

POST-CABINET PRESS CONFERENCE: TUESDAY, 25 OCTOBER 2022
HANSARD TRANSCRIPT

Hon Grant Robertson: Kia ora koutou katoa, good afternoon. Welcome back from the long weekend. As many of you will be aware, the PM's flight to Antarctica has had to return to Christchurch due to bad weather at McMurdo Sound. Options are currently being assessed as to whether to make another attempt to travel in the next day or so, and we'll have an update on that as soon as we possibly can. The Prime Minister's visit to Antarctica to see the work that is planned to refurbish Scott Base and celebrate New Zealand's 65th anniversary on the ice is something that we know she was very much looking forward to and we hope will be able to continue. The work our scientists do there is critical for the environmental protection of this unique part of the world. We know Antarctica is part of our history, and we need to keep working to ensure it's also part of ours and the world's future.

A few items to note for the week ahead before I will briefly share some reflections on economic issues. Firstly, with the swearing in of Soraya Peke-Mason earlier today, New Zealand's Parliament is now 50 percent women for the first time—one of only six countries in the world that is currently in this position. It is a significant moment in the democratic representation of New Zealanders. At a time when we have a female Prime Minister, Governor-General, and Chief Justice, it is further evidence of the strides that we're making in gender equality. A photograph to commemorate the parliamentary representation will be taken in the next few weeks.

This week also marks five years since the swearing in of the Labour-led Government. It has been a tumultuous time to be in Government, but I'm confident that we have steered New Zealand through the challenges we have faced as a country as well as any other country, and that we have made significant progress on issues such as child poverty, climate change, and healthcare. There's always more to do, but I'm extremely proud of what we have achieved in these last five years.

As I mark five years as finance Minister, I want to briefly share some reflections from my recent World Bank and IMF meetings in Washington, DC and why I continue to believe that there is a cause for optimism in Aotearoa New Zealand as our tourism sector looks forward to a summer full of visitors. I knew heading into the meetings in Washington, DC that the global economic outlook was sobering. This was confirmed by the IMF's latest set of forecasts, with growth projected to slow to 2.7 percent in 2023 and more than one-third of the global economy projected to contract this year or next. The mood at the meetings was relatively downbeat; much of the discussion revolved around the reaction of the financial markets to the UK's mini budget, the energy crisis in Europe, the US and China relationship, and the state of globalisation in an increasingly polarised world.

New Zealand's prospects are very much tied to events overseas, and there will be impacts on our economic prospects from what is happening globally. But I remain convinced that New Zealand is as well placed as any other country to deal with what will be a difficult year ahead. A record number of New Zealanders are in paid work; we produce goods and services the world wants; our books are among the world's best, with debt levels well below those of our peers; and we are among a small number of countries with some of the best credit ratings in the world from the leading ratings agencies.

There is also a cause for optimism as we welcome summer and, with that, the ongoing return of international tourists and the important economic boost accompanying them. I do want to acknowledge the tough times that the tourism sector, and other sectors, have had over the past few years as COVID has raged around the world. The Government has invested more than \$615 million to help the industry through and set up new conditions for them. It's encouraging that August 2022 was the first month in nearly 2½ years where a holiday has been the most popular reason for travel by overseas visitors, replacing visiting friends and relatives. Backing up that news is international card spending that is already at 88 percent of pre-COVID levels, and a projection that between \$350 million and \$510 million will be spent

over the 2022/23 summer period by cruise passengers. Regional ports will benefit. Timaru, for example, seeing 12 cruise ships over the next year and Stewart Island 20. Our Great Walks, which opened on Monday, now have nearly 20 percent of bookings made by international visitors, bringing yet more visitors to our region to see our stunning natural beauty and experience New Zealand's hospitality. Our clear message is that New Zealand's border is fully open. The summer season is fast approaching and international bookings are flowing through and adding to the economy.

