

## **POST-CABINET PRESS CONFERENCE: MONDAY, 11 FEBRUARY 2019**

**PM:** All right. Good afternoon and welcome to the first sitting week of Parliament for 2019. I'm starting this year really positive about what the coalition Government is already delivering for New Zealanders, excited about our bold and extensive work programme for the year, and very much focused on delivery.

2019 begins with the economy performing, in many cases, above expectations, with near historic low unemployment, rising wages, and targeted support through the Families Package. We have solid growth, low inflation, and we're running strong surpluses. There are international headwinds, but the Government's careful fiscal management and economic plans means we are well-placed to face them.

As we enter our second full year, we will continue to advance the coalition Government's long-term blueprint for a better New Zealand, and that is built around key themes, which are: firstly, to build a productive, sustainable economy that works for everyone and is fit for the 21<sup>st</sup> century; second, to improve the well-being of all New Zealanders and their families; and, thirdly, to take a new approach to leadership, focusing on the long-term issues. Economy, well-being, leadership—these are issues that you will hear me talk about a lot this year.

Last September, the Government launched our plan and announced the 12 work areas that sit underneath our three overarching themes of the economy, well-being, and leadership. Now, in speech tomorrow, I will speak further on these and set out the work programme and key policy and legislation attached to each of the 12 work areas that will strengthen our economy, more fairly share the rewards of our economic success, put kindness and well-being at the heart of our decisions, and protect our environment.

You will see a plan focused on delivering improvements for New Zealanders now, like increasing the minimum wage, addressing pay equity, investing in health and education, while also tackling the long-term issues of tomorrow, like responding to climate change, investing in public transport, and addressing our chronic skills and infrastructure deficit. We are a Government with a plan to improve the well-being of our people, our environment, whilst also building a stronger, more sustainable, and fairer economy that works for all—but more on that tomorrow.

For my week ahead, I will be in Wellington tomorrow to deliver my opening statement to Parliament. On Wednesday, I will be in Wellington, and then in the evening I will present the New Zealander of the Year Award in Auckland. On Thursday, I'm looking to make a regional visit. On Friday, I will be in Auckland attending various events including the Lantern Festival and bFM's 50<sup>th</sup> anniversary celebrations. And on the weekend, I will be attending the Art Deco Festival in Napier for the first time.

It will come as no surprise to you that, again, today we are very much focused on the Nelson and Tasman community and how we support them in this time of need. That was a substantial conversation at Cabinet today. As we speak, news is being shared with residents that Wakefield residents will be able to return to their homes at 5 p.m. today. The news that this will occur is a significant milestone in the response to the fire. To be clear, though, the fire still presents a risk, and returning residents certainly will be advised that they will need to remain prepared to evacuate if conditions change in the future. Civil Defence and Emergency Services personnel on the ground have been constantly evaluating the risks associated with getting the residents back home, and safety has been a paramount concern. We are making assistance available for those affected by the fire through agencies such as MSD, MPI, and the Ministry of Health, but we've also made further contingency available, and for that I hand over to the Minister.

**Hon Kris Fafoi:** Thank you, Prime Minister. Cabinet this afternoon confirmed a further \$50,000 for the mayoral relief fund. Again, this is about plugging any gaps in other funding

available to affected residents or businesses by the fire. A number of businesses, and many local businesses, have also provided assistance in various forms since the fire broke out last Tuesday, which the Government appreciates. We are aware that some contractors may not be able to continue with work because of some of the prohibitions on some activities within the fire zone, so we have asked for advice on how we can offer support to small businesses that may be affected, and, hopefully, some of that funding that we've secured from Cabinet this afternoon will be able to assist them.

