

2 February 2015

POST-CABINET PRESS CONFERENCE: MONDAY, 2 FEBRUARY 2015

PM: OK, so good afternoon. Today I can announce the date for the by-election in Northland will be Saturday, 28 March. I have made this decision after considering advice from the Electoral Commission over the weekend and this morning. This timing, I believe, gives parties adequate time to prepare while allowing the process to move forward as it needs to. The by-election writ day will be Monday, 23 February and the deadline for candidates' nominations to be received will be noon on Tuesday, 3 March. The last day for the return of the writ will be Tuesday, 14 April.

I am looking forward to travelling to Waitangi this week, as I do every year. This year we commemorate 175 years of the Treaty relationship. That's a relationship we should all have pride in. Over the last 6 years a great deal has been achieved through the Crown and iwi working together, and the relationship we have with the Māori Party has contributed hugely to that. They have brought a rich dimension to this Government. I am particularly proud of our record on Treaty settlements. We've signed 46 deeds of settlement with iwi in the last 6 years. By way of comparison, the previous Government signed 16 settlements in 9 years. These settlements have allowed significant economic development not just for iwi but for the regions in which they are based.

So this Thursday morning I will attend the pōwhiri and hui which follows, as always, and then I'll meet with iwi leaders and later attend a Beat the Retreat ceremony. On Friday I'll be at the Dawn Service in the Treaty House, and later in the morning I will speak at my annual breakfast event.

This week the British Foreign Secretary, the Rt Hon Philip Hammond, will be visiting New Zealand. Foreign Minister, Murray McCully, and I will be meeting with Mr Hammond during what is his first visit to New Zealand and the region as Foreign Secretary. This will provide a useful opportunity to discuss mutual foreign policy priorities, including our role in the Security Council. We are also grateful for Mr Hammond, as he has agreed to address our 1-day caucus. That is a chance to hear his perspective on the upcoming British election and also more broadly on international affairs. You will, of course, recall that I spoke at the Conservative Party away-day in 2013.

Lastly, in terms of my activities this week, tomorrow the National Party all-day caucus will be held at Premier House as is the tradition. I am sure I will see a few of you there in the morning on my arrival. On Wednesday I'll be travelling to the Waikato for a number of events, as I mentioned, and I will be at Waitangi Thursday and Friday.

Any questions.

Media: On Mike Sabin, did you know before the election that there were allegations about a police investigation into him?

PM: No. I can't speak about police investigations—I can't speak about those matters. But in terms of Mr Sabin, I was aware of the personal and family interests—or made aware. There's no written record but it looks like, according to my office, it's very, very early December. It's in that sort of period of a week or a week and a half prior to the break-up of Parliament. That's the first I knew anything.

Media: Was that before or after you appointed him as select committee chair?

PM: That would be well and truly after.

Media: What about your office? Was your office aware before?

PM: Not before, no.

Media: What about anyone in National? I mean your party—

PM: Not according to the president. I've asked him, and he wasn't aware, no.

Media: Is it correct that National—that you were canvassing in Northland for a new candidate a few weeks ago?

PM: No, I don't think that's right. I mean, one of the reasons why the by-election is set for 28 March is because we are going to open nominations and it is going to take us a good sort of 4-week period. We can't close nominations before about 28 February. And that's because we want to make sure we pick a good candidate and get a good person for a seat that we're obviously very keen to retain, so no, that's not true.

Media: Very early December—was that when you found out—what am I saying? I had a very good question there!

PM: I can't ask and answer the question for you, but I can do my best.

Media: Sorry. Is that when you found out that there was a police investigation, or is that when you heard rumours?

PM: No. I'm not going to go into the information I was told. I was simply told that the personal and family matter that ultimately Mr Sabin is pursuing—I was told in very early, very early December.

Media: Did you consider standing him down as a select committee chair at that time?

