

9 February 2015

POST-CABINET PRESS CONFERENCE: MONDAY, 9 FEBRUARY 2015

PM: OK, good afternoon. This week the Cricket World Cup officially opens in New Zealand. The event, co-hosted by New Zealand and Australia, will be beamed to an international audience of more than a billion people. It's 23 years since our countries last hosted the Cricket World Cup, and this time around there are 14 host cities around two countries. So this is a huge event, and one that will boost tourism and put the spotlight on our corner of the world, as well as providing a fantastic event for cricket fans. The Government has invested around about \$10 million in the tournament. There will be 23 matches over 44 days across seven venues in New Zealand. The opening match is at the recently developed Hagley Oval in Christchurch this weekend, and I intend to be there, as I'll be at the opening ceremony on Thursday night.

Tomorrow, as is traditional, I'll table the Prime Minister's statement in the House. It sets out the Government's priorities and work programme for the year ahead. The House will debate the Prime Minister's statement tomorrow, so there's no question time on Tuesday. So the first question time will be on Wednesday, and that's the same day we intend to progress the Education Amendment Bill (No 3) and the Immigration Amendment Bill (No 2).

Just in terms of my own activities this week: I'll be in Wellington today, tomorrow, and Wednesday; I'll be travelling to Christchurch on Thursday, as I said; and in Auckland on Friday; back in Christchurch on Saturday.

One final note—I know this will be disappointing you all, but there'll be no post-cab next week. I'm going to Dunedin to do something at Otago University I can't get out of, so there won't be time for post-cab. I mean, I'm desperately keen to go and do it of course, but, you know, I won't be able to here!

Media: On the Cricket World Cup, about 20 percent of the TV crews working on that are Kiwi. Does it concern you that Kiwis are missing out on jobs?

PM: Look, I don't think they are. I think there's a huge number of Kiwis that'll be employed across a huge range of activities, from catering to security. But the broadcasting rights were given to a particular entity, and it was their—they had the rights to employ people. So in one particular area they're obviously using their own people, but for the most part lots of Kiwis are going to get jobs.

Media: Are they undercutting them, though? The word is that the workers who are coming over are from South Africa and India, and they are costing them less by doing that. Is that not undercutting Kiwis' work?

PM: No, I don't think that was the intention. I think it's literally that they—the broadcasting rights went to a Singapore company called Starsports, and it was up to them to hire who they wanted for the event.

Media: The "Five Eyes" ministerial meeting has released a communique that agreed to a commitment to tackle terrorist threats online. What can New Zealand do?

PM: Look, I haven't had a debrief from Chris Finlayson, who is our attendee there, so I can't tell you in the first instance. But, certainly, we know, as a general rule that, you know, cyber is, you know, one area of significant interest, and we know that terrorist groups, for instance, are using the internet for part of their outreach campaign. ISIL are doing that very effectively. So I'll have a good talk to Chris Finlayson. We'll work our way through it, but I suspect countries are going to look and see whether they can strengthen their capacity to, you know, lock into that information and make it a more secure environment.

Media: How effectively is Islamic State using the internet and social media?

PM: Very effectively. So of the 30 to 40 people that we would have on our major list of interest of New Zealanders, it would be my best guess that the vast bulk of them would be either communicating with or getting a lot of their information about ISIL from the internet.

Media: So have we found out more about those people through coordinated efforts with companies like Facebook or with Twitter or other social media?

PM: Well, I can't go into exactly how we identified them, and you'd appreciate, you know, that because they're New Zealanders, there'll be lawfully legal ways that we can access, you know, what information they are accessing. But we're certainly aware of their online activity, and it's significant.

Media: Given the priority being put on tackling threats like IS online, can we expect to see more coordinated approaches between Government and companies like Facebook?

PM: I suspect over time. I mean, again, you know, the intelligence agencies for obvious reasons don't want to give criminals of any sort clues about, you know, where they have better capacity to monitor things and where they don't. But I think it's well established that there are some applications and some sites which are more difficult or they have less access to than others.

Media: Are those internet companies amenable to sharing that data?

PM: I think it would depend on the company.

Media: Is it legal for New Zealanders to donate to Kurdish organisations online?

PM: I honestly don't know the answer to that question. I could get it checked for you, though.

Media: The Washington Post put the number of Kiwis fighting in Syria at six. Does that sound about right to you?

PM: Yeah, about right. About half a dozen, I think, in that Iraq sort of Syria area—yes.

Media: Prime Minister, will you be attending the tangi of Dr Apirana Mahuika.

PM: I won't be. I'd like to go, but I can't go. But certainly Hekia Parata will be there, and at Cabinet today we discussed, you know, Ministers that might be attending. I mean, Api will be a great loss for the people of Ngāti Porou. I think he's been, you know, a leader amongst Māoridom, and he'll be sorely missed, but there'll be a group of Ministers representing me.

Media: Are you still expecting Tony Abbott to come this month for the bilateral?

