

POST-CABINET PRESS CONFERENCE: MONDAY, 29 AUGUST 2022
HANSARD TRANSCRIPT

PM: Kia ora koutou katoa, and good afternoon, everyone. First to the week ahead: I'm in the House on Tuesday and Wednesday. Also on Tuesday I will speak at the launch of a new framework for how the Government will work with survivors of large-scale catastrophic events, learning the lessons of the past, and with thanks to the Stand With Pike Family Reference Group and the Public Service Commission. On Thursday, I'll be in the South Island to mark the extension of Mana Ake, our mental health and wellbeing programme for primary schools, along with a civil defence visit to check in with communities following recent weather events. On Friday, I am in Auckland, where I will join Minister Hipkins at an event to fully welcome back international students to New Zealand.

International education is a significant export earner and, with our borders fully reopened, the sector is able to help accelerate our economic recovery. Since our reopening, we've seen international students begin to take full advantage of our open borders, returning to take up the very best of New Zealand education. University applications, for instance, are progressing well. I'm told that the applications are at around 50 percent of pre-pandemic levels, and they're expected to increase in the latter part of this year, for a 2023 start. This is an encouraging restart for the sector.

A key economic priority for the Government this year is to protect New Zealand families from the sharp edges of the global economic downturn we are experiencing, and today I can provide an update on savings households are making as a result of Government support through the global cost of living spike. New Zealanders who have filled up at the pump approximately once a week since our 25c a litre reduction in fuel excise began in April have saved about \$276 to date for a 40-litre tank, or \$414 for a 60-litre tank. The price cut extends until the end of January next year. In the first three months of our half-price public transport initiative New Zealanders have saved \$2 million a week and have taken 28 million cheaper trips on buses, trains, and ferries, and the half-price fares continue until the end of January 2023.

So far this winter season, the winter energy payment has seen \$307 million paid, to 971,000 older New Zealanders and people on a benefit. The payment, which started on 1 May and will continue through to 1 October, means that a single person has received \$330 to date, while couples have received \$510, with more to come. And, with a million free lunches a week at schools across the country, a family with two children at a school who is part of the healthy lunches programme is now saving over \$2,000 a year, roughly.

Finally, this week, from 1 September, our second cost of living payment enters the bank accounts of New Zealanders earning under \$70,000, adding an extra \$116 to people's incomes. While the clear eligibility criterion of being present in New Zealand remains the same, we are making some refinements to the testing of that for the second and third payments to ensure people were in the country, as Minister Parker outlined earlier today, including cross-matching data to look for overseas IP addresses or the filing of a non-resident tax return for the past year. The vast majority of New Zealanders, however, will not experience any change and will receive the payment directly into their bank accounts.

Economies around the world are experiencing real pressures in the wake of COVID. New Zealand is never immune to these international pressures, but, as with COVID, the Government response is putting us in a better position than many. We have near record-low unemployment of 3.3 percent, below the OECD average of 4.9. And, while globally inflation continues to soar, ours remains within the lower bounds of the OECD, at 7.3 percent, and with some observers suggesting it may have peaked, compared to the OECD's 10.3 percent average right now. We have the highest median wage growth on record, our food and fibre exports leapt an extra billion dollars over and above the \$52 billion record expected, and we're investing in jobs and skills to meet the demands of a growing economy while taking full advantage of open borders, welcoming back our tourists, securing free-trade deals, and

restarting our important international student market. So, while times are undoubtedly tough, we are well-placed to come through this period.

I'm now happy to take your questions.

Media: Prime Minister, on the cost of living payments, do you admit that you've wasted an unknown amount of money, going to an unknown amount of ineligible people?

PM: Look, when you are working on a payment that is expected to go to roughly 2.1 million eligible New Zealanders, there is no way to design a system that will be absolutely perfect, but we prioritised in these tough times getting a payment to the New Zealanders who need it the most, and we stand by that while we continue to do everything we can to make improvements as we go.

Media: Why were these changes not made before? If there was this safety net already there that could have been implemented, why wasn't it done so before the first payment to ensure that taxpayers' money wasn't wasted?

PM: So IRD have focused on getting the payment to those who are eligible, which—as I say—is roughly 2.1 million New Zealanders. So they focused on the delivery of what is essentially an unprecedented payment, the likes of which we haven't had experience with before. They've then continued to refine the extra screening tests over the top of that delivery, and so they've continued to do that as they've gone. They've switched the onus, though, so that those who may not be eligible are removed and will have to seek to come back in. That doesn't mean that everyone who is removed should not have received the payment.

