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Take it to the boardroom

I read with some amusement that there is some dissatisfaction with power planning in the electricity sector: *ComCom boss tips Government will intervene in power market*.

"John Small drops 'bombs' on electricity sector and says while it might 'sound radical', there's something to be said for the Government contracting for its own demand."

I am fairly confident consultants can be found to bolster any such initiative. Previous governments are responsible for the fragmentation of what was formerly a unified provider.

Fortunately the government (tax payer) has retained the controlling interest in the three biggest participants. Surely it is simpler to take some boardroom decisions.

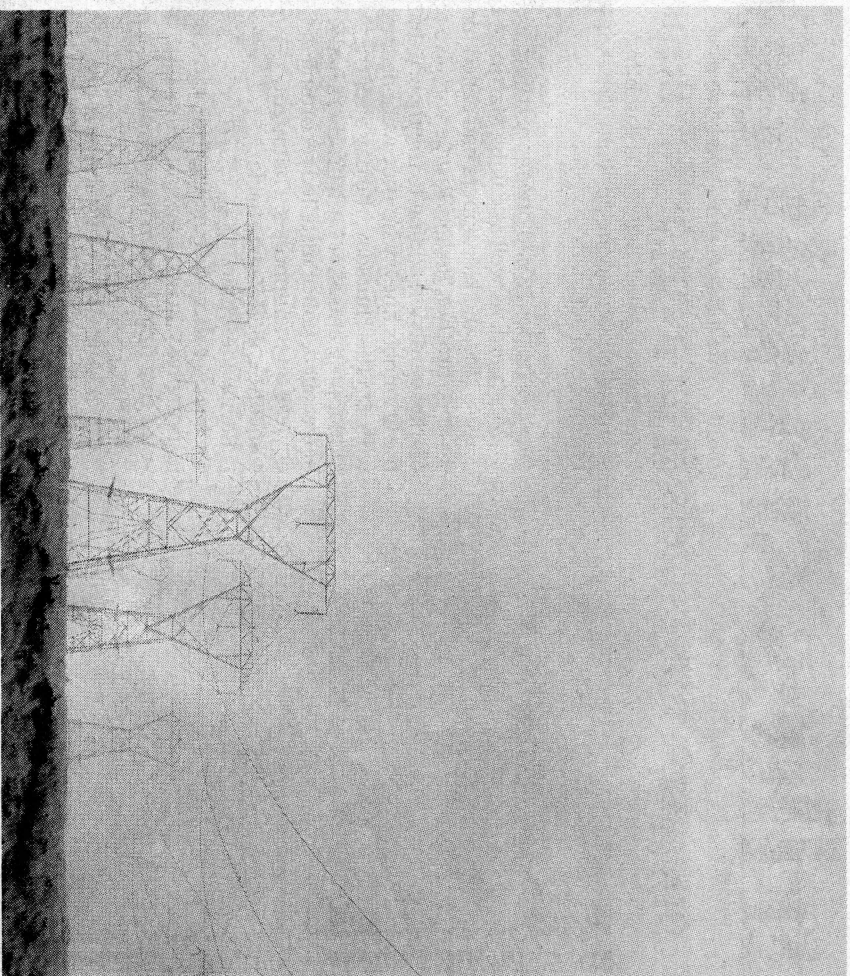
Trevor King, Karori

Skewed outcomes

Christopher Luxon's suggestion that, to resolve Wellington City's political shambles, we just need to get out and vote is overly simplistic.

Yes, it would be great to have higher voter turnout. I think given the unaffordable rate hikes in recent years, we will definitely see more people at the voting booths this year.

What the PM is missing is that we have two large, effective campaign machines operating in our city at every local body election: Labour and the Greens. They have access to massive resources, and actively target cohorts like students, many of whom just live here for 3-4 years while they study. This skews the outcome



One correspondent has an idea to help out the electricity sector. CAMERON BURNELL/STUFF

unfairly against the other non-Labour/Green candidates.

This is enormously frustrating and means we don't just "get what we deserve". Personally I find that flippanant retort insulting.

Perhaps there could be a rule whereby candidates can stand under a central party banner, but they are not allowed to access resources (people or funds) associated with that party. And I'm certainly open to other ideas to deliver a more level playing field for all candidates.

Louise Tong, Khandallah

Bill dangers

Russel Norman (May 28) is absolutely right about the dangers of David

Seymour's Regulatory Standards Bill, but his article touches only the tip of the iceberg.

Under Seymour's "principles", when a corporation is regulated in the public interest compensation for their lost profits must be paid to them by those who benefit. So suppose the Government regulates the prices charged by supermarkets or electricity companies, to reduce their monopoly profits.

The lost profit must be made up by cash payments to the corporations, which must be recovered from – yes, the customers. So Government will have to reimpose the monopoly prices, by a levy sufficient to pay the companies back the profits they would have lost if the

regulation had been effective.

Government becomes the bailiff squeezing the consumers, while the company owners bask in a featherbed of perpetual free cash (no sunset clause in the bill). Under these rules there's no point in regulating monopoly, which is precisely the point of the bill.

Is there any silver lining? Well if Papatūā nuku is a legal person then mining companies would have to recompense nature for all damage. Watch for a quick Seymour amendment barring nature from personhood.

Geoff Bertram, Karori

Taking credit

As someone with a background in economics I find it odd that this, or any government, claims responsibility for lowering inflation.

As any economist will tell you, low inflation correlates with low-economic growth in the short term. So by taking credit for their role in lowering inflation a government is taking credit for dampening economic growth.

I can only assume that this is because governments expect/recognise that the masses are generally ignorant of the fact that if a government is successful in lowering inflation, it also means they are successful in dampening economic growth.

What makes this even more odd is that it is the Reserve Bank's role, not the government's, to control inflation. It is the government's role to drive economic growth and invest the proceeds from increases in taxation into more and better public services (which by definition means spending more, which will stimulate inflation over the long-term).

Could I suggest that the Prime Minister and Minister of Economic Growth stop taking credit for their role in dampening economic growth and the long-term impact on lower government revenue and less money to invest in more and better public services.

Ryan McLean, Upper Hutt

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