PM: No, I didn't. Look, at the end of the day the reason I didn't was because, you know, I thought, on balance, given the information I had at that time, the course of action I took, which was to let things ride and see how they progressed, is about the right course of action. If it was a Minister, I probably would have taken a step to step someone down, but as a select committee chair, I don't think so, no.

Media: Do you think you've mishandled this up until now?

PM: No. You'll appreciate the situation we're in—I think I've handled it as you would expect me to within the law.

Media: Have you decided who will replace him on the select committee yet?

PM: No, but Gerry Brownlee's going to need to consider that matter

Media: So you knew there was a police investigation under way?

PM: No, I'm not going into what I knew.

Media: But you were still happy for him to be the chair of that committee?

PM: With the information that I had, I was very happy with the position I took.

Media: Do you know if any of your Ministers were aware earlier, before the election?

PM: I'm not aware of that, no. You'd need to ask them.

Media: When you talk about taking legal advice on this—

PM: Yep.

Media: When did you get that? Or when did you ask for that?

PM: There was some—obviously I was aware that there would be questions raised, because there had been some stories in the newspaper. So when I got back from Davos, I just obviously checked what my position was and what I was able to say and wasn't able to say.

Media: So that's this year.

PM: Oh, that's this year, yeah.

Media: You were aware of this matter but you still thought it was appropriate for him to chair not just any select committee; it's the Law and Order Committee.

PM: Yeah, well, absolutely. On the information I knew, yeah.

Media: Andrew Little says he had heard rumours about this far before December. How does he find about them and not you?

PM: Wouldn't have a clue, but all I can tell you is that's what I know.

Media: Would you expect your MPs to come forward straight away with information like this?

PM: It depends on the individual MP and on the circumstances and on what they think they're doing. I mean, in the perfect world we live in a world of kind of no surprises and they tell us as early as they can if they've got a particular family matter. Some are a little better than others in telling us up front straight away.

Media: Have you given them the message or told them that that's what they should be doing?

PM: Yeah. We regularly do that, but people treat things in different ways.

Media: How did you become aware?

PM: Oh, my chief of staff told me.

Media: You don't know if any Ministers were told under the "no surprises" policy?

PM: I'm not aware of any, no.

Media: Last week you said you spoke to him last year. When was that and what was that about?

PM: I absolutely have no idea when it was. It was certainly—there would be no record of that. It'll be some time when he was in caucus or something. But not this matter. I've never spoken to him about this matter.

Media: Have you spoken to him since he resigned?

PM: No, I haven't—no.

Media: Should local councils have a "no surprises" expectation in public service? Should party leaders and Prime Ministers expect the same courtesy from their MPs?

PM: One more time—I didn't hear the question.

Media: So you have a "no surprises" policy that applies for the public sector and chief executives.

PM: Yeah.

Media: Does the Prime Minister and a party leader have the same expectation upon his MPs?

PM: Yeah. It's our preference that people come and tell us. And I will say to caucus, you know, if there's a particular issue you're dealing with—and look, there's 60 people in our caucus. People face all sorts of family issues, health issues—you know, all sorts of different issues that they consider. And we always encourage them to try and come talk to us. But people treat things in different circumstances in different ways. It depends on, you know, a whole variety of different reasons.

Media: When you were made aware, was it via Mr Sabin or was it via—

PM: No, it was my chief of staff told me. My chief of staff told me.

Media: But had Mr Sabin who told him, or was it third-hand?

PM: I don't know the exact details of that.

Media: On local councils, would your Government be prepared to let councils impose income taxes, increase GST in the regions?

PM: I think we'd be very reluctant. I mean, the whole issue of funding councils and whether they could look to alternative funding streams is something that's been raised time and again. It's not a new issue. I know local government have put out a paper on that. And we're happy to have discussions with them. But as a general rule, we're very cognisant of putting more cost on taxpayers and ratepayers who are inevitably one and the same thing, more often than not. So, look, we'll have discussions with them. No one's argued that rates is a perfect system. And there are examples in local communities where there's a big influx of cost in people, for instance, on tourism perspectives and not necessarily the rate based to pay for that. We're aware of that. You saw us allow a levy, for instance, to be applied in Stewart Island. But, as a general rule, massive increases of cost on ratepayers is not something we're looking towards.