Media: So are you bracing for another PR disaster this week by—

PM: Look, there was a cost of living crisis. It is our duty to do what we can to support New Zealanders through, and I absolutely stand by that. Would any payment have been perfect? I would argue no, but the most important thing to do was to support New Zealanders when they needed it most, and we've done that.

Media: Looking at this in hindsight, though, would it not have been better to have these things in place before you put the first payment out, rather than waiting till the second?

PM: So there was a period from April to August where IRD have had to do two things: work on getting the payment out the door—and as you've already heard me say, we haven't really had anything of this nature that we've sought to do before for this number of people. So they had a clear focus on delivery. They have spent a period of time with screening tests and using data to better cross-match who should be receiving it, but they've continued to do that beyond the first payment. And so what you've seen today are extra refinements that, yes, will narrow down the scope—there will be people who are eligible who will be removed as a result of that—so they've reversed the onus now to people having to seek to come back in.

Media: But in hindsight, would it have been better to have this in place before the first one? That's the question.

PM: Look, ultimately we want the system to be as good as it can be, but I think the argument here we'd make is: it would be very difficult to make such a payment perfect. And yes, these are all things that will improve it, though—absolutely; not denying that for a moment. And in a perfect world, would you have had them from the beginning? Yes. But the priority was making sure that we got this to New Zealanders, and I think that was the right priority.

Media: Do you accept the damning criticism of the Auditor-General about the use of public money?

PM: He makes an argument, Barry, that the criteria wasn't clear, and I would disagree with that. The criteria was very, very clear. Essentially, the question then became: how do you test that criteria? So if the criteria is that you must be present in New Zealand—resident in New Zealand—how do you then test whether or not that's the case? And that's what IRD

have continued to refine. Keep in mind, we can't instruct IRD on how they do that, though. They ultimately need to make those decisions. The commissioner is independent.

Media: Is the argument you're trying to make around the payment that it is more benign to waste a certain amount of money with ineligible people claiming the payment than it would be to have tax cuts that would go to a large number of people who did not need it? Is that the less evil?

PM: Well, there's two alternatives. Well, ultimately, of course we always seek to make sure that those who are eligible receive it. So it would never be anyone's ambition for those who are ineligible to. The question is: how do you best do that? It is very hard to design a perfect system when it's going out to such a large number. It is our duty, though, to continue to make improvements, and IRD have been doing that. But we stand by the payment. This has been a cost of living crisis. You're right to point out that there are two alternatives. One, if you stick with the cost of living payment, it would be to have 2.1 million New Zealanders apply. I don't think that would have meant that we would have reached the people who need it most, when they needed it most. The second option is a tax cut, and that had the potential to have a negative impact—i.e. make inflation worse—and would also not be as targeted as this was.

Media: Do you think the Auditor-General's remarks today weakened your argument in favour of the cost of living payment vis-à-vis tax cuts because it shows that as, you know, potentially a significant amount of money is going to people that are ineligible and perhaps do not need it?

PM: Well, I mean, some of those arguments—you could then make the case that, you know, as you say it's almost better to have a blanket payment that has no criteria. I would argue that that would not, in our minds, be a better approach.

Media: What is your response to comments from Rob Campbell that journalists seeking information about the workings of the new, huge bureaucracy is "occupational therapy for journalists"?

PM: Well, look—I haven't seen the detailed comments, so if I may, I'll just stick to a couple of principles.

Health New Zealand is going to be one of the most important bodies, doing one of the most important jobs in the coming years; particularly at this critical juncture for healthcare provision in New Zealand. So it is really important that we have the ability, for journalists and for public interest, to be able to see the nature of decision making, have as much transparency as possible; but, we also need to make sure that they are able to do their job too. And so it's about making sure they strike that balance, so I'm pleased to see, of course, they're talking about making agendas available, press conferences in the aftermath of meetings, and being available for questions and interviews.

Media: What does it say though about, I suppose, the attitude of the chair of the board to talk like that when pressed on the openness of information, in terms of transparency and actually the willingness of, as I said, a monster bureaucracy—to actually be transparent and deal properly with journalists?

PM: I guess I wouldn't describe them in that way. And I can't get into the detail of the comments made there, because I haven't seen them and—

Media: It was a direct quote; when he was being pressed on transparency for this new big health authority, but now will not be making meetings and information open like its predecessors. Is it worrying at all to you to see the attitude—the first pressure on the board chair about transparency—and that is his attitude?