We've also progressed an 0800 Government helpline, so if any residents that are affected by the fires want to contact any agencies for any questions or any assistance, they can call 0800 779 997, and that will be available from 5 p.m. this afternoon. I've been to Nelson four or five times over the last—short of a week, and I just want to thank all the Government agencies and all the community people who have put in a big effort during a rather large disruption to their communities. It's very good news that the residents of Wakefield are going to be heading back to their homes, but can I also just point out the big effort put in by a lot of the volunteer firefighters and the FENZ personnel who have been fighting this fire since last Tuesday. It is a large fire and the fact that we've been able to get those residents back into Wakefield this afternoon is extremely positive news.

**PM:** I'll just finish by adding my thanks to all those who have assisted the ongoing effort to tackle, as has been said, an extraordinary fire, a fairly unprecedented fire, and that goes right from those who've been on the front line, the fire and emergency services, but also people locally who have contributed their time, their energy, their resources to help feed those in need, to help support those who've been evacuated, and to ultimately help bring people safely back to their homes. It really has been an extraordinary but also ongoing effort. Happy to take questions on the Tasman fires.

**Media:** So the \$20,000 initial contribution and this \$50,000 contribution you've updated today—it doesn't seem like a lot of money. Will there be more?

**PM:** Yeah, and just to be really clear, this is really discretionary to plug gaps. There is assistance available through the Ministry of Social Development. MPI are working very hard on the ground to provide support as well. The mayoral relief fund really is for the things that exist—the gaps in the middle—so, for instance, damage that might have been done to fences in order to access the fire. There's been in some cases alterations made to land in order to access water. Even we may, for instance, hear that damage has been done to pools where helicopters have been accessing water. This is to make sure that there is no gap in the support that we provide, but we absolutely accept that we may yet have the mayor come back and identify further need.

**Media:** Is there a tally of that cost so far?

**Faafai:** No, not yet, because it's still too early, but there are two issues that have been raised to our attention—animal welfare. We've got over 400 animals at the A & P showgrounds and there've been lots of contributions, but certainly there are going to be costs associated with that, and also supporting local businesses who have been put out over the last week as well.

**Media:** Is there a calculation on how much it's cost small businesses?

**Faafai:** No, cos it's still early days, and, as I say, they will probably be encountered by the Tasman District Council because it's their mayoral relief fund.

**PM:** Again, I would encourage those who have had their income affected to make contact, particularly MSD, because, again, we want to make sure that people are accessing the support that's available to them.

**Media:** Are you concerned at all about any potential spread of *M. bovis* either due to the stress incurred by animals or the movements of animals?

**PM:** No. Certainly, I had a conversation with the Minister a few days ago now, and at that point that concern didn't exist. My understanding at that point was that farms that were

affected hadn't had that relocation of animals and if that was required, they would be dealing with that through MPI at the time. So, no, my understanding is that that isn't a concern right now.

**Media:** On this mayoral relief fund, the funding is specific to damage incurred as a result of fighting fires, not damage from the fire itself.

**Fafoi:** The Tasman District Council will look after the mayoral relief fund. There's a fair bit of discretion for them, but also in place obviously the insurance policies of those residents or those farmers who have had damage to their property as a result of the fire. As I say, over time those issues will come to emerge, and if there are gaps at the TDC we'll look to plug, then that funding is available to them.

**Media:** Have the mayors our councils been asking for more than what you're providing?

**Fafoi:** Certainly, we've supplied them \$20,000 in the initial. That was when we just had the first wave of evacuations of about 400. Certainly we've seen a need since Wakefield was evacuated—about 2,000 residents—and, again, we're expecting some requests for more funding because of the likes of food and those families who have been put out for costs.

**PM:** We've really encouraged mayors, of course. They've been very focused on dealing with the issue at hand on the ground, but we've really encouraged them, you know: "Come to us as soon as you see that need. Tell us what support we can provide." But, obviously, they're very focused on making sure they're doing everything they can on the ground, but we've certainly made sure that they know that we're awaiting any request they may have.

