

**POST-CABINET PRESS CONFERENCE: MONDAY, 14 MARCH 2022**  
**HANSARD TRANSCRIPT**

**PM:** Kia ora koutou katoa; good afternoon. Today, I am joined by finance Minister Grant Robertson and energy Minister Megan Woods. As I stand before you, we are in the midst of a global energy crisis. Russia's invasion of Ukraine has unleashed a global energy shock and a spike in prices at the pump felt by the whole world. Last week, prices for all three fuel types rose by the highest amount on record: 91 increased by 6 percent in a week and prices have increased by 13 percent over the past month. The impact of the war sits on top of the pain already caused by the pandemic, with global supply chain disruption and increases in consumer demand causing high levels of inflation in many countries, including right here in New Zealand.

We are in a wicked perfect storm, and it's a storm that's impacting people's lives. We've said many times that forecasters predict that things will improve. And when it comes to inflation, that remains the case. Like our current Omicron outbreak, the economic circumstances are expected to peak and subside over the coming year. But when it comes to the specific issue of the impact the war in Ukraine is having on fuel costs, we expect continued volatility—and this affects everything, from the ability of people to get to and from work to the cost of supplying goods and services.

And so, just as it was our job to get New Zealand through the health crisis of COVID, it's our job to get them through this energy crisis too. There is no silver bullet, but we have a plan where every part will make a difference. Since day one of taking office, Labour has reduced cost pressures on New Zealand families. Policies like family tax credit, free school lunches, reducing doctors' fees for children, and school donations being removed have all been about ensuring families have more in their pocket to get ahead. But what we are experiencing now warrants a specific response. And so, today, I want to set out further steps in our plan to help support Kiwis through this wicked perfect storm.

First up, on 1 April, a suite of measures will take effect that will see significant increases in the take-home incomes of the majority of Kiwi families: 346,000 families—almost 60 percent of all New Zealand families—will see their incomes lift by an average of \$20 a week. Those on superannuation will see their incomes lift by \$52 a fortnight for a single person and \$80 for a couple. In addition, a full-time minimum wage worker will see their pay lift by \$48 a week. As well, childcare-assisted income thresholds will also be adjusted on 1 April.

And then, on 1 May, the winter energy payment will kick in for over a million New Zealanders, with families receiving over \$30 a week—a total of \$700 extra over the winter months. In addition, over the course of the last week, the Government has been developing additional policy aimed at offering immediate relief to help Kiwis through the current peak in petrol prices. Our primary focus is on how we can give Kiwis in the long term options that mean they have more energy security; that we aren't at the whim of global energy prices.

Our policy is to expand public transport links, to make it more affordable to own a fuel-efficient hybrid or electric vehicle, and making public transport cheaper for low-income families—are well under way. This must continue, and I am signalling today that you will see in the Budget in May greater investment in this area through the Climate Emergency Response Fund. Now, more than ever, is the time to make our transition towards more sustainable transport options and greater energy security. But this is not a transition we can make in a week or a month.

As we've seen with the most recent jump in prices at the pump over the weekend, the situation has quickly become acute—and extra short-term measures are needed. On that basis, Cabinet has decided today to do what we can to alleviate the increases at the pump by reducing the fuel excise duty by 25c a litre and the road user charges by the same amount for a period of three months. This means a potential saving of between \$11.50 and \$17.25 per tank of fuel. Cabinet has made the decision that, in addition, all public transport fares will be half-price for the next three months. We hope this ensures that where the option of shifting

how we travel is available, this makes it more affordable to take that public transport option up. We cannot control the war, and we expect continued volatility in fuel prices, but we can take a range of steps to reduce the impact on New Zealand families, and we are.

I'll now hand to Deputy Prime Minister Robertson to provide the details, followed by Minister Woods, who will talk about our engagement with the fuel companies on this issue to ensure that reduction is passed on to consumers. Minister Robertson.

**Hon Grant Robertson:** Thank you, Prime Minister. As the Prime Minister has said, Cabinet today decided to support New Zealanders through this global energy shock by reducing the fuel excise duty and road-user charges by 25c and halving public transport fares for the next three months. I'll work through each of these decisions.

Firstly, the reduction of the fuel excise duty. This will come into force via an Order in Council from 11.59 p.m. tonight. Minister Woods will speak shortly on her conversations with fuel companies in terms of that benefit being passed on to consumers. We have decided to make this change for an initial three-month period with a review before the end of that. New Zealand, like many other countries, is reliant on the global oil price when it comes to the prices that New Zealanders pay at the pump. We have seen dramatic increases over the course of the last few months and, as the Prime Minister has said, even more so in the last few weeks. The price of crude oil has increased by 38 percent since the beginning of the year, coming on the back of significant increases in the last three months of last year. We cannot influence the global oil price, and so, therefore, if we want to relieve some pain at the pump, we need to look at the things that we can control.

