

**POST-CABINET PRESS CONFERENCE: MONDAY, 17 MAY 2021**  
**HANSARD TRANSCRIPT**

**PM:** Kia ora koutou katoa. Good afternoon everyone, and kia orana. Welcome to Budget week, in a week in which we'll continue to outline our plan to secure our COVID recovery while tackling New Zealand's long-term challenges.

First, a look to events over the next few days. This evening, I'll be speaking at the Eid Day celebrations here in Parliament. Tomorrow and Wednesday, I'm here in Wellington and also in the House. On Wednesday, I'm speaking at the New Zealand Scholarship Top Scholar Awards. Thursday is obviously Budget day. On Friday, I have some post-Budget visits here in Wellington.

Now, two milestones in our ongoing COVID recovery and strategy to reconnect New Zealanders with the world. Following sign-off from the Director-General of Health, quarantine-free travel with the Cook Islands has commenced today. The Cooks bubble marks another important step for New Zealand, one that will allow families to reconnect, commercial arrangements to resume, and tourism in the Cook Islands to kick off once again. It will also, for some lucky Kiwis, offer a well-deserved winter break. I understand it's 26 degrees in Rarotonga today. I wish everyone coming to and from the Cooks very safe travels.

Last week, I announced that in early July I will lead a trade and promotional delegation to Australia, New Zealand's first to that country since the emergence of COVID. Today, I am pleased to announce that prior to that trip, Australian Prime Minister Scott Morrison will visit New Zealand for our annual leaders meeting. He will fly into Queenstown on Sunday, 30 May, in time for the Highlanders and Melbourne Rebels game, which he'll attend, and for meetings on Monday. He'll then depart on Monday afternoon. If it wasn't clear, I will be attending that game alongside Prime Minister Morrison. He'll engage with business, tourism, and community leaders and lay a wreath at the Arrowtown war memorial. Of course, the majority of the time will be spent in dialogue together.

The last such meeting I had with Prime Minister Morrison was in Sydney in February last year. It was the day of New Zealand's first COVID case. It goes without saying that a lot has occurred in the 14 months since: unprecedented border closures, multiple lockdowns, and the roll-out of the most ambitious vaccine programmes in both countries' histories. All throughout, we have taken quite similar approaches, with similar management of the virus and comparable levels of openness. It is strong and successful COVID responses on both sides of the Tasman that have allowed our world-leading green zone travel arrangements with Australia, or, as we've called them, our trans-Tasman bubble. It's also a reflection of our success that in-person leaders meetings are even possible.

Over the last year, I've had regular phone and text conversations with Prime Minister Morrison, but it will be both a milestone and a pleasure to resume face-to-face conversations once again. Our discussions will focus on how Australia and New Zealand can best meet the shared challenges facing our region, including COVID-19 economic recovery and climate change, as well as how we work together on key geostrategic and security issues. I imagine that some of you will look to join us in Queenstown for the visit, and I look forward to providing more details in due course.

At 6 p.m. this evening, Minister Nash will step in for Minister Faafoi, who is unfortunately unwell today, and speak here at Parliament about plans for an immigration reset and rebalancing as part of the Government's broader COVID recovery. We've long said we would use the opportunity of COVID to rebalance New Zealand's immigration system and ensure it best delivers for our communities and economy. We want to look to shift the balance away from having to rely on low-skilled work towards attracting higher-skilled migrants and addressing genuine skills shortages in order to improve productivity.

Meanwhile, you will have heard this morning that the Government is developing a new investment attraction strategy to encourage targeted and high-value international investment

into New Zealand. As a first step in the strategy, we have agreed two new border exceptions for investors. Over the next 12 months, we expect 220 potential investors to New Zealand to carry out due diligence on potential investments, and we expect these people and the investment they make to play an important role in our economic recovery.

Before I open for questions today, I'd like to say a quick word about Budget 2021. Through our COVID response last year and in Budget 2020, we laid the foundations for New Zealand's economic recovery by supporting businesses to stay afloat and heavily investing in job creation and training opportunities. As a result of that balanced approach, we've seen our economy perform much better than expected—better than many of the economies we compare ourselves to. But there remains considerable uncertainty, and there are still challenges ahead, so we need to continue being cautious and careful and making targeted investments that address our long-term challenges; also, that we come out of COVID stronger than we went into it. I look forward, alongside the Minister of Finance and our team, to sharing the Budget with you on Thursday. Now happy to take questions.