Media: Councils argue, though, that there's a huge funding shortfall and that they won't be able to fund the infrastructure required over the next 10 to 20 years.

PM: Yeah, but I would sort of say that if you look at it, you know, they've been funding that infrastructure. This is not a new issue for a very long period of time. They don't, as a general rule, seem to have excessive levels of debt. They have a range of different assets that they own. There are specific examples like Christchurch where we're working with the Christchurch Council, but that's a result of the Christchurch earthquakes. As a general rule, you know, it's an issue that's raised from time to time in, as I say, certain communities. Queenstown's a good example where this issue's raised. You do see it as an issue sometimes tied to something like a convention centre. But across the board, wholesale restructuring of reform of the way local government is funded is not something we have on the agenda at this time.

Media: They say that the changing structure of the population—ageing population—less willingness or ability to handle rates means they'll have to change their structure. What do you think about that idea?

PM: I'm not sure the ageing in the population ultimately alters that much. I mean, councils have for a long time now been deploying the capacity for people, for instance, to fund their rates bill, if you like, out of their assets so that ultimately it can be paid for by their estate and the likes if they're cash-strapped. I mean, I think the main point I would sort of make is that rates are an impost on, obviously, ratepayers. We've just got to be cautious about how much impost we put on ratepayers, because in the end there's a lot of cost coming at them and we want to make sure that money isn't being wasted. So I don't think anyone has ever argued rates is the perfect system, but one concern we would have is if we opened the floodgates to a whole range of other taxes and ways of funding local government, then the cost could dramatically go up, the services wouldn't necessarily actually improve, and you could see consumers paying a lot more. So we're just very conscious of that issue.

Media: Did the Cabinet discuss today sending non-combat training soldiers to Iraq to help the fight against the Islamic State?

PM: No. There was no discussion on Iraq today.

Media: When do you think that that decision—that final decision—will be made?

PM: It's contingent on a number of factors. So we need the defence people to come back and give us a précis of what they've learnt in terms of the recce that's taking place in Iraq. We haven't got that information yet. There's been some discussions happening with the Iraqi Government and their perspective on training people. So we're working our way through it. So it certainly wasn't this week. I doubt it will be next week. You'd expect us to get on with it, but, I mean, in terms of making a decision and getting a paper—so more by the end of February, but it certainly wasn't this week.

Media: Will you raise that matter with Philip Hammond?

PM: Yeah, I think, look, we'll have a discussion with him about ISIS and the response to that. I mean, I had a brief discussion with David Cameron about the broader issue, and obviously everyone can see what's happened in all this tragedy that has occurred to Japan over the weekend.

Media: Who has been speaking with the Iraqi Government? Have our foreign affairs staff been speaking with them?

PM: Yeah, I think it's at the MFAT level, but it's quite clear that the foreign Minister, Murray McCully, will have some discussions over the next few weeks.

Media: So will he go to Iraq like what Julie Bishop did?

PM: That's a possibility, and it's also possible that some Iraqi officials may come and visit New Zealand. That's also a possibility that's being worked on.

Media: So have our officials been to Iraq to talk to them?

PM: No, I don't think so. I mean, we have representation in the region. There's been, obviously, people as part of the contingent that has been doing the recce work for defence.

Media: So Iraqi visitors—would they be politicians or—?

PM: Politicos. Possible politicians.

Media: Is it taking a lot longer than you'd hoped?

PM: Yeah, I mean it's a complicated process because obviously we want to do the right thing for the people of Iraq. Secondly, we want to make sure that they are welcomed and they can operate under the normal terms that we would expect. Thirdly, we've got to make sure it's as safe as it can be in what is a dangerous environment. So these things are never that straightforward. There are a lot of countries getting involved in training. I think in the latest numbers I saw there's around about 23 countries making a contribution of some sort. So it's not like New Zealand's in isolation, but we are treading cautiously when it comes to this issue.