Reducing fuel excise is the quickest and most efficient way of using a tax system tool to make a contribution and address the impact on New Zealanders of this global energy shock. It means that we can take this action within hours, rather than the months it typically takes to make changes to other aspects of the tax system such as GST. As the Prime Minister said, the advice that we have received is the decrease we're announcing today will save New Zealanders \$17.25 every time they fill a 60-litre tank, or \$11.50 every time they fill a 40-litre tank.

We do need to recognise that petrol prices are expected to continue to rise. The Russian invasion of Ukraine is continuing to undermine and destabilise global energy markets and, added to the other inflationary pressures the world is facing during the COVID supply chain disruptions, this is, sadly, not over yet. That is why we will review the situation over the coming months. We will also outline in the coming days the means by which we will reverse this change. It is likely that this will be a gradual phase-down, in line with global oil prices stabilising and reducing.

On road-user charges, it is a more complex picture, and, therefore, it will take longer to implement. I can assure those users that they will still get three months' worth of benefit from when we are able to make changes. The two reasons it will take longer to implement are that there are over 80 different vehicle types and over 100 rates of road-user charges. Reduced rates will need to be calculated and transport officials will move as quickly as possible, but it is not an instantaneous process.

Secondly, section 85 of the Road User Charges Act states that any rate change only comes into force 42 days, or six weeks, after being notified in the *Gazette*. This was clearly put in place for increases, but we still need to deal with the fact that that is in our legislation. We will make decisions in the coming days on the process for dealing with these matters—in particular, if we can use the existing statutory framework or whether we need to change it.

To reiterate, the time difference between rate changes will not mean road users with vehicles subject to road-user charges will be disadvantaged. No disadvantage will result, because the three-month period will apply from whenever the order comes into effect.

Thirdly, we decided today to halve public transport fares for three months. I'm advised that this is likely to come into force from 1 April. Cheaper public transport fares can directly reduce transport costs for households who are encouraged to substitute their current car travel for

public transport that is readily accessible, and for households who currently use public transport. Reducing public transport fares also provides households with more money to manage rising living costs, which will be impacted by fuel prices. In practice, local authorities set public transport fares and will be reimbursed to compensate for lost fare revenue. We are unable to directly set fare reductions, but I'm confident the local councils will welcome this change and will implement it speedily.

As the Prime Minister has stated, supporting public transport and mode shift will be an important part of the work we do to reduce emissions, and it will feature in Budget 2022. Therefore, I think it is appropriate to take this step for three months, which takes us up to the beginning of the new financial year covered by that Budget.

Finally, to come to the question of costs, as I have noted a number of times, the fuel excise duty is a fully hypothecated charge. Fuel excise goes directly into the National Land Transport Fund that pays for roads, public transport, and walking and cycling infrastructure all around New Zealand. That fund is always well over-subscribed as we attempt to meet the transport needs across New Zealand, following decades of under-investment. We cannot afford to delay that work while taking this pressure off households. Therefore, I have committed to topping up the National Land Transport Fund for the expected loss of revenue from the reduction in excise.

Treasury and the Ministry of Transport have estimated that the cost of the change for FED and RUC to be \$350 million for this three-month period. We will be meeting the cost of this through savings and reprioritisation from the COVID response and recovery fund—in particular, the reduction in costs related to MIQ. The cost of the public transport fare subsidy is estimated to be between \$25 million and \$40 million. This, too, will be met from savings and reprioritisation from the COVID fund. I would add that as it is a reprioritisation from this existing fund, it is already factored into the Budget forecast so we can make this commitment without increasing Government debt.

As the Prime Minister has said, this situation highlights the importance of two things. Firstly, our move to energy security and independence by moving away from volatile global oil markets, by decarbonising our vehicle fleet, and supporting public transport, cycling, and walking—and we will deal with this more in the Budget. The reasons for us to need to do so as a country have never been more stark.

Secondly, this highlights the importance of support for those most affected by the cost-of-living increases, and, as the Prime Minister has outlined, there was a suite of measures coming in to support low and middle income households on 1 April and then, again, on 1 May. But for now we are moving as swiftly as possible to reduce the pain at the pump and support the users of public transport. I'll now hand over to Minister Woods, who will discuss the conversations and expectations we've been having with the fuel industry.

**Hon Dr Megan Woods:** Thank you, Minister Robertson. This afternoon, I've been speaking with fuel company CEs, who are welcoming this move to ease pressure on consumers at the pump. Most fuel companies are indicating that they're ready to reduce the price of petrol from midnight tonight. Of course, the Government wants clear evidence that the 25c litre reduction in fuel excise duty is passed on to consumers and not absorbed into fuel company profits. To this end, I'm writing to all of the companies this afternoon, outlining our expectation that the full amount of the excise duty relief is passed on to consumers at the pump.

In addition, I'm seeking daily information disclosure from fuel companies on their rolling seven-day-average fuel margins to monitor industry profits. I intend for this information to be publicly available. Our preference is that the fuel companies volunteer this information, and the conversations I've had with them is that they are willing to do this.