**Media:** With the Budget coming up on Thursday, how much do we have to manage our expectations about this Budget?

**PM:** Well, actually, with every Budget there will be different groups, people in different circumstances, who will be looking for and expecting their own initiatives to be included in the Budget. All I can say is, ultimately, everyone will need to just take a look on Thursday to determine whether or not we've met those expectations. What we've been really clear in the lead-up, though, is that, yes, our economy has performed better than expected, our unemployment is lower than we unexpected, and that's all been through careful decision-making. We're going to continue that careful targeted decision-making in this next Budget too.

**Media:** So we shouldn't get too excited about big transformational spending—this will be careful?

**PM:** Look, I'm going to leave people to make their own judgments on Thursday. But, again, we are very mindful of the different kinds of debt that generations can inherit, both social and debt in terms of New Zealand's fiscal position. Everything we are doing is about targeting what we do to address the challenges we have as a country, including as we recover from COVID-19.

**Media:** If you turn off the tap of low-skilled workers coming in from overseas, do we have enough Kiwis to fill those jobs?

**PM:** Look, this is where I'd say this is about us being really clear about what our needs are as a nation but also where we should be looking to in the future. If you look at New Zealand, we have the highest reliance on temporary workers in the OECD, and so this is a chance for us to look and say are we doing the best we can by those who are coming in to give New Zealand their skills and their labour—are we doing the best we can by them but also by our domestic workforce? We need to move to a situation where we aren't relying on overseas labour to support our economy, because you can see what happens in a crisis like COVID-19 when that's the case.

**Media:** One of those key categories of temporary migrants is the RSE scheme. Will you close the door on Pacific workers?

**PM:** No, and, look, let's be really clear that, actually, the RSE scheme is a very particular scheme in New Zealand's history and also in our immigration settings. It wasn't just about, of course, providing labour into our horticulture sector; it was actually about providing job opportunities for those Pacific countries we have relationships with. So I do see that programme as providing multiple different outcomes for New Zealand and the Pacific.

**Media:** On the Cooks bubble, if there is, say, a case there when our tourists go there, whose responsibility is it for the tourist to get back to New Zealand?

**PM:** So, of course, we've been very open that with the Cooks bubble, if there is a COVID case, it will almost certainly have originated in New Zealand. The only potential exception could be if they're at the maritime border, and the likelihood of that is very, very low. So that's why we've been really cautious in the reopening, because we know ultimately it will be our responsibility to help support the Cooks in any response. There's also a different set of circumstances for New Zealanders who may be in the Cooks there if there is an outbreak, because we'll be needing to provide support to their system, and it's likely the outbreak will be in New Zealand. We don't have the same protocols around Australia where we tell people to shelter in place. It may well be the case that we will bring people back to New Zealand in order to not put too much pressure on the system in the Cooks.

**Media:** So we would foot the bill for that?

**PM:** Well, of course, people—I mean, “foot the bill”. Keeping in mind, people will be ticketed, and so it might be that you bring forward travel arrangements, and so that would be a situation you'd work closely with the airline around. But unlike Australia, the situation would be that if there were a case, it would have been because we have a case in New Zealand and all the consequences from that. It doesn't put New Zealand at risk to then bring New Zealanders home.

**Media:** Could that repatriation—could that also include bringing Cook Islanders to New Zealand to offer them medical care here and to take some of the strain off their health system?

**PM:** And there, actually, it just falls to the existing arrangements we have with the Cook Islands and the Cook Islands health system. The reason we have been so cautious is because, of course, we do see ourselves playing a role in providing and supporting critical healthcare provision in the Cooks. That's why it's always made sense for us to walk through this reopening carefully and closely alongside the Cooks because there would be an expectation that if there were an outbreak and urgent medical care was required, there would be a call on New Zealand.

**Media:** On the Budget, you mentioned that there are different types of debt, financial debt and social debt, and maybe not to address the child poverty [*inaudible*], have you looked at the cost and benefits and wellbeing analysis of deciding to spend first on child poverty versus reducing debt first?

**PM:** I think actually I would say that the whole framework that we put around (a) the notion of a wellbeing budget but (b) also the work that we've done around child poverty and child wellbeing demonstrates that we see those long-term costs. Not only in our child poverty legislation do we require Governments to report on what's happening with incomes, we also report on child poverty related indicators. So that's us saying, well, actually, a consequence of child poverty is that you might see preventable hospitalisations, food and security issues, the consequences of poor accommodation which we see through our health system. All of that acknowledges that cost as well, but it also acknowledges why we have made the investments we have. Straight off the bat in our COVID response, the immediate \$25 a week increase in main benefits, the doubling of the winter energy payment, the changes to the in-work tax credit was all an acknowledgment that we needed to try and mitigate against those harsh realities of an economic crisis which hits our most vulnerable first.