While we can be optimistic for the future, we continue to take a balanced approach and to target our spending where it is needed most while investing in building an economy that is more resilient and provides greater economic security for New Zealanders. The Government, like all other households in the country, is adapting to circumstances that are outside our control. There are no costless decisions, and tough choices still need to be made, but we do so with a focus on what matters to New Zealanders—growing wages, and cost of living pressures, hospitals, schools, housing, and addressing climate change—while ensuring we do get on to a sustainable pathway back to surplus and lower our debt as a proportion of GDP in line with long-term averages. Those that make promises that are uncosted, untargeted, and inequitable put that at jeopardy, as we have seen in the United Kingdom. Happy to take questions.

Media: Are you really proud of the strides that this Government has made in healthcare, and how can you say that when emergency department wait times are through the roof?

Hon Grant Robertson: Well, what I'm particularly proud of is the way that we supported the health system to get through COVID. I can remember standing up here at this podium when we had projections around the many thousands of New Zealanders who wouldn't make it through COVID. We worked alongside the health system—put more than \$10 billion just into the way that we manage COVID. We've continued to roll out increased support in primary care, be that in terms of mental health and the way that we support young people. Yes, we've continued to lift the numbers of doctors and nurses that we have. We've had an extremely challenging year in our emergency departments as they've had to deal with COVID, they've had to deal with the sickness of staff, and obviously while the borders have been closed it's been harder to get staff in. So I don't underestimate those challenges, but I remain proud of what we've done.

Media: So why don't you make a change today that would get more nurses into the country and put them properly on the green list—remove the requirement for them to work here for two years before they get to residency?

Hon Grant Robertson: So we've had, since July—actually, I said 300 earlier today; it's actually 400 nurses come into New Zealand, and we have another 500 visa applications that are flowing through, so we do still have people coming to New Zealand to work here. The green list is one mechanism for encouraging people to come here. We've also seen more recently some of the changes we're going to make to non-resident visas that will also make a difference in the number of nurses and doctors that can be in New Zealand. So don't, again, underestimate the challenge we've got, and we're working hard to make sure we have the staff we need.

Media: That 400 that you just mentioned, that's applications of nurses onshore. The number of nurses that have come to New Zealand is 12.

Hon Grant Robertson: Under that particular change to the visa. But we have had those nurses come in. We have 500 applications there. I don't think the green list is the be-all and end-all of this. When we compare ourselves to other countries around the world it's still somewhere that is attractive for people to work and there are still people applying.

Media: Twelve nurses, Minister—that's embarrassing.

Hon Grant Robertson: No, it's not, because that is one particular pathway for people to be able to enter into the nursing workforce. There are others.

Media: You've talked about the challenging times ahead on the horizon. You've also talked about the inflationary pressures. The Government's yet to make a decision—or if it has, it's yet to publicly let us know the decision—about what it plans to do with the minimum wage next year. From where you're sitting right now, have you got any plans to raise it even further?

Hon Grant Robertson: Well, those decisions will be announced when they're taken, and there is a process that the Minister responsible goes through each year, which includes consultation with outside parties as well. You've seen consistently that we have lifted the minimum wage. We do understand the importance of making sure that those on low and middle incomes in New Zealand continue to be able to meet their living costs. So we'll make that announcement when the decision is made, but our track record has been to increase the minimum wage consistently.

Media: That sounds like you're indicating that that's a "Yes", like it is going to be increased again.

Hon Grant Robertson: I'm pretty confident the answer I gave was one that I said that you can look at our record but we haven't made the decision yet.

Media: Would you expect the minimum wage to rise as fast as prices have?

Hon Grant Robertson: Yeah, I mean, there's a formula that is looked at by MBIE as part of the work that is done to provide a recommendation to the responsible Minister who then, as I say, consults. There's a number of elements to that. One of those is what happens with prices in the economy. Whether it matches the rate of increase that we've seen in recent times, I don't have that information yet.

Media: Is it right that 45 people turning up in Wellington emergency departments are waiting longer than six hours to be seen?

Hon Grant Robertson: Yeah, obviously, we want to make sure that when people arrive in an emergency department they're seen as soon as possible. There have been huge pressures on our emergency departments over the course of this year. We've had a period of time with COVID that has put huge pressure on people. That pressure is also shared by those within emergency departments, where we've seen high levels of illness and absence as a result of COVID. We're bringing together Health New Zealand, working with all of the regional authorities that we now have, to make sure we provide the very best care and support that we can. Yes, of course we want to see those numbers come down, but it has been a very challenging winter.

