

**POST-CABINET PRESS CONFERENCE: WEDNESDAY, 8 FEBRUARY 2023
HANSARD TRANSCRIPT**

PM: Kia ora, everybody. Good afternoon. The new Cabinet met for the first time today, with a very full agenda, so bear with me.

I'll start with Auckland first. The floods in Auckland have had an unprecedented effect in their scale, and the Government will continue to support the local response as they transition into the recovery phase. I'd like to acknowledge and thank all of the emergency services and the community organisations that have been involved in that response so far. I've seen firsthand the vital role that they've been playing in supporting those who have been most affected, and, of course, the work that they have been doing in supporting the clean-up effort.

While the weather has settled somewhat in recent days, we are aware that further severe weather is still possible. The state of emergency remains in Auckland, and officials are ready and plans are in place in the event that we need to respond again. The Government has already unlocked significant support to boost the mayoral relief fund, and additional funding and support has been made available through the enhanced Taskforce Green scheme. Among the other support the Government has already provided so far is more than \$11.4 million in civil defence payments that have so far been paid out to over 22,000 people. In addition, the Defence Force has been on the ground, helping with the clean-up effort and removal of waste, and that will continue.

Today, Cabinet agreed an emergency package of support for Auckland businesses that have been significantly affected by the flooding. Developed alongside the Auckland Business Chamber and the EMA, it includes up to \$3 million for discretionary flood recovery payments to support businesses at high risk of closure or who have experienced very significant impact on their operations; up to \$1 million to focus on business continuity and resilience at a community level; up to \$1 million for mental health wellbeing support for business owners through a boost to the existing First Steps programme. The IRD will waive penalties for late payments for Auckland, Northland, the Bay of Plenty, Thames-Coromandel, and the Waikato, and further work will take place with banks around the CCCFA obligations to see if we can allow households to access short-term funding to assist in the recovery and the rebuild—and that work is ongoing, with further announcements to follow.

The second item that Cabinet discussed today was the Government's refocusing, putting different priorities and the cost of living, in particular, front and centre of our new direction. I've made it clear that the Government is doing too much too fast and that we'd reassess our priorities and refocus on that new direction. Today, I'm announcing the first set of reprioritisation decisions. Work on the merger of Radio New Zealand and Television New Zealand will stop. There's a clear need for further support for public media, but it needs to be at a lower cost and without the need for significant structural change. Radio New Zealand will be provided with additional funding to secure its financial stability and to strengthen its role in public media. New Zealand On Air will also receive additional funding to support public media content, and that will be accessible across a range of different platforms. Remaining funding set aside for the project will be redirected to other Government priorities through the regular Budget process.

Social insurance will not proceed as previously proposed. With families and businesses under pressure, it's not the time to pursue this change and put additional costs on them. No legislation will be introduced in this term, but work will be continuing to explore the best ways to address inequities in the current system in the longer term, when the economy is better positioned to make that change. That's off the table, though, until we see significant improvement in economic conditions. I want to be clear here that we hear from people that a lot of these things are good ideas and worth pursuing, but now is not the right time to forge ahead with them.

Cabinet also agreed that the Human Rights (Incitement on the Ground of Religious Belief) Amendment Bill, or the “hate speech legislation”, as it’s been more commonly known, will be withdrawn and the matter will be referred in its entirety to the Law Commission. The Law Commission is already considering issues around hate speech and discrimination, and this decision allows them the opportunity to consider a difficult and a highly contested area of the law in its totality. The Law Commission has got a good track record of developing guidance on difficult issues and that’s often in the past helped to generate cross-party support for those issues, and that’s what we hope we can achieve here. The Government will act on the recommendations that come from the Law Commission—in time.

The biofuels mandate will not proceed. Introducing a biofuels mandate will increase the price of fuel and, given the pressure on households, that’s not something that I’m prepared to do at this time. The Government still has a comprehensive emissions reduction plan to reduce emissions across the economy, and that will continue.

Finally, the Cabinet considered the three waters programme. As I’ve previously noted, the need for reform is unquestionable. The events in Auckland have once again demonstrated the limits of our existing infrastructure and the need for change, but careful consideration of those reforms is required. Cabinet has asked the new Minister for local government to report back on options for refocusing the reforms, and that will mean seeking further feedback from local government and from Māori. We know that the status quo isn’t viable. We need to find a new way of funding the billions required for infrastructure upgrades without the huge increases in household rates bills that were projected without further action being undertaken. This is fundamentally about infrastructure, the cost of living, and the quality of life for New Zealanders. We’ll work through those options carefully, and that process is likely to take a few more weeks.