**Media:** But there are people around the child poverty activist community who say you should be doing more, carrying out more of the Welfare Advisory Group measures on child poverty instead of using that headroom to reduce debt.

**PM:** Yeah. And also I would say to that that we at the same time—not only is it about reducing the child poverty that we have, and I really do defend our record and the investments we have made there; it's also about ensuring that those who are already in the working poor, because it's not just about those without employment, those who are in work, seeing their incomes increase, whether it's minimum wage increases or indeed the wage subsidy to keep people connected to the workforce—those are all considerable investments, well, for the

purposes of the wage subsidy, that Government made to ensure that we didn't see more people, potentially, fall into greater forms of poverty and material hardship. So I guess my point is we have taken on debt in order to cushion that as well.

**Media:** I'm saying: why not take a more expansive approach like the Australians have just done in the last Budget?

**PM:** Oh well, look, you know, I would say, of course, some of their investment they've done that through tax cuts. Our approach, consistently as a Government, has been through quite targeted investment. So the family tax credit, a very direct way that you can impact on families on very low and middle incomes; the Best Start payment; the increases that we've made to paid parental leave eligibility; and as I've already said, the introduction of the winter energy payment—all very targeted direct supports for those families.

**Media:** Thinking about the bilateral meeting with Scott Morrison in a fortnight's time, the last bilateral was probably most notable for you saying "Do not deport your people and your problems." to the Prime Minister in Sydney. What issues do you think are going to be top of mind for you? Do you have anything else you want to get off your chest to the Prime Minister when he visits?

**PM:** Oh, I mean, I think the first thing I'd say is we've always been consistent on issues that are difficult in our relationship—very transparent about that—so we don't allow these to just bank up. We share them at the time that they are problematic for us. And so, actually, my view is that this meeting is really going to be a chance for us to talk about what's next for our relationship. You know, we have been in fairly constant contact with one another, because we've been sharing and learning and thinking about what next. Now, as New Zealand is looking outward to map out our plan and strategy for reconnection, our borders are quite closely linked. So I'd like to have a conversation around what does our region's reconnection with the world look like. I expect it will be a very practical meeting where we'll share in the way that we have done over the past 12 months.

**Media:** You also said you wanted to use it to show off tourism given that the trans-Tasman bubble is open. Do you reckon you can get ScoMo—

**PM:** I don't know that we necessarily need to show off, you know—the kūmara doesn't sing of its sweetness. We just need to be there and it tells its own story.

**Media:** OK, so you're not going to invite them to get on a bungee or the Shotover or whatever else?

**PM:** I would never ask a politician to do something that I myself would not do with a camera present. That's my general rule for organising a visit.

**Media:** Early in the election campaign last year, Labour promised within six months of forming a Government to change the way that productive farmland [*Inaudible*] and introduce resource consent for certain categories of soil. That hasn't happened yet and we've passed six months now. What's the hold-up?

**PM:** So we said that we would do that under the National Environmental Standard for Plantation Forestry as part of the review work there. That is the year one review work. That is under way and it is part of that, but I will check in with the Minister on some of the precise time lines around that piece of work.

**Media:** If you were a migrant obviously coming into New Zealand as a result of the immigration setting changes—

**PM:** Look, it's not a case that we're sitting there drawing up crude numbers. This is about: what are the outcomes that we want as New Zealand? What do we want for those who take that enormous step of coming to New Zealand to contribute their skills to us and to relocate their entire lives in order to contribute? What is it that we want for them and for New Zealand and what experience do we want them to have? My concern is that for too long, with

New Zealand's reliance on a migrant workforce—it's often a low-paid workforce—that it's not working either for them or for New Zealand in the longer term.

**Media:** Isn't one of the other problems is we don't have that infrastructure to support such high immigration numbers, right? So are you going to cut the number—

**PM:** And look, this has been part of some of the debate—you know, what are we offering those who are coming to call New Zealand home if we have constraints on our infrastructure, on our housing—again, comes back to it is as much about giving a high quality experience to those who make that shift as it is about making sure that it's the right decision for New Zealand as a whole as well.

**Media:** So are you committing to no cap?

**PM:** Look, all I'm saying is that what we've acknowledged is it's time for us to have that discussion about whether or not we're getting that balance right. When you look at New Zealand's reliance on a temporary workforce relative to the OECD, that does tell us that it's time to look at what our offering is for those who are calling New Zealand home and whether or not we can do better. Take a look at the speech and we can come back on some of that discussion, but, you know, don't expect to see crude raw numbers. It's got to be about the settings we create.