Under the Fuel Industry Act that we passed in 2020, there are options to pursue more data disclosure, and further measures to ensure that the discount in excise duty is not being absorbed into company profits. Of course, the fact that we have this framework was a result

of the fuel market study that we carried out in our first term. Additionally, as a member of the International Energy Agency, I'm continuing to work with my energy Minister counterparts to monitor the global oil shock and take international action where necessary and appropriate. Thank you, Prime Minister.

**PM:** Sorry. If I may just wrap up with some final comments and then the week ahead. While, of course, as we've said, the current peak-of-cost pressures are not forecast to last the course of the year, this energy crisis will represent a crisis for many families in the here and now. And that's why we are targeting short-term measures to manage the immediate pain for everyone while focusing our longer-term measures to those who need them most.

Finally, the New Zealand economy overall is well positioned to recover. Our low unemployment, record export prices, and lower debt than most means that we can bounce back from this period, but how we are tracking overall does not always translate to how people will be feeling in the here and now, but I am confident that we will get through.

On that note, I want to quickly speak to the week ahead. On Tuesday we will mark the events of 15 March, which party leaders will be acknowledging in the House. We will also share further decisions on our humanitarian contribution to Ukraine. On Wednesday, we'll announce further decisions on our border reopening, and on Thursday, we launch the final curriculum content for Aotearoa New Zealand histories in schools and kura. In addition, over the course of this week and next, Cabinet will be considering the changes we've been discussing on mandates, vaccine passes, and the COVID protection framework. We'll look to make announcements on these decisions next week. We're happy now to take questions.

**Media:** Prime Minister, given the Government has acknowledged that petrol prices will continue to rise, are you confident you've gone far enough today?

**PM:** We absolutely have to alleviate the pressure that families are feeling now. In this unprecedented move, the reduction of 25c a litre is us making sure that we are responding quickly to the pain at the pump and what we believe may potentially continue. It will run for three months. That's an acknowledgment that there's volatility now. We can't predict what it will look like over the next 12 weeks, but we'll continue to monitor that situation, while on 1 April 60 percent of families will get an additional boost through the family tax credit changes.

**Media:** You've mentioned that we have, you know, a global energy crisis. Are you willing to articulate that we have a New Zealand cost of living crisis?

**PM:** This represents a crisis for many families—absolutely. The war in Ukraine is causing huge pressure, increases at the pump that we have not seen before, and that is why we are responding very quickly with an immediate reduction in the price for every New Zealander, while, at the same time, bringing in longer-term measures to support families across the country.

**Media:** That's specific to petrol, though. Do we have a general cost of living crisis?

**PM:** And, as I've just said, the war in Ukraine is causing considerable pain at the pump. So we've acted to reduce those prices for everyone. In the longer term, we're also acting to make sure that 60 percent of our low and middle income families are getting long-term support through changes to the family tax credit, and our superannuitants get a boost as well.

**Media:** Does a \$11.50 saving really go any way to address this crisis?

**PM:** As we've said, the changes that we've made at the pump, you know, can be from \$11 a tank to \$17 a tank. That is an immediate change that we can make that will support people from midnight tonight. The longer-term changes come in on 1 April. Sixty percent of families will benefit from an increase in the family tax credit. We've then also got the winter energy payment coming in on 1 May, and our superannuitants benefiting from that too. We need immediate measures and long-term ones.

**Media:** What has taken you so long to admit we have a cost of living crisis?

**PM:** I've always acknowledged that families have been experiencing pain as a result in the changes to the cost of living. That's been something we've been consistent on, and it's why, at the end of last year, we designed a package on 1 April to help support families.

**Media:** Prime Minister, the Irish, they did a similar thing. They cut it for five months. Why have you arrived at three months?

**PM:** Theirs is three—

**Hon Grant Robertson:** To August.

**PM:** To August—forgive me. Theirs, at the moment—I checked the exchange rate. They are about \$3.40, I think, if you were to do a crude analysis of our exchange rate to theirs, yeah.

**Media:** Yeah, well they've done it longer, though. You've done it wide; you decided three months.

**PM:** Well, as the Minister of Finance has said, look, at the moment we've got a huge amount of volatility. We don't know where prices will go, where they'll come and fall away again. We've put in this initial three months. We'll then assess after the three months where those prices are. We'll be looking for stabilisation in the prices, and then we'll ease off. So we will be careful to make sure that we don't have a jolt at the pump for families. Mr Robertson, have you got anything to—

**Hon Grant Robertson:** Yeah, just, I mean, I think, to pre-empt, Barry, I think where you're going—we have to monitor the situation as it evolves and there are a number of different scenarios over the next three months that could see the situation get worse, stabilise, or get better. So we have to make sure we're nimble enough to deal with that. At 25c a litre, it's a significant reduction, but, obviously, we understand that this is a very volatile time. So we will review it.

**Media:** So if it got worse, would you reconsider the 25c a litre and go maybe longer?

**Hon Grant Robertson:** Not necessarily the amount, but, certainly, what we'll be doing is reviewing the time period. As I say, this is an incredibly volatile time. Nobody can be certain about where we'll be, but three months gives us the time to be able to look at where we get to. We'll review before the end of that three months and make our decisions then.