These are the first and the most significant set of decisions that we are taking to refocus the Government’s agenda. They’ll allow us to shift our focus, our time, our energy, and our resources to the most pressing issues that are facing New Zealanders at the moment. They won’t be the last policy changes that we’ll be making, but they are some of the most substantive. All Ministers will continue to review their work programmes to see if there’s further tightening work that we can do.

When I was elected as the leader of the Labour Party—and, therefore, became the Prime Minister of New Zealand—I promised that we would do more to help families with the cost of living. I know that all working people are feeling the pressure of the rising costs of living, and that’s why we moved quickly to expand the excise petrol tax reduction, the RUC reduction, and public transport subsidies through until 30 June. Those are changes that benefit all New Zealanders, but particularly those on middle and lower incomes who are feeling squeezed. But I am concerned for those in our communities who are feeling the greatest financial pain at these times, and that includes those on the minimum wage. They make impossible trade-offs between food and medical care, dry homes, clothing for their children; these families need our support now more than ever. To that end, the minimum wage will increase by \$1.50 per hour to \$22.70 per hour. That will kick in on 1 April. The starting-out and training minimum wages will be maintained at 80 percent of the adult minimum wage.

This increase is in line with the overall wage movements that we’re seeing across the economy and with the most recent inflation estimates. I do understand that a number of small businesses will have concerns about this decision. However, in a cost of living crisis we can’t leave those on the lowest incomes behind. An inflation-adjusted lift to the minimum wage will mean that thousands of New Zealanders don’t go backwards. The impact on inflation is negligible. In each year’s minimum wage review, the Ministry of Business, Innovation and Employment assesses the inflationary impact of the minimum wage rate options on the wage proportion of GDP. In the 2022 review, MBIE estimates that an increase of 7 percent in the minimum wage will have only a minor inflationary impact of 0.1 percent on the wages portion of GDP. And, by pushing out work on the social insurance scheme, we’ve removed some immediate complexity and additional costs for those businesses. Analysis from Treasury that fed into our decisions suggests that this increase is unlikely to have a significant impact on

unemployment, because it's broadly in line with the existing average wage movements across the economy.

The broad range of actions that I've set out today demonstrate the new direction that I have set for the Government—that's increased support for businesses, increased support for families, and reprioritisation of our work programme to shift our focus to the bread and butter issues that matter to New Zealanders and that they want to see us focused on. I'm now happy to take your questions.

Media: How does getting rid of the hate speech legislation save you any money and help you focus on the cost of living? Isn't this just an excuse to get a politically unpalatable thing off your plate?

PM: Well, one of the things is that it consumes time and energy and, at the moment, we need to have our time and energy focused on those issues that I've set out as priorities for the Government. This is a contentious area of law; it would consume a lot of the Government's focus if we continued with it in its current form. I would rather that we took a step back and tried to reach that political consensus that we have been able to reach on issues that the Law Commission has considered in the past, so that we can progress it. There's no question that there is an appetite for reform here—we saw that through the royal commission following March 15, for example. There are some contentious issues here. We need to work through them carefully.

Media: On the merger: how much money have you wasted on that failed experiment?

PM: Look, we haven't got a final figure, because the total savings generated by the decision that we have taken will depend on what reinvestment decisions we make in Radio New Zealand and New Zealand On Air—as I've already foreshadowed—and we will provide a financial breakdown of that.

Media: Tens of millions, isn't it?

PM: There has been investment in it up until now. When you refocus Government priorities, yes, that does mean that some of the investment that's already been made won't realise the benefits that were originally intended.

Media: How much of a botch-up has this merger been?

PM: Look, I don't want to look backwards; I'm looking forwards. I think there's no question that the broadcast media landscape has changed significantly. The private sector are experiencing that as well. So I think it is important that Government looks to how we can best support making sure that there's quality New Zealand content available to a wide range of audiences. I think there's an easier way of doing that and, ultimately, that's the decision that Cabinet has supported today.

Media: Are you showing enough courage on this issue, because some people have said, "Look, it's the right thing to do; it just hasn't been sold properly"? Are you taking a politically easy way out on this one?

PM: No.

Media: Did you support the merger up until this point, or is it since you have become Prime Minister that you've decided you don't like it?

PM: Look, Cabinet decisions are confidential and I'm not going to traverse the history of discussions that we've had on that previously. I set out the way forward for the Government. It's the way forward that I support; it was my paper that I took to Cabinet. So of course I support it.

Media: Why no funding to Te Māngai Pāho, when they are also a huge contributor of content to both Radio New Zealand and TVNZ?

PM: I wouldn't rule out changes to that in the future, but that's not a decision that we've taken today.

