first specialist assessment or on waiting lists. 180,000. Hundreds are dying on those waiting lists. And when the New Zealand Herald conducted a survey a few months back, 74% of those asked felt that hospital services were worse or no better than they were five years ago.

**CLARK:** Well, I can say-

**BRASH:** 74%.

**CLARK:** I can say that there are a lot of international services- surveys comparing how people feel about their health systems and New Zealand scores very well on those. And we can do better with Labour's policy of 10,000 more hip and knee-joint operations over the next three years and 7500 more cataract operations.

**SAINSBURY:** Prime Minister, but how many on the waiting list for those operations?

**CLARK:** Well, it's the waiting time that's important. It's a question of— What we aim to do, Mark, is we aim to get people who are referred from their GP to a specialist seen within six months. And then those who need treatment to be seen within another six months. And, actually, we're doing very well on those targets. But where there is hip and knee operations required and cataracts, we need to do better. And that's why we have pledged \$200m more for that.

**BRASH:** Mark, this is an important area where Labour has failed. Let me say one other area where they've failed badly – that's funding for aged-care facilities. 40 have closed down in the last two or three years. They're under desperate financial pressure. Labour squanders money on a PHO system, which means that if you're a millionaire living in a predominantly Maori area, you get a subsidised doctor's visit; if you're poor living in a rich area, you don't.

**CLARK:** No, Don, you've got it wrong.

**BRASH:** And that's hopeless.

**CLARK:** Labour is moving to universal health subsidies. And I don't care how much Dr Brash earns,...

**BRASH:** Well, it's gonna take you a while to get there.

**CLARK:** ...I think we should all be covered by universal health care. That's what I'm working for.

## **THE HEALTH BUDGET**

**SAINSBURY:** Can we just finish this section? I want to put this question to both of you. We're looking at the baby-boomer generation coming through. There's going to be enormous extra pressure on the system. We're spending two billion as it is.

**BRASH:** Two billion on what?

**SAINSBURY:** Ten billion is the health budget. Sorry. A very brief answer – can we afford, to you, Dr Brash, can we actually afford to handle the demands when they come on our system?

**BRASH:** We have no choice but to do that.

**CLARK:** We can and we will, and the budgets have to keep increasing. And that's why you can't afford his tax package.

**SAINSBURY:** OK, after... After the break, we're gonna come back with one of the most crucial issues of this election and that is leadership trust and credibility. But don't forget, if you're watching, don't forget to email us your thoughts on the debate so far by going to [www.tvnz.co.nz](http://www.tvnz.co.nz) and type in the word 'debate'. We're back after the break, on leadership.

## **HELEN CLARK ASSESSES DON BRASH'S CHARACTER**

**SAINSBURY:** Welcome back to our Leaders' Debate. We've heard them talk on a number of polices. But for we, the voters, this coming election we'll also have to make a choice on who we want to lead the country. And that comes up, of course, with the issues of leadership, of

credibility, and the ability to put together a coalition. In other words, it comes down to character. So what I'd like to do to start this particular section, and I'll start with you, Helen Clark - assess Don Brash's character for me.

**CLARK:** Well, look, Don Brash has had a very very sound career. He rose to the top of his profession. He has been the governor of our Reserve Bank. He's held very responsible positions in the corporate community and I think those are fine characteristics.

**SAINSBURY:** Don Brash. How would you assess Helen Clark?

**BRASH:** I think she's very intelligent. I think she has a genuine commitment to New Zealand. It isn't the commitment or the vision that I have, but I don't doubt the sincerity of that. And I think she has qualities which have made her a strong prime minister. Clearly her vision is different from mine, but I respect that nevertheless.

**SAINSBURY:** So would you be prepared to job-share, perhaps?

(BOTH LAUGH)

**CLARK:** I think that Winston's the only one who's got his hand up for that.

## THE QUALITIES OF LEADERS

**SAINSBURY:** Helen Clark, it does a lot- I mean, you would be aware, as is Dr Brash, that a lot does rest on how people perceive you, perceive Dr Brash in all those elements of character. We've seen over the past few weeks, particularly with the incident of the motorcade, where people thought that you had let down those that work for you. And that that was not something that people look for in leaders.