Media: What do you say to the criticism that you've doled out all of this money on reforms and it hasn't actually fixed any of the outcomes whatsoever?

Hon Grant Robertson: Well, the reforms came into force on 1 July, so I don't actually expect within just a few months we will have seen significant changes from them. What I do know is that we've increased health spending by over 40 percent; that we've put billions of dollars into the health system, which means that, for example, children under 14 get free healthcare when they go to their GP. It means that we now have mental health services embedded in our primary care. We've got more support for Pacific health, for Māori health, for mental health. We are investing and we are making progress. There are elements of our health system that have been under particular strain and pressure recently; we've got to work on those as well, and I do believe that kind of investment matters. When I look back at what I saw when I was in Opposition, as to what was being invested into the health system, that simply wasn't acceptable, and I'm pleased that we've turned that around.

Media: Do you have confidence in the health Minister?

Hon Grant Robertson: Absolutely.

Media: Given your Tory-fighting alter-ego of "Red Robbo", do you—were you cheering as loudly as unions were at the Employment Court's ruling on Uber?

Hon Grant Robertson: I don't know what that introduction was about, Ben. The decision that I saw out of the Employment Court—I haven't had a chance to read it fully, but I've obviously heard the stories about it. From our perspective, the reason we have an Employment Court is so that people can go and test their rights, and I will always be supportive of workers having strong supports for their rights when they're in the workplace that uphold their conditions and their terms. And so, as I say, I haven't had a chance to read it, but I certainly welcome any New Zealander in work feeling more secure about their employment position.

Media: The union is launching a recruitment drive for the new 7,000 Uber drivers around New Zealand. Do you think that's putting the cart before the horse, or would you welcome that?

Hon Grant Robertson: Well, again, I welcome all workers in New Zealand having their rights increase, their terms and conditions protected. We certainly—you know, I do come from the Labour Party. I believe that unions have been a strong contributor in making sure that the rights and interests of workers have been upheld over many years. Those workers who are in the so-called "gig economy" deserve, as much as anybody, to have somebody battling for them.

Media: [*Inaudible*] trip to Antarctica, what will happen now? Will she try again tomorrow?

Hon Grant Robertson: So that's—the assessment about that is being made over the course of the next couple of hours, just to see what's possible. Certainly, I know the Prime Minister and the travelling party would like to get back down there. The weather conditions at McMurdo do change quickly, and so they'll be assessing what options they've got to be able to get there.

Media: What was the reason that the plane was turned around?

Hon Grant Robertson: Bad weather is what I was told.

Media: Have you been briefed on the situation in Papua New Guinea? We've had reports that there have been at least 30 people killed.

Hon Grant Robertson: Yeah, look, I've only got very sketchy details at this stage. My understanding is that it's on an island called Kiriwina, which is quite significantly off the main island of Papua New Guinea, and I've only read what I have in the media there. I don't have a particular briefing. MFAT hasn't been advised of any requests for help or assistance, or anything like that, but I'm sure more details will emerge in the near future.

Media: Is that something, if there were requests for help, New Zealand could consider sending police, defence force?

Hon Grant Robertson: Look, we always stand ready to help our Pacific neighbours—you know our history and our record of doing that through the Pacific—but no such request has been made at this time.

Media: Auckland's mayor, Wayne Brown, has only so far done—I think even less than a handful of media slots. He hasn't really been fronting to media very much. Have you got any expectations to mayors, particularly of large cities like Auckland, to be fronting to media more?

Hon Grant Robertson: I don't really think that's my place. Obviously, we front to the media on a very regular basis—I think this is my third time for the day—but that's what we do. Each mayor is responsible for their own actions, and I'm sure that, you know, you will hold Mayor Brown to account.

Media: Then would you like to see him doing a little bit more? I mean, it's not very—

Hon Grant Robertson: It's just not something I'm devoting a lot of my mental energy to at the moment.