**Media:** To have that debate around immigration, do we not need to put some numbers to know, I guess, how many people we'd want in New Zealand, to think about infrastructure—

**PM:** A population strategy. Yeah, and, look, it's interesting since I've been in Parliament there's been a discussion about that. Is the starting point that you discuss what it is New Zealand can sustainably maintain and then work backwards from there? Look, legitimate debate. What I'm saying is don't expect tonight for us to just throw out raw numbers and work backwards. That's not what we're doing and I think that would do a disservice to those industries who currently are for very legitimate reasons utilising a migrant workforce. I think, though, this is a chance for us to just say: we will unlikely be in a position like we are again now; let's make sure we have got our settings right and that it's working for everyone.

**Media:** Just on Minister Jackson's Cabinet paper in response to the United Nations declaration, what's your time frame in terms of he's already said it will be in the next few weeks that that paper will go to Cabinet. What's your time frame then of consultation with iwi, with the public, having that national conversation, and implementing some of those things that will actually meet those obligations of the declaration?

**PM:** That's what all the Cabinet decision-making needs to be around, so I don't want to pre-empt that process. So as soon as that's been considered by Cabinet, you can expect that we'll then share what that public engagement process will look like. I think what's really important is that was the whole point of us starting that *He Puapua* discussion in the first place—was to design a process that was open for New Zealanders to engage in.

**Media:** Because *Newsroom* understands that this parliamentary term would be when some of that work would take place. So is it a reasonable expectation that we would start to see some of the United Nations stuff come through in this parliamentary term?

**PM:** No decisions on that have been taken. As I say, I'll leave it to Cabinet to make those decisions when they have a paper before for them.

**Media:** And just lastly, Judith Collins obviously continued that discussion theme in the weekend around Ngāi Tahu. What's your response to, I guess, her handling of that and Ngāi Tahu's response to that?

**PM:** Look, I think Ngāi Tahu said what was needed because there was information in the Leader of the Opposition's statement that was just incorrect, and Ngāi Tahu have set the record straight.

**Media:** On the Budget, Labour's election manifesto had basically all of its health policies coming into force—being funded by the current Budget. Is it still your commitment to fund all of those policies in the current Budget as they were promised at the election?

**PM:** Feel free to put that question to me on Thursday.

**Media:** But surely you can commit before Thursday to fulfil the promises you made in your election manifesto?

**PM:** I'm going to have that discussion and debate with you on Thursday.

**Media:** So it's a no?

**PM:** I'm not going to give a response either way. I'm going to respond to that on Thursday. You only have to wait a couple of extra sleeps. I like to build the anticipation—even though everyone has already declared—given their title to the Budget—before it's even been released.

**Media:** Prime Minister, ministry of foreign affairs gave us a statement a short time ago saying that they'd given export approval for firearms suppressors to be sent to an Israeli company. Are you comfortable with New Zealand sending military exports to Israel, and will you be seeking any assurances that this technology is not being used to compound conflict?

**PM:** Well, I can assure you that it's not, because I have sought clarification from the Ministry of Foreign Affairs and Trade. They've advised that they had an application from a company to provide five samples to an Israeli company. The export order regime, of course, is all built around the idea of products being provided for a commercial arrangement and an end user. This application did not include either because they were samples, but the Ministry of Foreign Affairs and Trade, rightly, made it clear to the company in question they should not bother, because approval would not be given for these to be used or sold to either private companies or the Government for military purposes.

**Media:** So why would you send them firearms suppressors if you weren't going to sell them to companies there or give them to the Government—why would you send them to them—

**PM:** A good question, which is why MFAT made the point to them: don't bother, because if the point of sending these samples is for a future commercial arrangement, you won't be granted the approval for that to go ahead. But with the existing export regime, they didn't have grounds to say you can't send the samples, but they did have grounds to say you will not be able to sell on a commercial arrangement to a private company, to the Government, or to the military.

**Media:** That must raise questions, though—

**PM:** But it does give us the ability—and another thing to add to looking at the export regime, because, of course, it would be much easier just to say from the outset.

**Media:** That must raise questions. It does sound somewhat fishy that the company would want samples when it's been made clear that they won't be allowed to have any more.

**PM:** It seems to me to be a pointless exercise for the company to have engaged with in the first place, but I'm told MFAT made it very clear what the end point and end decision would be, were they to apply.

**Media:** In terms of the immigration settings announcement tonight, does any of it still apply to the 2017 Labour Party policy, or has most of that been made redundant by COVID?