Media: Just on the three waters reprioritisation, going forward, is the co-governance side of that safe or are you looking specifically at that part of it?

PM: Look, as I've said, we want to refocus those reforms. I'm not going to pre-empt the discussions that are yet to be held on those. We've got to get some good, concrete options on the table before we go through that process. We haven't done that yet.

Media: So you are assessing options on the co-governance side of things, when it comes to—

PM: We'll be assessing options for refocusing the three waters programme.

Media: What sort of quantum of money is RNZ likely to get?

PM: We know that they're going to need something around the kind of \$10 million mark, in terms of sustainability, and then the Minister for broadcasting will come back to Cabinet with an overall package that will make sure that we're both ensuring that RNZ can be sustainable but that also we can look at some of those issues around content gaps—audiences that aren't having their needs met. So I won't be able to give you a final answer on that, but we know that that sustainability gap could be somewhere between \$5 million to \$12 million a year.

Media: OK, so to put it on a sustainable footing and then—plus a bit more to fulfil the new—

PM: That's right. So they have cost pressures that we will need to meet regardless of whether there was reorganisation or not.

Media: Just more generally, as well, on media: whereabouts is—another key thing you guys have been working on is the Facebook/Google legislation. Whereabouts is that at?

PM: That's still progressing.

Media: What's the time frame around that?

PM: I don't have an exact time frame, but we haven't made any changes to alter the time frame that that's on. So that will continue to progress on the timetable that it was on before.

Media: How would you describe the impact of Labour's handling of public broadcasting since 2017, with three Ministers, lots of different proposals, in terms of where we are now and where we were then, because of the uncertainty, suppressed funding for RNZ? How much responsibility do you take?

PM: Well, I think we need to acknowledge that, during that time—you know, 5½ years is a long time—the media landscape has continued to change. So, if you look at the discussions that other players in the media sector were having 5½ years ago, they're having very different discussions now. So, frankly, there's not a lot of value in looking back. What we've got to look at is: where are we now, and what's the best way forward based on what we have in front of us right now?

Media: Do you think it's been handled competently and effectively all the way through?

PM: Oh look, like I said, I'm not looking backwards; I'm looking forwards.

Media: In terms of transitional funding, you talked about immediately needs. Is there going to be some money—because the merger date was 1 March; so that was a deadline, obviously different to the Budget process. Is there going to be some money to immediately address some of those funding issues ahead of the Budget process or ahead of 1 July?

PM: Yes, it won't have to wait until the Budget process.

Media: That ongoing exploratory work around a social insurance scheme—what can you say about what shape that's going to take? Would you still be looking at something that will cover both redundancy and illness and disability, or would you prioritise one over the other, and would you still look to create a new scheme, or would you fold it into an existing agency, maybe like ACC or MSD?

PM: So those are all the issues that I think we have an opportunity to canvass. We know that there are inequities in the current scheme—for example, someone who can't work because they were in an accident versus someone who can't work because they've had a terminal illness. We know that the current system, as a whole, treats them quite differently and that that creates some real inequity. There are a range of options for how we deal with that. The income insurance that was on the table was one of the possible options for doing that, but there are others as well, including looking at the scope of the existing ACC scheme. So we'll do more work around that, but as I've said, we won't look to progress anything on that until we think that the current economic storm has passed and we are in more of a position to be able to do that.

Media: The Government had actually hired permanent staff for this scheme, even though Cabinet hadn't made any decisions. Do you have any regret about that? And presumably you're going to have to go through a redundancy process with these public sector employees.

PM: Look, I don't want to comment, of course, on employment things; I don't think that would be appropriate, because the people concerned will only be learning of this decision now. But ACC will go through a process, and once that process is complete, then we'll be able to put some firmer dollar figures on the table in terms of what this will mean.

Media: Prime Minister, isn't this the very time that we should have a social insurance scheme, when we are in these turbulent economic times?

PM: Well, I think we have to recognise that there isn't the public support for this scheme at the moment, and people want to see us very much focused on getting through the current economic situation that we're in at the moment.

Media: With RNZ and NZ On Air receiving additional funding, will Te Māngai Pāho programmes receive more as well?

PM: Look, like I said, we're focused at the moment on the immediate implications of the TVNZ/RNZ—the decision not to proceed with the merger of them. The Budget process, which looks at cost pressures across Government, will continue, and I'm not going to get ahead of the Budget process in those areas.

Media: On January 23, you went on TVNZ and you said you would absolutely honour the commitments that were made in the 2020 manifesto. Do you accept that walking away from the hate speech legislation is a breach of the manifesto?