Media: Just on the health reforms, I mean, it's pretty well-established it's going to take up to about five years before you start to see real change out of that. I mean, Minister Little and the Associate Ministers have all said that during the last year or so. In reality, are you going to need to use the Budget process to make some, I guess, significant changes through separate steps that are actually entirely outside of the reforms to actually see change happen in the health system? Because that reform—the structure reform—is not actually going to be very instantaneous, is it?

Hon Grant Robertson: Well, look, it will certainly take a long time for the full benefits of the reform to arise. But I'd answer your question in two ways, Jo: we continually add support to the health budget—for example, Pharmac. You know, we put that money in regardless of the reforms, per se, and we continue to invest in all sorts of aspects of the health system alongside the reform process. So, absolutely.

What we did at Budget 2022 was do two years of health funding—the biggest increases that we had seen in the health sector—and so that is rolling out. Parts of that—small parts, relatively speaking—are about the reform process. A lot of it is about simply the delivery of services, and also the ongoing investment that we make in health infrastructure, so we are going to be doing more as we go.

The second answer I would give to you is to say that within the reform process, I expect to see some benefits as we go. For example, part of the health funding in Budget 2022 for the reforms was commissioning funding for the Māori Health Authority. So we are beginning that process of them directly commissioning. So we will see some changes as a result of the reforms, but the full benefit will take time, absolutely.

Media: Can I also just ask, last week Willie Jackson said that he would, on Friday, be meeting with the governance group who are looking after the UNDRIP draft declaration. They're obviously already four months behind bringing a paper to Cabinet that the Minister thinks would be palatable for Ministers to actually sign off on. Did you have any conversations—did he update you at all in Cabinet today about whether any progress has been made there yet?

Hon Grant Robertson: We didn't have any conversations about that today, no.

Media: So we can assume that the governance group hasn't got that done?

Hon Grant Robertson: I'm not going to make any assumption on that but there were no conversations today.

Media: Given you've reached the five-year mark, what would you say are Labour's greatest shortcomings—shortfalls or failures in the last five years?

Hon Grant Robertson: Perhaps, Thomas, I could answer that question by first prefacing it with perhaps some of the achievements of the Government as well. I prefer to be—I'm an optimistic person by nature, and so I prefer perhaps to talk about some of the things that we've achieved in the five years, because it has been a difficult time with COVID in the midst of it, and that was a very disruptive thing but, actually, one of the highlights for me is the way that the Government worked with New Zealanders to get us through COVID—

Media: So what are your highlights?

Hon Grant Robertson: Thank you for the question. I'd say how we helped New Zealanders get through COVID. I'd also, you know, put alongside that the work that we've done in lifting children out of poverty. We've seen 66,000 New Zealand children lifted out of poverty in the time that we've been in place. I think about things like apprenticeships—200,000 New Zealanders going through free apprenticeships or free targeted trade training over the last couple of years; Food in Schools; the work that we've done to get our emissions reductions plan up. You know, I'm happy and proud of all of those.

When it comes to the things that I'd like to see more of or better, I think, in the context of COVID, some of the infrastructure work we're doing hasn't progressed at the pace that I

would have liked. There have been reasons for that: significant supply chain disruptions, and obviously the border disruption of COVID. You know, I continue as my role as Minister for Infrastructure to seek how we can move things forward more quickly. But there is some frustration there.

Media: What about the things that were within your control, in the past five years, particularly maybe in that first three-year period, you know, where you may have fallen shorter than hoped? Do you have anything that comes to mind within that category?

Hon Grant Robertson: I think the first three-year period, obviously, we were in coalition with New Zealand First and the Greens, and therefore there were some areas where there was compromise and things that we might have wanted to push forward more quickly, but that's the nature of being in a Government. We're a Government that's got a very busy agenda—I don't think anyone would disagree with that—and so we're working hard to make progress on the issues that we think are important that New Zealanders have asked us to do, and so yeah, you know, I mean I'm proud of the record we've got. We want to lift the pace if we can.

Media: What about KiwiBuild?