Media: You mean 23 military? I thought there was 60.

PM: Yeah, but in terms of training I think there's 23.

Media: What can we offer in terms of military training that 10 years of American intervention in Iraq couldn't?

PM: Look, I think they're different times and different situations. I mean, I've seen those arguments around the enormous amount of money that was spent training Iraqi forces, and it wasn't terribly successful. I think when it became a lot more successful was when the Iraqi Government actually wanted that and when they had a much more inclusive approach. That's what really led to the awakenings. I think ultimately this is the issue: it's that in the end, as I've said so often before, I think the solution in Iraq and the solution to standing up to ISIS ultimately comes when the people of Iraq believe there's an inclusive Government. But as part of that Government, they need to be able to have some resources, and my understanding is the Iraqi Government would support the training of some of their people to give them those resources.

Media: Is one of the things you're considering the ability to fly the personnel in and out without using roads?

PM: Totally. I mean that's one of the conditions.

Media: Why?

PM: Well, because there's always a risk in those sorts of environments of IED bombs, and the more time people spend on the ground, outside of a secure facility, the riskier it is. So one of the conditions we've been looking out is fly-in, fly-out capability.

Media: And what's holding that up?

PM: There's a range of different options that have been suggested, as I understand it, and part of it has been looking at the various options and seeing where we think potentially the best location would be. As I said, if we do this, we're likely to probably do it alongside Australia. They're also looking at some of the issues there. And we're just taking a pretty cautious approach to making sure if we make this call, we're making the right call.

Media: Would we use our own equipment for that, or Australian?

PM: I don't honestly have the answer to that, but I imagine it would probably be a mixture of both.

Media: When did your chief of staff first find out about any issues with Mike Sabin?

PM: I don't have that date. I don't know.

Media: Or was it much earlier than when you found out about it?

PM: I don't think so, but I'd need to check to be sure.

Media: Just going back to Iraq for a moment, given the extra demands on MFAT over Iraq and the proactive role Mr McClay is taking in New York over the Security Council and the Ukraine in Haiti, have you given any thought to extra resourcing or funding for MFAT to cope with this added work?

PM: For the Security Council?

Media: Both.

PM: I think in the mission in New York there is a little extra resource—you'd need to ask Mr McCully, but I'm pretty sure that they are putting in extra resourcing, extra support, there. And certainly, you know, one of the things I was conscious of when we did the Cabinet line-up last year, one of the reasons why, you know, I thought it made sense for Mr McCully not to be the sport Minister—he's obviously associate, but not to be sport—one: because I wanted to tie it with health, and have Jonathan Coleman there, but the second thing was just—I was conscious of how busy he would be. And you can see that—I mean, Mr McCully has been in Addis at the African Union last week. I mean, that's probably not something we would have gone to, but we went because of our role on the Security Council. So, there are just greater, you know, demands on his time.

Media: Anecdotally, we are hearing that the resources are very stretched down there at the moment.

PM: I haven't heard any reports on that, but you'd need to ask the foreign Minister's office.

Media: On Mike Sabin again, sorry. Can you guarantee that Wayne Eagleson didn't know before the election?

PM: Yes, he didn't know before the election. I know that for a fact. I don't know the exact date of when he knew, but it was around about when I knew. It might have been slightly earlier, obviously, because he told me, but, you know, as I say, I knew very early December. Didn't know any time prior to that. Didn't have any inkling prior to that. To be frank, I hate to say it, because Mr Sabin won't like this, he was on the list of likely to be a Minister. There was a real toss-up between him and a couple of other people that got in. That's how confident we were, or how lacking in knowledge of other issues that we were. So it came as quite a shock to me when I was told of the family matters that he's pursuing. But let's see how that goes.

Media: And you've got no idea how your chief of staff found out?