PM: We haven't walked away from it. We've put it into a different process, though, to make sure that it can be considered appropriately and in totality, because even people who wanted to see work done around religion and incitement on the grounds of religion—many of them wanted to see that considered in the broader context of other areas of incitement that weren't being addressed by that bill. So I think, if anything, we're living up to some of those commitments we made back in 2020 to do this properly, and we'll take as long as we need to take to do that properly.

Media: The manifesto says you'll extend legal protections to those groups of people, and you're not doing it.

PM: But the manifesto commitments went further than that, and the bill does not fulfil those. We will take the time we need to do it properly.

Media: The original hate speech proposal did cover all of those groups. Then the Government pulled it back and put a new bill in, and now you're pulling that back and saying the original was better—is that right?

PM: No. We're saying that we want the Law Commission to review the area of law in its totality, and we do want to try and build more of a consensus around the issues that have emerged here. Anyone who's read the royal commission report following March 15 would have to acknowledge that there are some very legitimate issues that have been raised, but I don't want to have them mired in a debate which is going nowhere, which frankly is where

the debate has been going. I think, by taking a step back, we've got an opportunity for everyone to still have their say, and everyone to still contribute, but for us to do that in a more thoughtful way that might actually lead to a better outcome.

Media: Your opening remarks said that these are the most substantive changes that you're going to be making in terms of the policy refocusing. Does that mean that policies like light rail are safe?

PM: I am not going to get into the thing of saying what we may consider in the future. We haven't considered that yet. So I'm not going to get into that. This is a pretty substantial package of reforms—refocusing—that I've put out today.

Media: Just following that, that's a pretty hefty first tranche. How many more can we expect the Government to be looking at? And for transparency for New Zealanders, what sort of projects might be looked at in the future?

PM: The packages that I've announced today, of course, are the immediate refocusing—the immediate, you know, priorities around refocusing—on some things that we're not going to do. Next week, when Parliament resumes, I'll do a speech to Parliament—as is tradition every year—which will set out the Government's work programme for the year, and that will talk about the things that we are going to be progressing during the course of the year. Every year, Governments go through reprioritisation exercises; one of those is the Budget process, which always involves a degree of reprioritisation, and of course there will be reprioritisation in this year's Budget, as there has been in all of the other Budgets that we've delivered since we've been in Government.

Media: Do you have a dollar figure, roughly, for the package as a whole that you can say you've saved as a result of the decisions made today?

PM: It's likely to be in, sort of, the low hundreds of millions, so it's likely to be significant, but it will depend partly on some of the subsequent decisions we make, like how much extra money goes into Radio New Zealand and how much extra goes to New Zealand On Air.

Media: Hundreds of millions over a four-year budget cycle—

PM: Over the budget cycle, yeah.

Media: On the minimum wage increase, you reference the impact on inflation; you say it'll be low according to a 2022 MBIE review. What does the 2023 MBIE review say?

PM: The advice that we received for the 2023 review was based on the 2022 review.

Media: Sorry, why have you referenced the 2022 review? Has there not been a 2023 review?

PM: No—but I'm pretty sure that that was the review that we're talking about. Of course, they look backwards in their review to assess what the impact has been in order to inform what they think the impact might be in the future.

Media: Just another thing on that—I mean, the Reserve Bank is forecasting a recession and unemployment to rise. So, you know, one could look at this and be concerned that a higher minimum wage could see more people lose their jobs because of the cost to business. What would you say to that concern?

PM: As I've indicated, that has not been our past experience with minimum wage increases. Those concerns have been raised every time the minimum wage has been increased, and we have record-low unemployment.

Media: Kicking the hate speech can down the road, are we not sending a message that we will tolerate hateful speech in New Zealand?

PM: No, absolutely not. We're sending the message that this is a difficult and complex area of law, where there are issues to be balanced, including the right to free speech, and we've got to do that properly; we've got to do that right.

Media: The biofuel mandate—it was going to reduce emissions in the first budget period by a million tonnes. You now have to fill that gap, because you were barely meeting the emissions budget in the first place. What will fill that gap?

PM: We will spend some time—relatively quickly if we can—to identify how we can do that. It creates a bigger gap in the second emissions budget—and then the third, obviously—but there's still a gap in the first. And we'll work through a process to make sure that we're filling that.

Media: The three waters—you said that consultation is to continue with Māori. What does that actually look like, considering that Māori have already had consultation with the Crown and with the Government and they've been on the same page for most of this time? Are you expecting them to wait until everybody else catches up to them?

PM: No. Consultation means just that: we'll be talking to them.

Media: Sorry, it's a total change of subject—the pilot who's been taken hostage in Indonesia. What can the New Zealand Government do to support the family and help with getting him back to safety?