PM: Well, the wider point that I've also seen him make is that, in his mind—and I believe and, you know, most would believe—that providing meeting agendas, speaking openly with the media after meetings with press conferences, and making himself available for interviews does bring access to Health New Zealand. The point you've raised, though, is that it is a

departure from the way that DHBs operated. But I think it's really important for us to remember: this is not simply DHBs consolidated; this is more than that. Powers from the Ministry of Health have been transferred to Health New Zealand. They will be making decisions that are commercially sensitive. They will be discussing appointments which are also sensitive. It's more in keeping now with a comparison with the likes of Waka Kotahi, or Kāinga Ora, than it is with the old DHB boards.

Media: What are your expectations then, right up front, with the creation of it, and taking your points into account about the different nature—how, then, do you ensure transparency runs your message to—not only to the board but the management, about making people available, making information available, and not hiding behind a huge big corporate structure that—

PM: Well, I would argue that I don't think it's fair to make the assumption that they are at this point. And in the same way that—here we are, with a 30-minute press conference after post-cab—no-one has the expectation that media be able to sit in on Cabinet meetings, but they do have an expectation that we talk openly about decisions, that we make ourselves available to answer questions, that when the media submit questions that they have them freely answered. And all of that—and, of course, meeting documentation which is another pledge that they've given—all of those things can aid with transparency. I don't think the singular measure of transparency is the ability to sit in on board meetings, because we do also need them to be able to effectively do their job.

Media: Let's talk about more broadly—expectations, as I said, given context comments, but what are your expectations about transparency further than just opening DHBs, but actually about how they're going to approach it and approach the media?

PM: So, Jane, similar to those boards that you would compare them to. So in keeping with, for instance, the likes of Waka Kotahi, which is probably a better comparison than necessarily DHB boards, I haven't enough time to necessarily look into the expectations they, as a board, have set themselves, but I absolutely understand why they will not be having open meetings, but also accept that we do need to make sure that people need to be able to access information about what will be a really critical board for us.

Media: Prime Minister, do you know how many New Zealanders are fighting in the Ukraine, and if you don't know, are you attempting to?

PM: So this is something that I know many in the gallery have asked the New Zealand Defence Force questions about, and so what they're being able to provide is some detail around the number of people who have taken leave without pay.

PM: Now, that is, however, not an indication of how many may have sought to travel to Ukraine, and that is because, of course, no one is meant to travel to Ukraine, and so obviously if they were to notify us they were doing so, that would be something that there would be an intervention round. We do know that, I believe, as of now, three people have registered themselves on Safe Travel, and that is our usual system for understanding where in the world New Zealanders are who may require assistance from us. The NZDF are going through a bit of an outreach process to further ascertain whether or not they may have any serving forces who may have sought to travel there.

Media: Does that concern you, or, like, are you comfortable with the rigorous nature of that process?

PM: Look, ultimately, those who are serving personnel know the expectations of them. But, of course, there are some limitations for the New Zealand Defence Force, you know, as to their ability to track someone's travel. They, of course, would take someone at their word if they were identifying where they were likely to be. And beyond that, I think we do have to be reasonable about what people disclose.

Media: Can we just clarify whether those three people are—the three people registered on safe travel are—NZDF or just three New Zealanders?

PM: New Zealanders. Yep. I don't have any further details on that either way. I believe that it was—the only reason three sticks out of my mind was that was one more than I had previously heard, but that's my recollection of what I saw in the latest notes.

Media: What happens if a NZDF person puts their hand up and says, actually, they are in Ukraine? What does the NZDF do then?

PM: Look, I imagine that would then become an employment issue for them, because no serving member is meant to be travelling into that war zone. Ah yeah, sorry. I'll come to Jessica and then you, Barry, and then across to Bernard.

Media: Where is the body of Corporal Abelen?

PM: Look, it is very, very difficult for us to know with certainty information around Corporal Abelen and his circumstances right now, but everything that we do know we have shared with the family. But you can understand why that would be information we would share with them rather than sharing publicly.

Media: What is the time frame for the body coming home?

PM: Look, that is not something that we are able to establish, nor can we be certain that that will be possible.

Media: Prime Minister, can you tell me what Trevor Mallard's done to deserve an ambassadorial role in Dublin. He says he applied for the job, and you gave it to him.

PM: Barry, you'll know that of the five most recent Speakers that we've had, three have gone on to serve diplomatic postings—

Media: Did they apply for the job and get it?