PM: No, you'd need to ask—ask my office and they'll be able to give you that information.

Media: What portfolios were you looking to give him?

PM: Ah, I'm not going to bother going into that.

Media: Do you really think that it's appropriate for Philip Hammond to be addressing a political caucus?

PM: We thought you might ask that question, actually. Um, yeah, we do. So, basically our view is that, look, he's coming to New Zealand, he's meeting the Leader of the Opposition, he's obviously meeting me in my capacity as Prime Minister—and they're separate meetings. But I think it's fine actually for him to come and—he's really going to give our caucus an update on what's happening in the British election, and his perspective on what's happening in international events. It's not that unusual. I mean, you had a situation where, you know, at the Labour Party caucus, or Labour Party conference last year, just before the election, Bill Shorten went over and spoke to them.

Media: But he wasn't representing Australia. I mean, how would you feel if John Kerry turned up at the Labour Party caucus in Martinborough?

PM: I'd feel surprised and a little disappointed for him. I'd tell him to come down to the real party, but, you know, in the end, if he wanted to, I'd be OK with it. If he wants to hang out in Martinborough with the Labour Party caucus, well it's an interesting way to spend your February.

Media: On our trade access, Fonterra let its cheese export licences to the United States lapse. How do you feel about that?

PM: I don't have any details on that, I'm sorry. I don't know.

Media: Tomorrow's caucus, is there a particular focus for the meeting?

PM: Well, it's clearly scoping out the year ahead. There's a range of different issues. I mean, everything from, essentially, what our goals and ambitions are for this year, where the big work programme is, some of the things that—policy that we're working on, in the sense of the caucus to give some feedback. So, it's a sort of stock standard yearly sort of meeting. But, you know, look, the caucus is in good heart. I suspect they've had a very good summer. I think you can see from the polls that have come out—you know, the Government is travelling well, but we're as conscious as anybody that, you know, it's a big, long, hard road ahead, in front of us, and we're going to have to work every single day to earn the right to continue to be the Government.

Media: What sort of reception are you expecting at Waitangi this week?

PM: I think a bit rough. I mean, look, I wish I could tell you it would be, you know, kind of peaches and cream, but my experience of being up there in the last, you know, I think this'll be my ninth time, is—you know, there's always a mixture of different things that happen but down on Te Tii Marae it's normally a pretty robust sort of environment.

Media: What's particularly changed this year?

PM: I don't think that reaction would be different to, you know, previous years, really. I mean, if you think it through, I've had everything from, you know, someone taking a swing at me outside the Treaty grounds right through to being shouted off on Te Tii Marae, to being held up for hours going in there to, you know, basically, hīkois where people—make them offers to come to Wellington to learn more about it, and not turning up. There's always a range of different things that happen there. But on the other side of the coin I also think that we get an opportunity to put our case, and some people will hear that. I think we get some marks for constantly turning up year after year. We have good engagement with our local iwi up there and we are progressing the Ngāpuhi settlement—we're trying to. We'll have good engagement with iwi leaders, and we've got a lot we want to talk to them about—everything from water to Whānau Ora. So, you know, I'm never going to shy away because it'll be robust down on Te Tii Marae.

Media: Do you ever worry about your safety?

PM: No, I don't worry about it.

Media: Where's the Ngāpuhi settlement process at?

PM: Well, it's—you know, they've got a mandate, or a mandated committee, and they're moving along. So we'll have discussions with Sonny Tau when we're up there.

Media: Given the TV3 poll, how formidable an opponent do you see Andrew Little as being?

PM: Well, I take every Leader of the Opposition seriously, you know, and for very, very good reason, and so, you know, in a way, I mean, the poll I thought was probably quite good for Labour and National, actually. I mean, it's a very good result from our point of view—you know, we're polling 50 percent. Those numbers are strong. What's clear is that Labour are cannibalising a bit of vote on the left and that's sort of the natural reaction that you typically get in a honeymoon period, but, you know, bluntly, they're still at 29-odd percent. Helen Clark won elections at 40.