**CLARK:** Well, I didn't give an instruction to people. I actually accepted advice tendered by the Police to my press secretary that we should leave immediately for a plane. And I put my transport arrangements in the hands of the Police and drivers. I don't instruct.

**SAINSBURY:** Do you think you should have even expressed some sympathy?

**CLARK:** As the judge said in the court last week, he had sympathy for the position they were in and so do I because there were not proper police policies and protocols there. There are now.

**SAINSBURY:** Have you said anything to them since? Have you passed it on directly?

**CLARK:** Well, I've said publicly that, as the judge said, one has to sympathise with the position because there were not proper police policies in place.

**SAINSBURY:** I mean, Dr Brash, the criticism levelled at you is you come in too inexperienced politically for this job. That we've seen flip-flops on policy that betray you as someone not ready to take up the highest job in the land.

**BRASH:** Mark, I have been in Parliament now as long as Bob Hawke was before he became Prime Minister of Australia. I have changed some of my positions, but certainly no more at all than Helen Clark has changed - on asset sales, on school closures, on the Treaty of Waitangi settlements. You name it - a whole range of policies she's changed. So I don't have any concern on that score at all.

**SAINSBURY:** But do you think you have what it takes to be Prime Minister?

**BRASH:** I'm happy to stack my three years in Parliament and 30 years as chief executive outside Parliament up against Helen Clark's experience any day.

## **COALITION PARTNERS**

**CLARK:** It's one thing to think you've got what it takes; it's another to show it. And I've shown, over six years, that I run a strong, stable government. And I think what's very important under the MMP system is the ability to work with other parties. I have been the leader of a minority government all this time. We have had excellent working relationships with our coalition partner, Jim Anderton's Progressives, and with United Future...

**BRASH:** The Alliance imploded. The Alliance imploded.

**CLARK:** ...and with the Greens. That's the way of MMP. Dr Brash has burnt off his only ally, and that was ACT.

**BRASH:** The Alliance has imploded. The Alliance has disappeared completely.

**CLARK:** The Alliance is no longer there - Jim Anderton is, and a very valuable partner. But the point is that this Government has been a strong one because we've been inclusive, because we've cut our allies some slack. Dr Brash crowded ACT off the scene and has no partner.

**SAINSBURY:** Dr Brash, let's hear from you. Because one of the issues is – to be in government under MMP you are going to have to put together a coalition. And your options seem to be running out. Because you said in your campaign launch that the Families Commission would go, which cuts out Peter Dunne, United Future. The policy, even though Gerry Brownlee softened on it, in terms of Maori seats is going to alienate the Maori Party. You don't have a lot of choices, do you?

## **NATIONAL'S POTENTIAL COALITION PARTNERS**

**BRASH:** Mark, I think there are three centre-right parties with which, in principle, we can have a discussion after the election. And I'm happy to do that. The United Future and the ACT party clearly have a number of policies in common with ours and New Zealand First has some policies in common, as well. We could talk to any of those three after the election.

**SAINSBURY:** Isn't it-? Would it be a worry, though, to some voters-?

**CLARK:** Well, ACT won't be there to talk to.

**SAINSBURY:** Will it be a worry to some voters, though, about the fact that they see you with New Zealand First as the only option? And for people who don't want to see that?

**BRASH:** Well, United Future is also clearly an option.

**SAINSBURY:** Not if you abolish the Families Commission.

**BRASH:** Well, let's wait and see what the election delivers, Mark.

**SAINSBURY:** Because you are going to have to be pragmatic, aren't you? Because, as we said, in theory, with the Families Commission and with the Maori Party, are you steadfast-would you be willing to compromise the policy of abolishing the Maori seats if it was needed to do a deal with the Maori Party?

**BRASH:** I think it's very unlikely indeed that we and the Maori Party could possibly do a deal. But just let's talk about the Families Commission for a second. What we've suggested is merging that with the Children's Commission. Now, that's something which I suspect United Future would discuss with us.