PM: Consular support is being provided to the family, and you'll be familiar with the fact that in these kind of cases we keep our public comments on that to a bare minimum. The New Zealand Embassy in Jakarta are leading the New Zealand Government's response on this issue, and that's really all I'm in a position to say publicly about that at the moment.

Media: Can you give any sort of other details about what the Government is doing to get to him? For example, are there any negotiations?

PM: No, I can't give any further details, sorry.

Media: Just on Syria and Turkey, will the Defence Force be heading there, or any personnel to help on the ground?

PM: So we of course looked at whether we could send USAR up straight away. The feedback that we had was that they're actually getting a lot of USAR support from much closer to home, and that can obviously be deployed much more quickly. The area where they may call on us for support is in some of the more specialist and technical areas—particularly around coordination and leadership—and we're in conversations about exactly what support they need so that, if we are sending additional support, it can be what they most want. Neither New Zealand or Australia have sent significant numbers of USAR teams there at the moment, because of the length of time and the logistics involved in getting there. And we know that that first response is quite a critical time. We know from Christchurch, for example, that people were on planes within hours of the earthquake happening, and they got here very quickly—and they were the ones who actually did an awful lot in that first 48-hour period that was very useful. We wouldn't be able to get people there that quickly. But we're certainly in conversations about what do they need; what's the most useful thing we can contribute.

Media: Why would we not, sort of, get them maybe closer, or just get them on the way? It's obviously just been very protracted.

PM: As I've indicated, the feedback that we've had is that they've got a lot of USAR people coming from other countries that are much closer. So what we're looking at is: what are the gaps in the level of support that's being provided internationally, and how can we best help to fill those?

Media: Today you said—it's probably the closest you've come to criticism of the Jacinda Ardern Government; you said “the Government is doing too much too fast.” Did you at any point tap the former Prime Minister on the shoulder and say, “There's too much going on”? Did you attempt to slow some of that work down?

PM: Well, Jacinda Ardern indicated herself, prior to Christmas, that she thought there'd need to be a degree of refocusing and reprioritisation of the Government this year. Now, I

have led that process—that's my paper that went to Cabinet today—but I think there would have been a degree of reprioritisation even if there hadn't been a change of leadership.

Media: We saw that business confidence had fallen to its lowest in 50 years. Will raising the minimum wage help improve business confidence?

PM: As I've indicated, I do acknowledge that there will be some small businesses that will find this decision a difficult one. One of the things that I have also committed to, though, is trying to provide more regulatory certainty for business. I've had a wide range of conversations with business here in New Zealand—and even in Australia yesterday—about how we might do that and the issues that are on top for them. And you'll see that in the decisions we've made about income insurance. We know that that was something that there was uncertainty and that that was adding to their anxiety, and we've made some decisions there that'll give them that greater clarity that they're looking for—and we'll continue to look at those areas of regulatory uncertainty so we can provide them with more certainty.

Media: Are you concerned that businesses are going to pass on those extra costs to consumers in a cost of living crisis?

PM: Look, we have to acknowledge that the people on the minimum wage are people who have the least ability to absorb additional costs—and additional costs are coming at them now, and we need to help them to be able to keep up.

Media: Just going back to the media merger briefly, will your Government give any consideration to introducing a charter for TVNZ—it had one in the past—if the concern was about too much of a commercial focus? Would that be one way of dealing with some of these concerns?

PM: There are some things that we can look at now that the merger's off the table, and that includes issues around the Letter of Expectations, for example. There's already some existing mechanisms. A charter has been trialled with TVNZ in the past; it was removed when there was a change of Government. But I wouldn't discount those options as potential ways forward within the existing structures that we've got.

Media: Just looking ahead at other reprioritisations: the new parliamentary building that's meant to start this year. Will that be one of the things under consideration?

PM: No, not at this point. The reality is we need to be able to sustainably accommodate the Parliament, and we're going to face costs regardless of which way we go. Even if we move back into Bowen House, that's a commercially leased building with a significant hefty price tag to it. Over the lifetime of the building, the cost of having a new building is comparable to the cost of leasing a building. So I'm not going to make a knee-jerk response there which isn't ultimately going to leave the taxpayer better off.

Media: Just a couple of questions on co-governance. Firstly, can I just confirm that in terms of the three waters work that you're going to be doing, you are specifically going to be looking at the co-governance aspects as part of that; and whether they stay as they have been proposed, or whether you'll make changes?

PM: Well, if we make any change to the structure, then by definition that means that you have to consider the governance arrangements that sit around this structure. And I'm not going to pre-empt the work that I've asked the new Minister for local government to do, which is to canvass the options around how we can refocus that. I'm aware that there is concern around co-governance; there's also concern from local authorities. We want to work with local authorities on these issues. So I'm not going to get ahead of that.