**Media:** I understand that it's different, but can you see, if you were sitting in Nelson—you see the Government handing out money for overseas aid and support when things go wrong—and if you were sitting there thinking, "Oh, 70,000 doesn't seem like much."—

**PM:** Oh, look, let's be really, really clear here. There are a number of Government agencies who provide support directly: the Ministry of Social Development, where people's incomes are affected, we've got MPI working on animal welfare issues, and, of course, there's also the role of private insurers. What the mayoral relief fund does is simply make sure that there is no stone left unturned—that we plug any gap that might exist—and this is only just the beginning. So it wouldn't be fair to take that as the entirety of the support that the Government will be providing and does provide.

**Media:** What is the latest information you have had in regards to how the fire started?

**PM:** I've of course seen some of the reporting around that. I asked some questions. Investigations continue. It's fair to say the focus has been, of course, on containment and dealing with the fire itself, and understandably that's the priority. But, obviously, that investigation will continue and be completed.

**Media:** Looking longer term, is there any sense that we are having more fires and that they're more intense related to climate change, and I wonder if any thought's been given to any longer-term view that we might—you might—need to strengthen the firefighting capability and resource?

**PM:** It's certainly—the feedback that we've had from those who have been at the front line of this fire was that there was a real intensity to this fire, that the drought-like conditions that they were experiencing contributed to that, and that, of course, changed the behaviour of the fire.

At the same time, we've already seen that we had a couple of other fires come up at the same time. We've asked the question and been told that there was resource available to deal with multiple events at one time, but what we want to do in the aftermath of this event, which was significant, is make sure that in the event we experience anything like this in the future, we are able to deal with multiple events at once, because that's the kind of contingency that we need to have in place. There's no doubt this was a very unique and intense fire.

**Media:** I was just wondering if you had an update on the number of people who aren't able to return home this evening, and when they might be able to return home.

**Fafoi:** So they will be roughly the number of people who were evacuated very early last week, and that was just a little bit north of 400. So they are the people in Redwood Valley and Pigeon Valley. So all the Wakefield residents will be returning to Wakefield today, and it was about just north of 400 who were initially evacuated early last week.

**Media:** So when does that mean they'll be able to return?

**Fafoi:** That's a question better put to FENZ. As I've been saying for the last six days, it's very dynamic. It's a different situation for those residents as compared to those in Wakefield. We are hopeful, but, again, it's all dependent on the weather conditions.

**Media:** What sorts of resources have the local councils got to fight the fires? You've been given a lot from central government; how much room have they got to manoeuvre in this?

**Fafoi:** Oh, look, certainly we've had to augment the local resources, and we're finding quite a lot of resources from national operations for FENZ. It was a fire of, you know, plus 2,300 hectares and a perimeter of about 26 kilometres, so it is a big fire. So they certainly weren't able to deal with it with the resources that were there locally alone, which is why we made sure that we were constantly asking questions of both FENZ and other agencies—whether they need more. So they certainly got it when asked, but I think it certainly was a large fire that they needed support to have a good crack at.

**PM:** Any other questions relevant to Minister Fafoi? Thank you. OK. Right issues of the day.

**Media:** Have you been briefed on the Air New Zealand flight that was turned away from China on Saturday night?

**PM:** Yes. Yes, I have. Whilst I haven't spoken to anyone directly, I have received feedback that this was very much an administrative issue. There's an expectation that inbound aircraft be registered, that the flight in question had not fulfilled the administrative requirements, and that, essentially, is what occurred. Air New Zealand, I think, have been very open about that.

**Media:** Did the debrief include any details provided by NAB or MFAT, or was it all from open-source communications.

**PM:** Oh, essentially I've received the same information that Air New Zealand has put into the public domain—that it was an administrative issue.

**Media:** Have you received any assurances from Chinese authorities that this wasn't politically motivated?

**PM:** I see absolutely no need, given Air New Zealand have said themselves that they know exactly what the issue was—that they did not meet requirements on behalf of China, and as a result they understand what has occurred in this situation and there's an explanation for it. I think it is important to be really clear and not confuse administrative and regulatory issues as issues to do with the relationship, and I think Air New Zealand have been very clear on that from their perspective.