**PM:** It's been hard enough to predict the impact of a pandemic, let alone the impact of a war, on energy prices. So this is something that we can do quickly now. We can give that three months, and then we can look again at where we are over the course of that period.

**Media:** You've said that, you know, some of the spending will be from reprioritised COVID into MIQ. Is there any impact at all on Government spending and is anything, for example, any transport projects, affected by this?

**Hon Grant Robertson:** So the whole point in what we've done is make sure that we don't lose momentum in our transport programme. And I stood on the podium on Thursday and talked about that, which is that, you know, obviously, had we made this change and not topped up the NRTF, then there would need to be a slow-down in those transport projects. We think New Zealanders want us to get on with addressing our long-term infrastructure deficit, and I can imagine we would be up here or on various shows that people in this room host having to defend transport projects slowing down. This is the right thing to do to make sure we balance the ledger.

**Media:** What contingency allowance do you have if it does go on longer, as you've alluded to yourselves, potentially going on for some time—if you need to extend out?

**Hon Grant Robertson:** Well, look, we'll take that as it comes, but we are in a position to be able to afford this and still have some more money that may well be able to be reprioritised and saved. We do that on a constant basis. We're always looking to see where we can make savings and where they're best applied.

**PM:** We've been very mindful that other parties in the House have proposed just simply making cuts to excise without having any intention of replenishing the funds that would be lost. For us, it makes no sense to make those cuts and then as a result have, for instance, public transport projects cut—the very projects we need to support New Zealanders to be able to move into new ways of travelling that will make us less impacted by these global energy shocks.

**Media:** So has the timing of the MIQ scale-down actually given you, you know, quite a bit of flexibility to be able to do this? I mean, it seems like a, you know—

**Hon Grant Robertson:** I wouldn't overstate it. There's always unders and overs in the Budget, but quite clearly we do have the room to do this from savings, so that we can reprioritise from the COVID fund. But we have a lot of other calls on the Government's books as well. So we carefully manage the process but we most definitely can afford to do this, and I think we need to. I'd also just add to the Prime Minister's earlier comment. I mean, other parties have proposed just the regional fuel tax in Auckland being cut. I think it's important to note that people around New Zealand are suffering from the pain at the pump, and we need to make sure we're benefiting all of them.

**Media:** Minister, I'd imagine you had that money squirreled away and had it earmarked for all sorts of lolly scrambles come Budget day. What was that MIQ money going to be—

**Hon Grant Robertson:** I don't know of these lolly scrambles you speak of, Jessica. No, look, we obviously look closely—we always look closely—at expenditure to see where there is the ability to reprioritise and to make savings. And to pre-empt Jason's question, we are reprioritising from the COVID fund. So we're not using the COVID fund; we're saying we no longer need this money for that purpose. We don't need to increase debt in order to make this change, and it's important we do support New Zealanders through this particular period of time.

**Media:** Was GST an option—

**PM:** Oh, sure, sure.

**Media:** Was GST an option or no?

**PM:** No.

**Hon Grant Robertson:** No, it wasn't.

**PM:** It's complicated.

**Hon Grant Robertson:** Yeah, and this is the point. We will now be passing an Order in Council this afternoon so that from 11.59 tonight, we can make this change. This is the most effective and efficient way of doing this. Once we get into GST it is very complicated, it would take a very long time, and, obviously, it starts to raise questions about GST more generally—

**Media:** Is that because legislative change would be needed? It would have to go through the House—

**Hon Grant Robertson:** Both legislative and administrative. It's a massive administrative job to play around with GST.

**PM:** Yeah, I mean, ultimately, what we were looking for as a Government—we're aware that this is a war. There is not going to be a silver bullet to try and take away all of the impact it's having on New Zealanders. But this is something that we can do quickly that will have an immediate effect, and so that's the choice that we've taken.

**Media:** Prime Minister, on the public transport changes, when will those go into effect and, given how cheap they are relative to the changes to petrol, did you consider making them go for longer or making the discount more, you know, larger?

**PM:** Yeah, so look, we'll be working alongside councils to bring effect to those changes as quickly as we can. But regardless of when they come into force, they will run for the full three months, as we've committed now. Otherwise, of course, there's a range of

considerations for us as a Government around the climate emergency, and we'll be looking at a range of different policy objectives that help us get away from the reliance that we currently have on fossil fuels and all of the vulnerabilities that that brings, but those will be decisions as part of the Budget.

**Hon Grant Robertson:** And sorry, as I said before, the advice we have is 1 April looks like a doable date to bring the public transport changes in.

**Media:** Do you have advice about how much this will actually drive up people driving more—your incentives have been driving—

**Hon Grant Robertson:** Not enough to be able to give you a definitive figure or number on that. But as I said in my introductory comments, the reason we've chosen three months here is because the new Budget begins from 1 July. And as the Prime Minister's indicated, public transport will be a significant element in this. This tides us over through to that period.