**PM:** Yeah, and I think I would—and, again, I would describe this as, you know, a bit of a scene setting and also us outlining where we want to—some next steps particularly for the investment attraction strategy. So probably be easier for me to have that conversation with you after tonight.

**Media:** Samoa appears set to get its first female Prime Minister. What do you think that means for Samoa, and also the Pacific, especially in a country which is seen as very conservative and traditional.

**PM:** Yes—so, obviously, we've seen some decisions made today where that, ultimately, could be, indeed, the final outcome. It feels significant to me, having been a member, of course, of the Pacific Island Forum, and, those leaders' dialogue, it feels very significant. Again, we, of course, respect, within the Pacific, the outcomes of any democratically led election, but it is certainly a meaningful thing when you see a historic decision made when office is held by a woman.

**Media:** What about Tuilaepa's attempts to, I guess, hold power—or what people see as his attempts to—

**PM:** And there, I just need to respect the processes that each country have when they have a democratically held election. Of course, sometimes decisions will be contested through the judicial system, and we just need to leave that to run its course.

**Media:** Prime Minister, why doesn't New Zealand formally recognise the State of Palestine?

**PM:** Well, in recognising the two-State solution and recognising the right of Palestinians to security, to a stable home—the right of Israel to exist—I think we are supporting the outcomes that much of the international community seek. You will have heard me say this morning that in my view, of course, we currently do not have that for either side, but particularly in what has instigated some of this—that threat of eviction for Palestinians from their homes has become a trigger for a devastating conflict. It is just moving us further and further away from a two-State solution.

**Media:** A majority of the UN member States support that. The Australian—

**PM:** The two-State solution?

**Media:** No. In fact, the recognition of the State of Palestine—which is different. The Australian Labor Party supports the recognition of the State of Palestine. Do you accept that that will at least now be a debate—as a way to sort of ease suffering in Gaza and in Palestine?

**PM:** Yeah, well, I would still stand in defence of our position. We take a very firm view here, and we have, you know, consistently, over the last two years, where, of course, there's been much debate sparked by the positioning of the United States. We have stood firmly on our view that we need to give Palestinians that security that they will have a consistent home, that they will feel secure in that home, and some of the encroachment and resettlements and evictions move us further away from that.

And, again, as I said this morning, you know, I've visited the region and the area. It felt to me even at that time, and this was several years ago, that we were very far away from having coexistence between Palestinians and Israelis, and yet it is in everyone's interest that we find a path in order to achieve that. What we're seeing at the moment is devastating—absolutely devastating. All right—any further questions?

**Media:** Last week, you talked about the possibility of letting in unvaccinated people before we finish our roll-out. Is that something you're going to raise with Scott Morrison as well?

**PM:** Yeah, look, I expect, given our trans-Tasman arrangement, there is real benefit in us talking about how we view that possibility, how our health officials viewed some of the data on the risk of vaccinated persons in terms of transmission, and our views on vaccine passports. You know, if we're able to get as much consistency between us as possible on some of those new and emerging issues, the smoother it will be for our trans-Tasman arrangements. So, yes, I do anticipate us having those kind of really practical discussions.

**Media:** So do you think it might be possible for someone to be vaccinated and can visit the trans-Tasman region?

**PM:** And, again, we'd have to be of the same mind about what the data was telling us. You know, we've had our own experience, and, as I've said, if there's going to be an exception to the rule, New Zealand will find it. We've had our own example of a vaccinated person who's had COVID. Now, again, it seems to hold up on the evidence that they weren't transmitting it

to others. But that's where we want to be really careful that if we're in a state where we have not vaccinated the majority of our people yet, we don't want to take on too much risk in that phase. So I just want to have an open dialogue with Australia—where's their thinking, and what will their criteria be?

**Media:** Some of the immunologists' response to that has been it would be risky to have someone come—

**PM:** Yeah.

**Media:** If the borders are open, COVID will come in, and if there is unvaccinated sections of the country, then you could—

**PM:** That's why we've been highly caveated in this. We're keeping an open mind because, you know, we are continuing just to see the data and the evidence come out. So we're not rushing to conclusions either way. My view at the moment is let's get the trans-Tasman arrangement right, let's let it bed in, let's look to the Cooks, of course Niue when they're ready, but in having some of those conversations about next steps, let's see how far we can take it in talks with Australia as well.

**Media:** Would Christopher Luxon be a more formidable opponent than Judith Collins?

**PM:** You'll know I don't tend to make comment on any of the past Opposition leaders or any of the potential new ones. Those are ultimately decisions for the National Party.

**conclusion of press conference**