**Media:** But given what we know about how, you know, regulatory and administrative issues can, sort of, manifest out of concerns with a relationship—you know, non-tariff barriers, and just, sort of, administrative hold-ups of, you know, kiwifruit shipments or anything at the border—can you be 100 percent sure that this is not related to a relationship—

**PM:** Aircraft travelling into China are required to be registered. This aircraft was not. That is the issue that has occurred here, and Air New Zealand have been really clear on that.

**Media:** Did you seek assurances that if aircraft weren't registered before, there wasn't some kind of pathway—do you—

**PM:** Again, Air New Zealand have been really clear. They're the ones who, obviously, have encountered the issue. From their perspective, this has been quite a straightforward issue, and they've already put that explanation into the public domain.

**Media:** Do you mean registered in New Zealand, or registered with—

**PM:** With China, as I understand.

**Media:** Is it correct that the aircraft is owned by a leasing company who also lease a large number of aircraft to Chinese airlines.

**PM:** Look, again, I'm not sure that the origin of the lease is at question here, or part of the issue. It's just simply that it was a temporary aircraft that had not been registered. Again, any more technical questions I would really encourage you to put to Air New Zealand.

**Media:** Have Air New Zealand talked to you about how often this sort of thing happens?

**PM:** No, but nor did I get the sense from the information we've been given that this is something that is a surprise for them, because they acknowledged that there was an administrative issue.

**Media:** Given the Government stake in Air New Zealand, did you express your concern or view that it shouldn't happen again?

**PM:** I imagine that Air New Zealand will certainly be of that view themselves; I don't think I need to state the obvious. But, again, they've put out into the public domain the issue that has arisen, and it seems fairly clear-cut to me.

**Media:** Are you confident you'll be able to meet with Xi Jinping this year?

**PM:** Oh, there you are. Look, I have received an invitation from the Chinese administration to visit. The outstanding issue simply is a matter of setting dates, and those have not been finalised yet.

**Media:** Are you confident that that meeting will happen this year?

**PM:** Again, I've received an invitation, but we just haven't finalised dates.

**Media:** Was the Whānau Ora report brought up at Cabinet today?

**PM:** No, not today.

**Media:** Why is that, when the Minister said to iwi leaders on Friday that it would be taken to Cabinet after Waitangi?

**PM:** Because it has to go through Cabinet committee first, and then goes to the first Cabinet after it goes through Cabinet committee.

**Media:** So when do you expect that to be?

**PM:** Imminent, but get timelines directly from the Minister, please, for that one.

**Media:** Do you have any concerns about the perception in the way the cases of Karel Sroubek and those of Natalia Chetkhova and Steven Webster have been treated by Immigration New Zealand?

**PM:** Again, both of those cases have been dealt with to date by Immigration New Zealand. They've gone through a set process for those particular categories, and the category in question here, I understand, is the entrepreneur category in both cases. Really, any questions around the criteria for that category are better placed before the Minister. But, again, what we certainly ask for is consistency, that there's transparency in the way that Immigration New Zealand deal with those cases. But, again, they have been dealt with by the department rather than at a ministerial level to date.

**Media:** This is around more about your concern about the perception, that the public might not understand that. Are you concerned about the way it's perceived?

**PM:** I guess one of the issues we have here is that there are certain criteria that are set down for categories like entrepreneurs, and that's the process that Immigration follows. One of the issues, as I understand, that's being set down with that category is that, to prevent individuals coming and purchasing businesses as a means, as a path, to residency, they've put some quite tight criteria in there, and they've simply followed that. Now, it's not for me to make individual judgments on individual cases because they, of course, may appeal that, but Immigration New Zealand have followed criteria that's been set for them by previous administrations. So, beyond that, I can't really comment in case those cases do come to Ministers.