Hon Grant Robertson: Well, actually, in fact, obviously we reset the goals on KiwiBuild in that last term of Government but, actually, on housebuilding our record is extremely good. We are building more houses than any Government since the 1970s. Our State house building programme has been exceptional. We've been supporting others to build houses. And New Zealanders right around the country can now see houses being built in their community. We've got projections from economists that in Auckland next year, supply and demand will actually meet when it comes to new housing. So, yes, KiwiBuild was, you know, a very ambitious programme. We decided to reset that when we weren't achieving those goals, but the overall housebuilding programme is actually something to be proud of.

Media: What about one in four people waiting longer than six waiting longer than six hours in an ED? Is that a failure?

Hon Grant Robertson: Well, I said before, that's something we would like see improve, but in the context of the wider health system work we're doing, I think there are other things that we can be proud of.

Media: Given your comments about housing supply and demand being met, coming together next year—

Hon Grant Robertson: In Auckland.

Media: —in Auckland, can the Government then ease off on infrastructure building, and house building from next year?

Hon Grant Robertson: No, because we know that we have to keep building, and it's not just Auckland as well, it's the rest of the country too. There will always be a need to continue to build more houses and to upgrade our housing stock; so, no, I don't believe that will happen. We've got a broader infrastructure programme as well, though, that we do need to make sure we're getting on with—the building of schools, the building of our correctional facilities, the work that we're doing in horizontal infrastructure. So there's a big infrastructure programme just outside of housing.

Media: Just given you're in a reflective frame, do you think it was a mistake to agree to the Reserve Bank's creation of its large-scale asset programme, and also to agree to its removal of the LVRs, both of which have been blamed for a 45 percent rise in house prices?

Hon Grant Robertson: The answer to your question is I don't, because we have to take ourselves to the moment in which we made those decisions. Particularly when it comes to the LSAPs, we were facing a situation with huge uncertainty and volatility in the bond market, and the Reserve Bank asked for the indemnity to be able to do that. The then delivery of them, as we know, is an independent decision that they made. There are many things when

we look back in hindsight with the information we have today that we might think, “Should that have happened or could that have happened in a different way?” But in the context in which that decision was made, I stand by it.

Media: Christopher Luxon has said he would like a one-year extension to Adrian Orr’s contract to avoid, if National wins, a crossover. What’s your view on that?

Hon Grant Robertson: We’re in the middle of a statutory process around Governor Orr and Governor Orr’s potential reappointment, and I don’t want to comment publicly about that. It’s laid out in the statute what happens. I’m working my way through that process, the board of the bank is working its way through that process, and I’d rather leave any comment on that until after that.

Media: The National Party has been openly speculating about the ability of the Government or the willingness of the Government to get the three waters reform across the line before the election. Can you give us an iron-clad guarantee that your Government will pass the three waters third reading before the election?

Hon Grant Robertson: The Water Services Entities Bill is in the select committee now and it is our absolute intention to pass that as soon as possible.

Media: Yeah, but you control the House, you have a majority, you set the agenda, you can put that on the Order Paper whenever you want. Can you give—

Hon Grant Robertson: Yep. It’s still at the select committee, though, Jason.

Media: Yeah, no, I’m aware—I’m aware. But when it comes out of the select committee, whenever that—

Hon Grant Robertson: We’re going to progress that as quickly as we can. I mean, this is a really important piece of work. New Zealand’s water infrastructure is undermining the health of New Zealanders, it’s undermining the productivity of New Zealanders, and for too many years it’s been kicked down the road. I know the National Party says that they don’t want it. Well, what’s their alternative? Is their alternative to simply leave a situation where the bills that New Zealanders face mount up more and more and more, or should we actually take some action to provide New Zealanders with an effective and efficient set of water systems? We’re committed to the project.

Media: So you’re guaranteeing that it will—

Hon Grant Robertson: We’re committed to the project, Jason, and the bill will come out of select committee and you will see—

Media: Well, being committed to it is different to guaranteeing that it’s going to—

Hon Grant Robertson: There is no difference.

Media: On parliamentary representation, would you challenge National to select a diverse candidate in some way in Hamilton West?