**PM:** So the one thing to also keep in consideration, we've seen a reduction in public transport patronage since COVID-19. And so, you know, we hope that this encourages individuals to either return to public transport or to consider it as a viable option.

**Media:** Minister, you said it was your expectation that fuel companies would get on board with this. How can you have assurances that they're going to play ball and not just swallow this up for extra revenue?

**Hon Megan Woods:** So I can have that confidence because I sought assurances from the fuel companies. I'm writing to them this afternoon, and I'll be asking for them to confirm that back in writing. They all seemed very amenable to these changes. They can see on the forecourts of their petrol stations the impact this is having on Kiwis when they fill up their cars. So it is something that I have had long conversations with the fuel companies around—

**Media:** So you've already spoken to the CEOs—

**Hon Megan Woods:** Yep. I've spoken to the CEOs yesterday and today, yep.

**PM:** So straight after Cabinet, the Minister made contact with each of those chief executives and sought their assurance that, yes indeed, they will pass on these reductions directly to consumers.

**Media:** And you said there's some sort of public register that keeps track of these things. Was that an attempt to keep them accountable and say, "If you don't do this, the New Zealand public will know."?

**Hon Megan Woods:** So it's around that transparency. What I've asked is that we need to monitor that seven-day rolling average of what the profit margin, what the margin, looks like, so that New Zealanders can have some certainty that that 25c is ending up in their pockets and not in the pockets of the fuel companies. I think it's in everybody's interests that we can have some transparency around that data. We may have to make some tweaks around the information disclosure regime that we have, but we can do that pretty quickly in order to do it.

**Media:** Just on the border reopening, is there any certainty you can give the tourist operators who are hurting, have been hurting so hard for the two years—is it likely [*inaudible*] that they can be preparing to have people come back into their businesses?

**PM:** I can tell them that the dates will be moving forward, and that we'll be making those announcements on Wednesday. So within 48 hours, we'll be able to give that clarity to those operators around what the future of the border reopening looks like.

**Media:** And is it likely that we would see what we've seen before with Australia going first and the rest of the world to follow?

**PM:** Yeah, we have taken into account a range of options, and we've taken into account those peak times for our tourism operators. We've tried to be really pragmatic about the

decisions, but, look, we'll be making those announcements in less, now, than 48 hours, moving as quickly as we can to give that certainty to the tourism industry.

**Media:** And it's March 15 tomorrow, and apart from the gun laws, how is New Zealand a safer place to live since March 15 three years ago?

**PM:** I think the first thing I'd say is that we all have a role to play, and so for Government, it has been about progressing with our gun legislation, and that means not just the banning of weapons, which we moved very quickly on, but our wider regime as well. At the same time, there have been recommendations around greater transparency of our national security system, around reforming the way our national security system operates, a greater focus on domestic security—all of those things we are progressing as a Government. But on behalf of the community, we all owe the Muslim community in New Zealand our commitment to standing up to Islamophobia every single day. It's about all of us.

**Media:** And, I mean, just the other week, a young girl had her hijab ripped off, so there is, clearly, quite a bit more work to be done.

**PM:** There is, by everyone, yep. Happy to have a clarification.

**Media:** Can I just clarify: will there be an opening day for tourists, or will it be a staged approach? Can you just clarify that?

**PM:** We will provide dates. I'm not going to give specifics around how many dates it will be, but there will be specific dates provided on Wednesday.

**Media:** Prime Minister, my question was also about March 15. Obviously, as an Australian it gives great pause for reflection—I can't imagine about the affected communities in Christchurch. So, I mean, how will you reflect, three years after? How should other Kiwis more broadly reflect?

**PM:** Three years on, I think it still feels very raw for many, and I have no doubt that will only be greater still for the community. But, amongst that, it's not just for us to remember; we have obligations, as Ministers, as a Cabinet, as a Government, to keep fulfilling all the commitments we made to the community on that day and the days thereafter. The royal commission has given us our blueprint; it's given us our plan. But that plan is nothing if we don't deliver it together. So we'll continue working alongside the community to try and meet their expectations and to try and help them as they honour the loss of their loved ones.

**Media:** Prime Minister, I just want to have the floor because I've just the one crack at it—about changing lanes. The poll last week was the first where this Government's been behind in the last couple of years. I'm not sure you're on record—are you committed to fighting the next election?

**PM:** Oh, I've said that, you know, as I did at the last election—you know, I am here. I am continuing to carry us through, as a Government, and to fight this pandemic and lead on our economic recovery, and I've made no changes to my plans.

**Media:** So that's a yes to—

**PM:** Yeah, I'm—yes. One difficult poll is not enough for a politician who's been around for a very long time. But also, I've been around long enough to also know that this is a very, very tough time. We are facing a pandemic, a war, a huge impact on, you know, the cost of living for people. It is tough, and I think that is being reflected in the polls. But my job is not just to get us through the pandemic; it's to get us through the economic crisis that's following.

**Media:** Prime Minister, on the cost of living crisis, are you considering increasing the extra payments into benefits and Working for Families beyond what was decided last year, given that costs of living for rent and food have also increased since then?