Media: Just following on from that, in terms of co-governance. At the end of last year, Willie Jackson announced that the work that was being done around co-governance, in terms of the UNDRIP, was halted and that the can was being kicked past the election. So when you look at the policy that is on the table at the moment—the work that the Government is doing—and any proposed work that's coming up over the course of this year, what policy areas actually have a co-governance aspect to them outside of three waters?

PM: Well, I mean, I guess the question is: in what policy areas are we working with Māori? Because I think that's the shorthand for what you're talking about, because we work with Māori in a variety of different ways—the Māori Health Authority, for example, is probably less co-governance and more self-determination. We've got issues in education, or areas in education, where we're taking that approach as well—the work we're doing around kura kaupapa Māori, for example, and continuing to strengthen that. So we'll work with Māori across a wide range of Government areas—as we have been. We'll continue to do that.

Media: So parking stuff like—I mean, the Māori Health Authority is up and running; that's something that already exists. And when I'm talking about co-governance, I guess I'm being a little bit more defined in the sense that—talking about representation specifically, which is the main issue, I guess, that there's a bit of public kickback around. So is there other policy areas other than three waters where you are proposing to have specific co-governance representation with Māori where they play a role—whether that be a management role, a power role, a veto role, whatever you want to call it. Is that on the agenda still, or is all of that being captured by the UNDRIP work that is being kicked down the road?

PM: I haven't looked right the way across the Government's policy programme to see whether there are other areas where that has been considered. I'm not aware of any proposals that have come forward recently on those issues. But what I will say is probably the area where we most see co-governance arrangements is in Treaty settlements, and I don't propose to go back and unwind the ones that are in the later stages of negotiation.

Media: Forgive me, Prime Minister, but the Government's carbon budgets—do you expect to still meet them?

PM: Look, we've got work to do to identify how we fill the hole that's created by the decision around biofuels, and we'll do that with haste.

Media: You mentioned local government concerns about three waters, and that centres around ownership and not having enough line of sight or influence. Is that something that you would look at? Because that is another major area of concern from local government. Is that part of the review of three waters or is it more at that mana whenua local government level?

PM: Like I said, I don't want to, before—we don't even have options on the table yet. We've tasked the Minister for local government with going away and putting those options together. I don't want to pre-empt that.

Media: Do you acknowledge the local government concerns? I'm just wondering if that's something that you'd be willing to look at as well.

PM: Well, of course we'll be acknowledging the local government concerns in the next part—

Media: But not necessarily acting on them?

PM: —as we look at a range of options. But pre-empting those by saying what we may or may not decide in the future kind of would defeat the purpose of having another look at it.

Media: What do you really expect Māori to do, though, in terms of the three waters, and how do you expect them to wait now given that they had done a lot of work to be on the same page as Government? Do you really expect them to wait?

PM: Look, the reality is this is a very large programme of work that's going to take many, many years to implement. There is no overnight fix to the problems that we've got with our water infrastructure in New Zealand. I think it's important—you know, for the sake of taking another couple of weeks—to reassess the options to make sure that we've got the mix right. I don't think that that's going to add a lot materially to the overall end point.

Media: At Waitangi, though, there was a lot of korero there that said that Māori are being kicked down the road around three waters because of the racism that has been talked around three waters—that they've actually paid the price, and Nanaia has paid the price, for that racist rhetoric, and now we're paying the price yet again by having to wait.

PM: Well, we haven't made the decisions on that yet, but your question's probably better directed to those who have been raising that concern.

Media: When you met with business leaders last week did they ask you to hold off on raising the minimum wage?

PM: No, actually, it wasn't specifically raised with me—I don't think. I think we were asked about it in the media conference afterwards, and confirmed that it wasn't raised in the discussion. But I am aware of the concern in the business community about it. So the fact that it wasn't discussed specifically in that meeting doesn't mean that it's not something that I have heard from the business community about.

Media: Is there any point in businesses giving feedback about the minimum wage to the Labour Government?

PM: We will continue to talk with businesses, and we'll continue to take their feedback on board.

Media: Prime Minister, there's lots of cutting going on. Are there any programmes that you would like to see added? Any pet projects?

PM: Look, in the fullness of time, of course there will be some new things that the Government will also focus its energy on. And we're going through a Budget process. This is about providing certainty on some areas where people are wanting certainty. We're now giving them that certainty. But the business of Government continues, and next week, when I set out the Government's programme for the year, you'll see that we've still got a very busy programme ahead of us.