**CLARK:** Well, no, they-

**SAINSBURY:** Because the Maori Party as well – we look at the parliamentary records since that started – have supported your party, I think, on something like 250 votes as against 120 for Labour.

**CLARK:** That's absolutely correct. The Maori Party has consistently voted with the National Party. But the point about Dr Brash's options - he's run out of them. He's killed off ACT – they won't be there at all. By saying that he wants a merger of the Families Commission with the Children's Commission, he frankly puts United Future out of the question because the Families Commission is critical to them, and is something Labour delivered because of our relationship. It's quite clear that Labour has options in front of it to carry on the stable, progressive, strong government we've offered New Zealand for six years.

**BRASH:** Mark, Mark. Mark. Mark. Can anyone seriously believe that a Labour-Green coalition is what this country wants? Can anyone seriously believe that? A Green Minister of Energy, a Green Transport Minister. We'd be riding round on bicycles.

**SAINSBURY:** But do you feel, Dr Brash, that you are constrained in what the options are and that that is going to harm your chances?

**BRASH:** I think there are three parties with which we can have discussions post-election. Yeah. ACT, United Future and New Zealand First.

**SAINSBURY:** ACT is a problem again for you. And this may call on you to make a leadership decision as the campaign gets closer, as to whether you hand over a seat to ensure ACT gets back in. Are you willing to make that call?

**BRASH:** Look, that's not on the table at all at this point.

**CLARK:** Ha, 'At this point.'

**SAINSBURY:** Not now, but it could be. It could be on the table.

**BRASH:** Look, we did a deal of that sort with United Future, Peter Dunne, back in Ohariu-Belmont. We did a deal of that kind for Richard Prebble in Wellington Central. I don't think it's at all likely that we'll do the same sort of deal again with any other party.

**“COULD YOU BE SATISFIED WITH SECOND PLACE COME SEPTEMBER 17?”**

**SAINSBURY:** I want to wrap up with a question to both of you. And if I could go to you first, Helen Clark. Could you be satisfied with second place come September 17?

**CLARK:** No. I am going all out for the strongest possible vote for Labour, because I believe our government's got results. I believe that we will get a mandate to carry on. And far from people being terrified about the prospect of Labour working with the Greens, the Greens have worked with us for six years, United Future for three and Jim Anderton for six.

**BRASH:** That's a very scary prospect for most New Zealanders.

**SAINSBURY:** Thank you. Listen, we have, unfortunately, running out of time. We simply have time now to leave you both with 30 seconds each for a closing statement, beginning with Helen Clark.

#### **CLARK'S CLOSING STATEMENT**

**CLARK:** I'm a very proud New Zealander and proud to be Prime Minister. I'm proud of the results New Zealand's achieving. I'm blown away by New Zealand having the lowest unemployment in the Western world, under a Labour Government. I believe that our policies are getting results right across the critical areas – education, health, crime, infrastructure.

We're making a difference to our families, our older people – to all New Zealanders. And I pledge, above all, that this country is going to stay nuclear-free under Labour.

**SAINSBURY:** Thank you. Dr Brash.

#### **BRASH'S CLOSING STATEMENT**

**BRASH:** If we want a country where every child gets the very best education of which they're capable, and a tax and welfare system which provides help for those who need it, and encouragement and incentive for those who want to work hard and get ahead; if we want a country where communities are safe; if we want a country where every citizen is treated equally under the law, then know that the National Party stands ready to deliver those objectives.

**SAINSBURY:** Thank you very much. So, that's it – the first Leaders' Debate here on One. I'll be back next week, on Thursday September the 1st, with all eight parties' finance spokespeople. Just a reminder, we can take your emails on the debate, as to how you feel it's going, for another hour. And there'll be a report on them on Tonight at 10.40 here on One. Tomorrow there'll also be a full transcript of this debate on [www.tvnz.co.nz](http://www.tvnz.co.nz), keyword 'decision 05'. Finally, thank you for joining us both here and home. And thank you again, Dr Brash and Prime Minister Helen Clark. Goodnight.

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