**PM:** Yeah—I mean, keeping in mind that when we made those decisions, that was late last year. That was in anticipation that we would have this experience. It was being forecast that we would be having this experience in this part of the year, so that's why we added an



extra \$270 million, from memory, to those family tax credit changes and made some threshold adjustments—so that we could really enhance what families were receiving. So we did that knowing what we would be coming into, and, at the same time, the same, I would say, for the benefit increases, and you can see the super increases, as well.

**Media:** But those decisions were taken before the war—

**PM:** Yes.

**Media:** —before wheat and oil prices rose 30 percent. You couldn't have expected the war, so surely—

**PM:** No, we did not expect the war, but in response to the war in Ukraine, we've made an immediate move today, valued at, roughly, again, more than \$300 million, to ease the pressure at the pump for everyone, including those who might be sole traders or those involved in freight movement, so we can try and reduce the potential knock-on effect to other parts of the supply chain. Minister Robertson, you might want to also—

**Hon Grant Robertson:** Oh, yeah, I was just going to make the point that a number of the 1 April changes, of course, take into account the increased cost of living that people are facing—that's the whole point of a number of them. So in addition to the winter energy payment that the Prime Minister mentioned for superannuitants, they get the increase that they get on 1 April as well. The same applies to others who are in receipt of income support. We also, in addition to that, have student allowances going up by \$25 per week as well. So there is across the board—and I understand the point that you're making, but, actually, the system was designed in part to take account for where inflation gets to. It's called a cost of living change.

**Media:** Booster rates are at about 73 percent compared to about, I think, 89 percent in a comparable period—they're quite low. Would you like to see them increase, and is there a strategy to get more people boosted to maybe kick-start that a bit?

**PM:** Sorry, we've changed tack from—no, no, that's fine. We can move between wars and pandemics. So the booster rate—you're right—at the moment, we're at 73 percent of the eligible population. Look, on my read, relative to other countries, that is sitting at a relatively high rate to what we've seen elsewhere. But you're right: we do need to continue to send the message to New Zealanders that a booster is not an optional extra. It is what is giving you the full protection against Omicron. My concern and, I know, the concern of some of our experts, is that people are treating it as something that is potentially not necessary if they choose to run with two shots. That is incorrect. It is three for Omicron, and so we need to keep sending that message. We need to keep reminding people that for most people—yes—who are vaccinated, it will be mild to moderate, but not everyone. So, again, the urgency of boosters remains.

**Media:** Would you look at some mandate changes, like building on the existing mandates to get those booster rates up, if you felt that they were lagging to the detriment—

**PM:** Well, we're having to balance, and these are some of the conversations we'll keep having. What we're having to balance, of course, is the knowledge that we have now an unvaccinated population who many will have been exposed and have had COVID, so that diminishes the benefit of vaccine passes going forward. So these are all things that we need to consider, because, actually, New Zealand's success to date—and we have been successful, with a very low death rate—has been because of high rates of vaccination, so we need to keep using as many levers as possible to sustain that.

**Media:** Given the importance of Omicron for hospitalisations and deaths, is there any threshold, or is there a point, at which you say we need to put a rocket under this and get boosters up, or are you relatively happy with the way it's tracking?

**PM:** I'm pleased to see that we have high rates of boosted population in our older New Zealanders. That makes a big difference. But we do want them to be higher still. That is something that we will continue talking with the Ministry of Health on: how we can continue

to enhance those rates. And what we'll be looking for is, yes, what's happening in our hospitalisations and whether or not those booster rates are having a material impact, because you would expect that they would.

**Media:** A couple of things on fuel. What happens if the petrol price remains this high for months? Like, longer than three months? Six months? Nine months? A year? How long would you be willing to provide—

**PM:** And look, I think the Minister's covered it, but I'll let him speak to that again.

**Hon Grant Robertson:** As I said earlier on in my answers, we will review the situation to see where we get to. It is very hard to say whether or not things will get worse, stay the same, or get better. There are so many imponderables in that to do with the war itself and what happens there, but also its impact within global oil supply—the increasing availability of oil supply from elsewhere outside of the area covered by the war—and so we have to work our way through all of those things. Clearly, we continually try to make sure we get a good balance; we've got a Budget ahead that's got some really important initiatives in it—around our reform of the health system; we have to have the money we need to invest for that—but we will keep this under watch. We do understand the impact that this is having on families, and it's why we've acted.

**Media:** Would you be willing to keep this in place possibly for, say, a year if it's necessary? Because if the oil price goes up even more, it'll be hard politically for you to go remove the support that you've provided even if you do it gradually.

**Hon Grant Robertson:** We've announced today that it is in place for three months, and that we will review it before the end of three months. And I'm not going to try and predict the future, but I think it's also important to say how we will phase it back down again. We'll put more detail out about that in the near future, but I think people need to know that it'll be gradual and it'll occur when prices stabilise or reduce.

**Media:** Are all petrol companies ready to make this change tonight? I'm not sure if you said most, Minister, but are they all or most ready?