Media: Did you consider getting rid of the farm levy—the [*Inaudible*] tax?

PM: Haven't looked at that.

Media: I just want to return to the issue of the carbon budget, because you didn't say that you were going to meet it. Are you going to meet it?

PM: That will certainly be the objective.

Media: When does the reprioritisation programme finish, because, while it still goes on, there are questions marks over the future of every Government project that hasn't explicitly been ruled in or out of the reprioritisation programme?

PM: Like I said, reprioritisation is something that Government should do regularly. Every year in the Budget process we do an element of reprioritisation. In terms of this kind of refocusing, reprioritisation, the package that I've announced today, next week you'll see us setting out the programme for the year, which will give more certainty about the sorts of things that aren't going to be changing and that are going to continue to be a focus for the Government, and, then, of course, there's the Budget process coming up.

Media: But things like light rail, you know—that's a massive project that's going to cost billions of dollars and you probably need to give certainty to the wider economy if you're going to spend \$30 billion on something, whether it is or isn't going to happen.

PM: That programme continues until the Government makes a decision otherwise.

Media: The Law Commission said as recently as last November that it didn't have the resource to look into hate speech and hate law reforms. Do you commit to adequately resourcing it so that it can do that work?

PM: Well, obviously, there's a cost pressures process that happens through the Budget, and that's certainly one of the things that'll be considered during that.

Media: If there are other projects that might be cut in the future, is it fair to keep people working on those projects in limbo until a decision is made?

PM: As I've said, Governments reprioritise on an annual basis through the Budget process. As I've said, these are probably at the more significant end of the reprioritisation decisions that we'll take, but I'm not going to rule out further reprioritisation decisions.

Media: Prime Minister, just on the record seizure of cocaine today—3.2 tonnes; a massive amount. Are you able to comment on the significance of that?

PM: Yes, it's very significant, and, you know, our agencies have been doing a lot of work around the seizure of illegal drugs. I want to acknowledge the work that Customs do. I want to acknowledge the work that Police do. They do some excellent work in that area. It shows that their intelligence gathering works and that, when they really focus in on it, they're delivering the results.

Media: And given that it was destined for Australia, is it something that you raised with Prime Minister Anthony Albanese yesterday?

PM: It wasn't something that we discussed particularly, but regardless of where in the world it's destined for, those sorts of drugs are far better off off the streets.

Media: Prime Minister, a fifth COVID vaccine dose was approved in Australia. Where are talks at here on that?

PM: Actually, I don't have the most recent update on that, but I'll certainly check with the Minister of Health and we can get you an answer on that.

Media: On the agricultural emissions pricing scheme—Nick asked about it—so that's another one that just has a question mark over its head at the moment?

PM: In terms of He Waka Eke Noa?

Media: Yeah, and whether you might can it.

PM: Yeah, I haven't had a look at that yet, so—of course, we haven't reached a conclusion on those discussions at this point. So those discussions continue, and we'll see if we can reach a landing on them.

Media: But do you still plan to have a price on agricultural emissions in the sort of farm-level levy that everyone kind of agrees on?

PM: As I've said, those discussions are ongoing. The Government continues to try and reach an agreement. That's still our objective.

Media: Just on hate speech, there have been multiple reviews over the last five or six years of New Zealand's current hate speech laws. What do you think that you'll get out of the Law Commission review that's any different to what the Government has already been told about the existing laws?

PM: As I've said before, the Law Commission has a history of looking at complex areas of laws, including some that have been reviewed by others in the past, and producing something that forms the basis on which further political discussion can take place. This is a complex area of law, where the balance of rights actually comes right to the fore, and so the ability of the Commission to weigh up the right to free speech, the right not to be discriminated against, and come up with some principles and some things that the Parliament can then consider, I think shouldn't be underestimated.

Media: But why is it necessary for another review when the Government's already been told the gaps in the existing legislation?

PM: Well, it's how you fill the gaps that's the contentious point.

Media: How much of what is on the policy bonfire today comes down to failure of communication? So the media merger failed to communicate the business case for it; three waters failed to communicate the co-governance aspect of it; and the hate speech laws failed to communicate where the line was on what was hate speech and what isn't. Do you accept that it's the failure to communicate this to the public which made them so unpalatable—that

it then became an overwhelming amount of work for the Government to continue with that work?

PM: I think it's an acknowledgment that Governments only have so much bandwidth to take on a variety of different projects and a variety of different challenges, and if you take on too many all at once—and I think that is probably something that we have done—then you can lose focus. So, in the decisions that we've taken today, you'll see that we are refocusing down, and we would rather do a smaller number of things, do them more thoroughly, and communicate better about them.