Hon Grant Robertson: No. The National Party’s decision about who they do or don’t select is entirely up to them. I’m extremely proud of the fact I think we’re up to about 58 percent women in the Labour Party caucus. We’ve worked hard to make sure that we get to that position. We select the best candidates who come forward and we make sure that people from a diverse range of backgrounds get the opportunity to come forward.

Media: Just on trade, I think you mentioned on Radio New Zealand this morning you had confidence in Rishi Sunak to deliver the fair-trade agreement. That’s stalled and it’s behind Australia. What gives you that confidence?

Hon Grant Robertson: As I said, I was asked about my contact with him in the past, and conversations that I’ve had with him in the past indicate to me that he’s a strong supporter of free trade and of that agreement.

Media: The clean cars discount is out of whack with the dirty cars tax. How are you going to rebalance the scheme? It was meant to be fiscally neutral and it's not.

Hon Grant Robertson: Yeah, look, and we always said it would be fiscally neutral over time, and I don't think—we shouldn't get ourselves too concerned about that now. I'm really pleased—

Media: You're not too concerned you're running out of money?

Hon Grant Robertson: Well, I'm really pleased about the fact that we've ended up in a position where I think it's 42,308 vehicles over the course of the time since 1 July 2021. That's what we wanted. We wanted to see more electric vehicles on the road in New Zealand. We'll work through the details of how the scheme is designed over time.

Media: Most of the money's going towards Teslas—

Hon Grant Robertson: It's not.

Media: It's most of the money.

Hon Grant Robertson: Nine percent of the cars are Teslas.

Media: But most of the money—

Hon Grant Robertson: Yeah, but 9 percent of the cars. And so—and it's not most of the money, either. What we wanted was more people to get into electric vehicles. We've got people in all manner of a range of vehicles. It's available on the NZTA website if you want to see it. In fact, I think the Nissan Leaf is in fact the greatest number of vehicles compared to—in fact, I think perhaps the Toyota Aqua is in fact the greatest number of vehicles. The point being there are many others.

Media: Just on Kelvin Davis' announcement of pay equity for social workers—is that a decision to head off strike action from Oranga Tamariki workers, or is that separate?

Hon Grant Robertson: No, totally different things. Oranga Tamariki workers—we've already done the pay equity deal with them. What we've be working through is social workers in the funded sector to make sure that they also can benefit from pay equity—two different things.

Media: Do you feel as strongly about your commitment to the RNZ-TVNZ merger as you do three waters?

Hon Grant Robertson: Well, the RNZ-TVNZ merger, as you know, is advancing, and we've committed ourselves to that, and we've put money in the Budget for it. You can't get much more commitment than that.

Media: Just on three waters, Standard & Poor's have said they don't have enough confidence to give the entities ratings and are looking for more information. How much of a concern is that, or could it block the process?

Hon Grant Robertson: Look, the fact that they want more information is, perhaps, not surprising. Obviously, the process to develop the entities has been an iterative one and continues to iterate through the select committee process as well. So we've been working closely with Standard & Poor's throughout this process. I'm not overly concerned by the fact that they're looking for more information. I continue to believe that the aggregated entities give New Zealand the best shot at being able to provide the kind of water services that New Zealanders want. Thanks everyone.

Media: On Fair Pay Agreement—really quickly—just, that's going through the House tomorrow.

Hon Grant Robertson: It is.

Media: I guess exciting's probably the—actually, not for you. Are you excited?

Hon Grant Robertson: Ha! I'm really pleased that a very important mechanism in ensuring that some of the lowest-paid people in New Zealand get fair pay is going to be passed. This has been a longstanding commitment of the Labour Party. The kinds of people we're talking about here—perhaps bus drivers or people who work in supermarkets—these are the kinds of areas where we know that we need to lift pay and we want to see that happen as quickly as it can. I also was reflecting on it the other day, because—I think it was just last week, or maybe the week before, was the anniversary of the passing of Helen Kelly, and this was one of the policy areas that her and I discussed often, and I think it's terrific that we've now reached this milestone. Thanks, everyone.

conclusion of press conference