**Hon Dr Megan Woods:** So all of the companies that I've spoken to—and I've spoken to four of them so far—I will have the letters ready, hopefully, when I go back upstairs to my office after this, to send out. I'll probably have one more phone call to make. But certainly, the petrol companies are well used to changing prices quite quickly, it's fair to say, so they have the systems in place to be able to put this in rapidly.

**Media:** Just in regards to the PCR capacity botch-up and overrunning with LabPLUS late last month, will there be any work to sort of try and understand the scope of how many, potentially, sort of life-saving diagnostic tests were put off, or sort of the harm related to this?

**PM:** I'm not sure that it necessarily represents that trade-off. But yes, we are going back and having—at least within the Ministry of Health, Dr Bloomfield has instigated some work in that space. But I'm not sure that I would say there's a direct correlation between other diagnostic work and PCR, but I'd need to check in on that.

**Media:** And just on border announcements, how concerning is the new variants of Omicron—BA.2, for example—and will that play a role in—

**PM:** An interesting question. You are seeing over in New South Wales, for instance, a growing prevalence of BA.2 in their cases. The difference for New Zealand is that we've had the presence of BA.2 pretty consistently through our outbreak. And whilst we don't have extensive whole-genome sequencing, simply because we have so many cases now, what we do see is that we have a relatively high presence of BA.2 already as part of this outbreak.

**Media:** The *New Zealand Medical Journal* confirms inequities in vaccine roll-out. And it looks like it's going to go the same way—inequities in the tamariki five- to 11-year-olds. Has Cabinet asked the MoH to put in a different type of strategy, and have you insisted on MoH listening to Māori working on the ground to increase vaccination for tamariki?

**PM:** The tamariki vaccination campaign was very much designed alongside iwi and providers who were involved in the vaccination roll-out from the beginning. And what we were focused on—we're learning lessons from the beginning of that roll-out as we designed the roll-out for children. I think what we're seeing, though, of course, is that it's absolutely up to parents to determine whether or not their children are vaccinated. Now, our job is to make sure that it's accessible, that they have all the information that they need, and support them—we hope—to make the decision to vaccinate. But it is still very much their decision.

**Media:** So, are you saying then that parents are not willing, Māori parents are not willing, to have their tamariki vaccinated?

**PM:** No, no, not at all. In fact, I was just using the opportunity to remind people it's a choice, because some of the misinformation I see out there is sometimes that people assume it's not; it is. We do have a responsibility to make sure that everyone gets the information that they need. We have a responsibility to make sure it's accessible and easy. But, of course at the same time, some of the tools that have been used for vaccination in the older population do not apply for children, because it is up to parents' consent.

**Media:** More to the Minister of Finance, you said that you'd be looking at phasing down the 25c as petrol prices, you know, normalise or reduce. What level is normal and reduced?

**Hon Grant Robertson:** I think the word I used was "stabilise" not "normalise". I would hate to think I could predict what normal was when it came—

**Media:** What is the stabilised—

**Hon Grant Robertson:** —to petrol prices. Well, we obviously want to see where things go over the next period of time. Obviously, what we want is for them to reduce, but we have to be aware that the situation, as everyone has pointed out, is very volatile. So we'll take some time to work on that; we'll put more details out in the coming days.

**Media:** And just to follow up on that, I mean, notwithstanding the fact, obviously, petrol prices have shot up in the last couple weeks, from late last week to early this week, suddenly there's an energy crisis, but the lights are on and there still seems to be plenty of petrol and oil. Is this really a crisis or is this a particular thing about petrol prices?

**Hon Grant Robertson:** Well, I think, firstly, it's a global energy crisis, and the point is that what that does is put enormous pressure on prices that New Zealand has to pay, particularly in terms of crude oil. And that instability in global markets, concerns about supply, they're the things that then put pressure on that crude oil price, which we end up paying the impact of.

**PM:** And this is the highest amount on record—

**Hon Grant Robertson:** Yeah, it is.

**PM:** —and it's happened over a very short space of time, and so the ability of New Zealanders to adjust in any way is seriously constrained. So, yes, for many people that will represent a real crisis for them and there is a need for us to respond quickly to that.

**Hon Megan Woods:** But, Luke, one thing I just do want to emphasise: there is no issue—

**PM:** With supply.

**Hon Megan Woods:** —with physical supply. It's all around price for New Zealand.

**PM:** Yup.

**Media:** Just following on Bernard's earlier questions, the petrol price rise is obviously going to be felt much more acutely in low-income households. So aside from those previously announced increases to benefits, is there anything new? Are you considering anything new for those on lower incomes?

**PM:** Oh, look, whilst I hear you that that's information that you're already familiar with, for many New Zealanders, they won't necessarily know that on 1 April they can expect an

increase in their bank balance, and we have heavily weighted that to our low and middle income New Zealanders, because they have the least discretionary income available. They're feeling the pain of this the most. So whilst the fuel changes are for everyone, for them, on 1 April, not only is it the family tax credit for our beneficiary families an increase there again, on top of what they received last year, the winter energy payment from 1 May and the childcare assistance income thresholds.