Media: Your team is largely the same as under the former Prime Minister, so how can New Zealanders be confident that you're not going to overload yourself again, as you were just saying?

PM: Look, as I've indicated, we've gone through a process, and we're going through a process, of making sure that everyone is on the same page when it comes to the priorities of the Government, that we are looking to remove distractions or things that, while they may be worthy, are not the highest priority at the moment. The whole team has been engaged in that conversation. The decisions that we made today—that I've just announced—were unanimously agreed by the Cabinet.

Media: Just on that, do you accept that it may always be somewhat contentious? Because what you're doing is protecting a minority of people from abuse by people who represent the majority. Is the fact that it might be controversial or contentious or unpopular always going to be a veto for it?

PM: No. I mean, look, it's going to continue to be a controversial area of law reform, but it's important with those really controversial areas of law reform that we take the time to get it right.

Media: On the social insurance scheme, two things: the finance Minister has spoken passionately about the need for it for so long. Did he offer it up as part of the reprioritisation, or did you take it from him?

PM: Oh look, he's invested a lot of time and energy into that, and I absolutely acknowledge that. We're not ending the work on the issues that have been raised completely. We acknowledge that there are some issues here that we'll continue to work on, but he also acknowledges that now is not the right time for it.

Media: Just on that, the National Party is already saying that it's not gone; it's just being deferred. How long precisely, or can you give any sort of assurances about how long it's off the table for?

PM: Certainly until the economic conditions improve.

Media: What does that mean?

PM: Not in this term of Parliament, and then, you know, there's an election between now and then. We'll have a manifesto, and people will be very clear on what is on or off the table during that process.

Media: You didn't actually take that policy to the electorate—you never campaigned on it. Was that a mistake?

PM: Like I said, whatever the future of work in that area is, people will be very clear on anything that we're proposing to do in the next term, and they'll be clear on that before the next term. But now is certainly not the time.

Media: Will you take it to the election if you're planning to do it next time?

PM: If we plan to do further things; if we're in the position where they're advanced sufficiently that we can take them to the electorate, then, yes, that would be the plan.

Media: Just to clarify: all of these things on the chopping block today—are they all going to be in the election manifesto? I mean, is it still work that the Labour Party believes in, that's it's been confirmed for next term?

PM: I'm not going to write the manifesto today, Jo, as I'm sure you will understand.

Media: Yeah, I know, but is there anything there that, I guess, you know, is fundamentally part of the Labour Party and that you still believe in, but it's just not the right time to do it?

PM: Well, look, many of these are worthy, as I've indicated; they're just not priorities at the moment, and I'm not going to foreshadow what may be the priorities five years down the track.

Media: The Law Commission says it hasn't started work on the hate speech review yet. It's started instead on protections for gender-diverse people under the Human Rights Act. Would you like them to then prioritise the hate speech stuff—because Andrew Little first asked for it to be reviewed in March 2019 after the terror attack. We've had two Ministry of Justice reviews, the Human Rights Commission, the royal commission.

PM: Yeah, as I've indicated, you know, there are some conversations—ongoing conversations—with them about resourcing and making sure they've got the resourcing they need to be able to do this work, and to do it in a timely manner. And so we'll keep talking to them about that. All right, the last couple of questions.

Media: On income insurance, are there any policy people at MBIE or ACC or anywhere working on it, or is there no policy work thinking being done at all?

PM: You mean beyond now? So once this—

Media: Yeah.

PM: No, there will still be some people working in this area. That's the process that we've got to work on. Because, as I've said, there are still inequities in the system that we want to formulate longer-term plans to address. But they're not going to be immediate, here and now—i.e., not until the current economic cycle has improved significantly.

Media: So are these people who were hired, or is it existing people at MBIE or ACC—

PM: Like I said, I'm not going to make staffing decisions on behalf of the agencies concerned, and particularly not in a press conference. So they'll work through that process.

Media: Prime Minister, Ben had mentioned Grant Robertson putting a lot of work into the insurance scheme. How hard was it for you and for others in Cabinet to give up some of these projects that you've spent a lot of time and investment in?

PM: I think everyone around the Cabinet table acknowledges that we needed to have a bit of a refocus, and they've all been very supportive of that process. All right, thanks very much, everybody.

Media: Sorry, can I just clarify: are you—not a single business leader brought up with you at your business leaders' round table the minimum wage?

PM: No, it wasn't discussed in that meeting—no. But that's not to say they haven't raised it at other occasions, but it certainly wasn't raised at that meeting that we had in Auckland—was it two weeks ago now? Yeah. Thanks, everyone.

conclusion of press conference