PM: If I may, I'm happy to answer your question. Three have gone on for diplomatic postings. Two of those, of course, have been for the United Kingdom. This one is for Ireland. My view here is that after decades of service in Parliament, having held multiple ministerial portfolios, and as Speaker having led Speaker's missions and hosted international guests and having to hold a role that has him engage with the Ministry of Foreign Affairs and Trade, Speaker Mallard has demonstrated the ability to represent New Zealand's interests in Ireland. And that is what he will go on to do.

Media: Does he deserve a knighthood? He says he will accept one readily.

PM: I never speak in these forums around that process. I leave that very strictly to the Appointments and Honours Committee, and it's not something I get into discussing.

Media: He did say that discussions were under way. Are you not part of those discussions?

PM: Ah no, I've seen what he said. I think he's simply acknowledged that it's a process, and obviously it's a process that we lead, and it's not really for others then to insert themselves into. I think I did say that I'd come over quickly to Luke, and then I'll come to you. Sorry, Bernard.

Media: Totally different subject. Is New Zealand ever going to go into the green traffic light setting?

PM: Obviously you will have heard us say that we are going to look at our settings post-winter, and so that is what we intend to do because we've always made sure that the frameworks that we've been working in are fit for purpose at any given time. We did that, obviously, with the alert level system. We'll do the same with the CPF framework.

Media: Yeah, obviously there's a review of that coming up in the next sort of month or two right—

PM: Yip.

Media: Are you expecting that the current COVID protection framework will continue or that—

PM: I won't get ahead of any of the decisions by Ministers, but we have always said that when we came out the other side of winter, we'd have a look at all of our settings and make sure that they are fit for purpose and make sense for the environment going forward.

Media: Do you personally think it's time to drop the isolation requirements from seven days to five days, and also on the same topic, what are your thoughts around the test work scheme that's been outlined?

PM: Do you mind if I go to Bernard and then come back to you, Jason?

Media: It's just on the same topic.

PM: I just feel like I'm letting everyone cut cues. Sure. Bernard, you are fine? It's the same topic. They've asked if I can continue. You don't seem to mind. OK.

PM continues: So, look, on the isolation period, I think it's really important for us to remember that if you drop it from seven to five, you are accepting that you will have greater infections off the back of that, because it seems to be a pretty wide consensus now that if you cut it to five, there will be infectious people released before they no longer pose a risk to others. So that's why we take public health advice on those decisions. As I say, we review all of those settings every time we come around to a new review, and that's when we look at everything from masks to isolation periods.

Media: On the 25c a litre fuel levy reduction and cost of living payment, given household incomes are rising more than 10 percent per year—average incomes—and also inflation's coming off, should New Zealanders expect the 25c a litre cut to continue past January, and also can they expect another winter payment next year?

PM: I guess the first thing I'd say is that the winter energy payment is something that we brought in as a Government and as a permanent fixture of our system now—the winter energy payment. So that's obviously the payment that we brought in after our election in 2017 that goes to superannuitants and to those on Government support. And that was the basic recognition that those on constrained incomes and fixed incomes, their cost of living naturally increases over a winter period and we wanted to encourage them to protect themselves healthy and warm as a way of also reducing pressure on our hospitals. The thing that's really fascinating to me is the number of people I continue to get messages from who do say that even though that is a cash payment, they do very consciously make the decision to turn their heater on or to buy electric blankets or blankets and thermals—because of that payment. So that continues. On the question of the excise reduction, we extended that through to the end of January but we've made no undertakings beyond that, and that's very much because that was linked to the significant increase we saw at the pump of fuel prices, so we want to keep an eye on what's happening at that point.

Media: But the oil price has dropped now—dropped down below pre-war levels, and also household incomes are rising 10 percent per year, and we've got 3.3 percent unemployment—

PM: I take your point.

Media: Do we need this cost of living payment or the 25c a litre reduction from January?

PM: Yeah, so here simply the point I'm making is we've set it to the end of January and we've given no undertaking beyond that.

Media: Does the Government plan to provide any financial assistance to Pakistan in light of the flood devastation there?

PM: Yes. This was something I just had a conversation with the Ministry of Foreign Affairs and Trade before this press conference. I understand that Minister Mahuta will be signalling some of our early support to international humanitarian efforts in Pakistan, but anyone who's seen the images and footage there, it's just devastating, and, of course, the expectation that that devastation will continue.

Media: Should we expect an announcement today around money?

PM: Yeah, just financial support and a contribution to international efforts.