Media: On the Iraq decision, is there any question that the Cricket World Cup is delaying the decision?

PM: No. On the Iraq decision?

Media: Yes.

PM: No, no. I mean the Cricket World Cup—everything I hear is it's progressing well and people are comfortable with what's going on. No, the issue of Iraq is just simply—you know, we have to finalise agreement that we're going to do it in terms of training. It's ensuring that we have the facility that we're comfortable with. It's the make-up of what's there. It's all of those logistic issues—not as straightforward as you might think.

Media: How quickly will it progress once some of those things are sorted?

PM: Well, I don't have any advice on that, but one would assume that if they got to the point where we could agree a location, then we're ready to go. And on the basis that we're working with Australia, it's some months after that, but not 6 months.

Media: Given the ISIS threat against Japan in the last couple of days, does that make becoming involved a more difficult decision for your Government?

PM: No, I think it's standard practice for a sort of terrorist group like ISIS to try and intimidate countries, but the counterargument is that if you buy into that intimidation, that just allows them to become stronger and ultimately to take even more actions against your nationals. I don't buy the argument that somehow says that if you don't somehow get involved at all, you'll be perfectly safe from that. There's no evidence to support that. And I think ISIS is something that we have to confront. I mean, they are a brutal organisation. I mean, you know, we can sit around and debate it all we like, but this is an organisation that has used children to behead people. They've thrown gay people off building structures. They're out there murdering people. I mean, are we really saying New Zealand is a country that we argue stands up for what's right and fair, and is going to be one of the few countries in the developed world that's going to do absolutely nothing? I don't think most New Zealanders would support that view. I accept that there's some danger and I accept that it's not an easy decision, but last time I looked New Zealand was known as a country that stands up for what's right, and there are dozens and dozens of countries that are going to play a role or are preparing to play a role. Now, you know, I think New Zealand's got to make the correct choices in terms of what we do, but I don't think doing nothing is an option. It's got to be something; the question is what something looks like.

Media: What would your position be, then, Prime Minister, if a New Zealander was kidnapped by ISIS as part of the planned deployment?

PM: Well, New Zealand doesn't pay ransoms—that's been our longstanding position—and if you do, then you put at risk other New Zealanders.

Media: Given that the Kurdish Peshmerger seem to be the effective fighting force against ISIS, has there been any thought of sending our training forces to support them rather than the Iraqi army?

PM: There's been, you know, loose discussion about that, given the overall situation there. I mean, that's certainly where the Brits, for instance, are training people—I think it's the Kurds, mostly. They have reasons for that—there's obviously reasons for that. I mean, yes, of course that's a possibility, but, you know, at the margins I'm sort of reasonably comfortable with what we're proposing, or at least considering, is a good option. I mean, there might be an argument it's slightly safer if you were training them out of the country—you know, somewhere else—but it's at the margins, I think.

Media: Prime Minister, there's a handful of councillors that are slowing up these great cycleways in Wellington. Is there any way you could get somebody in your office to bang a few heads together?

PM: Well, we can always get someone in my office to bang heads together! I hope they don't—I mean, the whole purpose of us putting in, for instance, the money that we were putting in in terms of urban cycleways is a reflection of the amount of demand that's there, the interest that not just Wellingtonians but people around the country have, and, actually, the need for a much safer, I think, cycling environment. And if you look at, you know, basically from the Petone foreshore into the CBD here in Wellington, for instance—I mean, what a magnificent cycleway that could be and how safe that could be and, fundamentally, how dangerous it currently is when you see cyclists, you know, half the time cycling on the motorway there. And I think we've got the capacity with Government resources and working with the council to complete some of those cycleways in a reasonable time frame. So I don't know all the ins and outs of why the councillors are slow at the moment on these particular issues, but given the mayor is a mad keen advocate of cycling and the Government's got resources there, hopefully we can sort it out.

OK.

conclusion of press conference