**Media:** Sure. But these were announced well before these increases to the fuel prices.

**PM:** But they were—and much of what we were doing here was in response to making sure that we were meeting the growing needs and, as I said, the cost of living impacts that we're seeing from inflation at the moment.

**Media:** Just one thing on the hate speech legislation. The Race Relations Commissioner, Meng Foon, says hate has been like a fester the longer it takes for this legislation to come through. Why is it taking so long?

**PM:** Well, I don't know that I would frame it in that way, because, of course, we already do have a framework in place. What we're discussing is some definition changes and the addition of, for instance, religion, which is not currently in that framework. So I would not say that, for instance, these changes alone are part of the only tools that we have already in our system. One of the things, though, that I think will be critical, and this is part of our royal commission response, is we are working with the Police on improving some of the reporting and response mechanisms when people experience hate speech in their communities, and that's something I think will make a long-term difference.

**Media:** Prime Minister, on the fuel relief, 25c, given that people can buy as much petrol as they want during this period, presumably, can they also buy as much RUC as they want?

**PM:** We've had this discussion.

**Hon Grant Robertson:** Yeah, we have. So that is one of the things that we are working our way through, because, obviously, people tend to buy RUC in advance and in large quantities as well. So one of the issues we want to do is make sure that the benefit is felt over a three-month period and we're working our way through exactly how that will work to manage those issues.

**PM:** A good question.

**Hon Grant Robertson:** A very good question.

**PM:** Did you have anything to—

**Hon Grant Robertson:** One of the reasons it's taking a bit longer.

**Media:** When do you think you'll be able to—

**Hon Grant Robertson:** Yeah, we'd like to be able to say something in the coming days. But I think, as I've articulated, with the range of different charges, different vehicle types, different ways of purchasing, it is complex. But Minister Wood is doing the hard yards here, and I think he'd like to be able to say something in the next few days.

**Media:** On the floods over in Australia, has the New Zealand Government offered any support or aid to help Australia in the wake of these flood disasters?

**PM:** I've reached out personally at least to my counterpart, some time ago, in Queensland, to make that offer. Obviously, now we've seen the impacts in New South Wales as well. I think there's a good understanding of the ongoing standing assistance from New Zealand. We have a track record of supporting one another, for instance, in the experience that we've had with rural fires, and when it comes to flooding we always stand ready. And at least I know one on one I've made that offer.

**Media:** So we'll be looking to send aid or?

**PM:** No. It will be more if that was support that they required. That's not something that they've reached out to us over at this stage. But they know, you know, whether or not it's fire support, whether or not it was in our case everything from Whakaari to March 15, we've always stood by one another and supported one another with additional resource where it's needed, and that offer always stands.

**Media:** Just on the issue of—

**PM:** Bernard, looks like we might finish with you.

**Media:** Just on the issue of a just transition; I know this isn't the same issue directly, but could the Government use the emissions trading scheme receipts to, you know, give extra money or a higher proportion of spending costs to those on lower incomes, for example, through a carbon dividend?

**PM:** Before I hand over to Minister Robertson, I think it is important to put some scale around that. So what is being proposed there for handing over a dividend like that would be the equivalent of, I believe, about \$3.60 a week—so relative to the kinds of changes or at least has been proposed by some of our Opposition, relative to the kinds of increase in incomes that we have proposed, are not as significant.

**Hon Grant Robertson:** And as you know, Bernard, we made the decision to hypothecate or recycle all of that ETS revenue into our Climate Emergency Response Fund, and we'll be making announcements obviously on that at the Budget, so I'm not going to pre-empt any of those today. But the focus here is on emissions reduction, but clearly we do need to support people through any changes, and things like what we've done around 1 April are representative of that.

**Media:** But the issue here is that people on low incomes are, effectively, spending more of their disposable income on fuel and food, which you could argue is connected to that increase in energy costs, and simply reducing emissions or giving 25c a litre for everyone doesn't necessarily deal with the just-transition issue.

**Hon Grant Robertson:** And, again, Bernard, no one's arguing that the cost-of-living impacts are disproportionate on low-income New Zealanders. We have decided that we will be addressing that in multiple ways: first, a decrease in the price at the pump; but secondly, those 1 April changes are significant for those families. Then, add on top of that the winter energy payment relief as well that is targeted to low-income families. So it's all about how you do, not whether you do it.

**Media:** Prime Minister, could you comment on the Bledisloe and the cricket yesterday and the result?

**Hon Grant Robertson:** Sorry. Sorry. Don't know what you're talking about.

**PM:** Haha, no, I think we've run out of time.

**Hon Grant Robertson:** It was a great win by the Australians, and they're going to be very hard to beat, but the White Ferns are playing well, and I think the next couple of games they'll do well, and we might see them again in a semi-final.

**PM:** I'm very proud of our team, and I'm proud of what they're doing for women's sport.

**Hon Grant Robertson:** Yeah. Heck yeah!

**conclusion of press conference**