**Media:** Are you happy with that criteria?

**PM:** Again, I think that, obviously, there's some expectation that it sets, because simply, without knowing the underlying criteria, on face value from cases here, I can see how the public have a bit of a view as to whether or not—the way that certain cases may fall. But, again, those are questions better levelled at the Minister at this point, and we have to act with some caution because they may appeal Immigration New Zealand's decisions.

**Media:** The zero carbon bill announcement was due last year, was—was that discussed at all at Cabinet today?

**PM:** We're continuing to progress our agenda around that. When there are announcements to be made, we'll make them.

**Media:** What provisional explanation have you been given around the political polling question from IRD?

**PM:** I was only advised of this this morning. As I understand, Ministers generally weren't aware that this had occurred, this particular case. It's, I think, absolutely right that State Services issue guidance to departments. There will be legitimate cases where they will be undertaking research, but there should never be political questions attached to that research in terms of the way that people vote. That's just not appropriate.

**Media:** Are you concerned, though, that this is potentially one of what might have been other—

**PM:** If it is, that should end. As I say, there will be legitimate cases for research, but that should never include questions around political persuasion. That is just not appropriate from Government departments.

**Media:** The Opposition has said the Government should look into all ministries, all departments, and launch a similar sort of investigation across the board to make sure none of these questions have been asked again. Is that something that you've considered?

**PM:** Look, I haven't heard of any other examples. I think it is appropriate the State Services Commission put forward that guidance to make sure that we don't see any similar cases in the future.

**Media:** Inland Revenue said that they never even considered whether this could be valuable political information. Does that show that perhaps the Public Service isn't paying enough attention to the kind of data it's generating?

**PM:** Yeah, I mean, I've heard the nature of what was being asked, and the explanation for that—in my mind, regardless, that's immaterial. It wasn't an appropriate question.

**Media:** Have you asked Minister Hipkins to write to the State Services Commissioner?

**PM:** He'd already set in train a plan at the time that I was advised.

**Media:** Have you been given an assurance from the relevant Minister or anyone in that office that there was no directive that came from anyone in that office?

**PM:** I've been told by the Minister who has responsibility for IRD they were not aware that the question had even been asked, and so all Ministers are absolutely in agreement that we should be issuing that guidance—these aren't appropriate questions. But having said that,

there are legitimate reasons for research to be undertaken—it's just the nature of the questions.

**Media:** A \$125,000 research project into tax morale—do you not think that's the kind of thing that the Minister would be aware was happening?

**PM:** Oh look, there are a range of individual pieces of work that departments may not necessarily flag with their Ministers. Market research has been happening within Government departments for a number of administrations. This is not new, and so it may well have been returned work. I understand IRD undertake this kind of work from time to time. But that would be a question better placed for the Minister. I'm simply not aware of the work programme that IRD has around market research to be able to adequately answer that.

**Media:** So why did you not talk about housing in your economic speech last week at the Business NZ breakfast?

**PM:** Certainly, my recollection is that I may have referenced it in my answers. That time I was speaking broadly about—quite focused on some of the international headwinds that we face. I think, actually, it's quite fair to say that housing, according to the IMF, is an issue that many developing countries are facing issue with a shortage of supply. We're not alone in that, so that certainly would have been a relevant point to make. But certainly it wasn't an omission I directly made.

**Media:** Well, have any members of your office—just at the back here—had any discussions—

**PM:** Yeah—even though it's your second question, and I still do that.

**Media:** It always happens! Has anyone from your office had any discussions with Australian Labor leader Bill Shorten or any members of his office about him visiting New Zealand and him meeting you ahead of the election?

**PM:** Oh, look, I would have to ask that question to make sure I gave you an accurate answer, so you'd have to leave me to ask my staff that.

**Media:** I'll follow up on that.

**PM:** Yep. No problem. Any other questions? All right. Thanks, everyone.

**conclusion of press conference**