Media: Can I also just ask, off Jason's questions earlier, in terms of that review with the traffic light stuff, I know that's not necessarily a meeting. Advice comes in and you and various Ministers discuss it, in the first couple of weeks of the month. So when Ministers do that at the start of September, is that the end of winter review you're talking about or is that just the usual review and you have a set day—

PM: I expect that we'll roll it into one and it'll be in a couple of weeks.

Media: Do you anticipate you will have an idea around things like testing, isolation periods, and what you might give to traffic light settings in a couple of weeks' time?

PM: Yes.

Media: How much will that support for Pakistan be?

PM: I don't want to cut across the Minister's announcement. I imagine that what she'll do is probably when we're trying to get things out with speed, we usually put that out on a quick social media notification.

Media: Just on Kiwis travelling to Ukraine again, Kiwis—

PM: It is three. Forgive me—it is three who are registered on Safe Travel.

Media: Kiwis who choose to go over to work as a nurse or a medic, if they're injured or killed, what's the situation there? Can you guarantee the Government can help return their bodies?

PM: In fact, we cannot. There's a reason why New Zealand has made very clear that Ukraine is one of those areas where the advice is "Do not travel". And we give that advice when we know that we're unable to provide support on the ground should, for any reason, a New Zealander who is either visiting, choosing to work, or volunteer there encounters trouble. We cannot assist, and it is always our preference that if New Zealanders need us, that we can get them out.

Media: And what's your message, then, to medics or nurses who are keen to go over and help? Should they go, or are they kind of potentially creating a bit of a nightmare for the Government?

PM: I can understand that those individuals who have trained to save the lives of those in need, or to protect those in need, feel that urge. But please stay home, because the devastating issue for us is that, should you need us, we can't get to you. And that is very, very hard for all of us to know and to experience.

At the same time, I don't want for a moment that advice to be taken in any way as a reprimand of the recent corporal who has lost his life. To his family: I have only sympathy and condolences for them, and the grief that they are experiencing.

Media: Anthony Albanese has said that Umar Patek, the Bali bomber, has had his sentence reduced, and his Government plans on making diplomatic contact with the Indonesian Government about this. Do you plan to do the same?

PM: Yeah, so look, what we're seeking at this point is any official confirmation of whether or not we do have the potential of an early release. But even the speculation around it, I can imagine would be extremely distressing for victims' families. But we are seeking additional information.

Media: Prime Minister, do you have any comment on claims today that New Zealand Police went on a fishing expedition looking for negative information about a social media figure in Australia called Avi Yemini and a man called Ruskin Fernandez, who planned to come here for the protest—Destiny Church rally—last Tuesday, one of whom was turned away at the border?

PM: So I know nothing of what you claim on behalf of the agency you claim. I am aware of, and I—actually, forgive me, I assume it's the same individual—I am aware of someone who was recently denied access at the border, my understanding is that was because of criminal convictions that deemed them ineligible for travel.

Media: Those criminal convictions would appear, on the face of it, not to meet the criteria for ineligibility—

PM: Sean, obviously I'm not—

Media: —and also a memo purporting to be from Interpol Wellington has been published on some online media sites, in which the New Zealand Police or New Zealand Interpol are saying, "We do not want these two individuals coming to New Zealand, we have no information on them."—fundamentally, "Could you find some dirt on them?" Would you consider—this is verified, this email—that that's an appropriate thing for Interpol to do?

PM: I can't verify anything that you're putting to me at this time, Sean, because this is the first I've heard of it, other than what I've just said, which is I do know of one individual which was an operational decision around the entry into New Zealand where there is clear criteria around character, and one of those criteria does include criminal convictions, and that was, I understand, the basis on which one individual was denied entry.

Media: And there's been no ministry involvement or no specific looking at this individual, Avi Yemini?

PM: I'm not familiar with anything that you've raised, and the individual that was denied entry last week—that was a decision at an operational level that did not involve Ministers.

Media: Sorry to change tone, Prime Minister, it's a rare opportunity—can't fob this one off to Grant—do you have a view on the All Blacks?

PM: This is going to be a sports question, isn't it?

Media: It is—do you have a view on the All Blacks and what's going on? Do you even watch the All Blacks?

PM: My very clear position on commentary around sports, sporting fixtures, and performances of teams is that there are some areas that actually aren't for me, and in this case this is for New Zealand Rugby and their fans—which I am one, of course.

Media: Good save!

Media: So therefore—

PM: You know what? One of the things I love about New Zealand is there will be no shortage of opinions. On this occasion, I'm going to leave it to everyone else. OK, last question? No? We'll finish on that note. Thank you.

conclusion of press conference