PM: Well, I think so. You know, I mean, in the end everyone can see what's happened in Australia today. Obviously, there's now no spill occurring, and I suspect for Tony it'll be business as normal, and part of that is getting on and having the bilateral with New Zealand.

Media: Would you be travelling if 39, or a big chunk of your backbenchers, voted against you?

PM: Well, if 39 voted against me, I'd be dog tucker, because I've only got 60 in total.

Media: Relatively?

PM: Relatively—on 40 percent, yeah. I mean, look, there are clearly some pretty deep divisions, but these things sometimes happen in the governing process, and the most important thing, I think, as Tony himself has acknowledged, is you need to recognise what's the cause of frustration and try and work your way through it.

Media: Just on Mike Sabin, why didn't you stand him down from chairing the select committee as soon as you found out about the allegations against him?

PM: Yeah, on the basis of the information I had on 1 December, I took a judgment call, and I think that judgment call to leave him as the chair of select committee at that point was the right call.

Media: Do you still think it's the right call?

PM: I do, yeah, given the information I had at the time.

Media: Have you had a look at what the select committee looked at on those dates that he did chair it, and are you concerned about the integrity of anything that may have been discussed or decided upon?

PM: I haven't looked at that, to be honest, but on the level of information I had at the time, and you'll appreciate there's a limit to what I can say, I'm really comfortable that him remaining as the chair of the select committee was the appropriate course of action. I accept it's a judgment call. Some people might criticise me for that, but, yeah, across Parliament, there are always different issues and different circumstances and different things that go on, but, you know, Helen Clark had an investigation against her, and she didn't stand down as Prime Minister of New Zealand. I mean, people make a judgment call on the information they have at the time. Things can progress and change, and, ultimately, things did progress and things did change. But on the information I had on 1 December, I was happy with the decision I made.

Media: Was the information you had on 1 December that he was the focus of a police investigation?

PM: I can't go into that information, I'm sorry.

Media: So you can't say what the information that you had was at the time?

PM: I can't, no.

Media: Was any of the information that played a role in that decision assurances from Mr Sabin?

PM: No, I didn't speak to Mr Sabin; I spoke to my chief of staff.

Media: And assurances passed on to you from your chief of staff?

PM: Well, my chief of staff spoke to a number of sources, which as we know included Labour, and based on the advice that he gave me and the information I had at that time, I thought it was the right call to leave him as the chair of select committee, and I still do.

Media: Why didn't you talk to Mr Sabin yourself?

PM: Given the information I had at that point, I thought that that was not the appropriate time to be doing that. It wasn't time for me to intervene in the process.

Media: So you thought it was inappropriate to talk to him?

PM: No, not inappropriate to talk to him; I just didn't think there would be anything to be gained if I talked to him at that point.

Media: Andrew Little's made comments today that he believes that Mr Sabin had a severe conflict of interest. How do you respond to that?

PM: Well, I'd reject that, and I'd go back to the point I made earlier. I mean, Helen Clark was Prime Minister of New Zealand. She was investigated in relation to fraud. In the end, she didn't stand down as Prime Minister.

Media: When did the police commissioner brief either you or the police Minister or any other Ministers about what was happening with Mr Sabin?

PM: The only person that has briefed me about Mr Sabin has been my chief of staff, and that was on 1 December. Anything else, I either don't have any comment to make or you should refer it to other Ministers.

Media: Do you know when the police commissioner briefed the police?

PM: I just don't have any comment on that. You need to take it up with the officers if you want to have those questions.

Media: Well, they both very firmly refused to comment on this. Don't you think that they should?

PM: I think people should obey the law.

Media: Right, and what does that mean exactly—obeying the law, in this—

PM: Well, I think people should obey the law.

Media: Did Mr Sabin give the Business Committee any reasons for a conflict of interest when he was elected or selected?

PM: I don't have any information on that. The only thing that I would understand that you'd have to make a declaration on would be in terms of the National Party, and that's a matter you'd have to take up with Peter Goodfellow—I don't have that.

Media: If he was already under investigation—

PM: Sorry?

Media: If he was already under investigation when you appointed him as select committee chair, is that something you would expect him to declare?

PM: Well, you're asking me a hypothetical set of circumstances.

Media: It's not necessarily hypothetical, is it?

PM: Might be.

Media: Are you happy with the National Party's selection processes?

PM: Yeah.

Media: Should they be tighter?

PM: No. I think their processes are good. There's always, you know, I'm sure there's always areas for improvement, but the processes work pretty well from what I can see.

Media: This IS threat online—Britain's announced a brigade that's going to be focusing purely on information on psychological warfare. Could New Zealand look at doing something similar—our Defence Force or perhaps the SIS or GCSB?

PM: I just don't have any advice on that. I haven't seen, you know, what they're proposing to do or what the requests might be, or whether we could play a part. I mean, in terms of our "Five Eyes" partners, as you know, we share information, we exchange ideas, so I can't rule that out, but Chris Finlayson would be the best person to refer that to.

Media: Does it make sense, though, that there would be a group of people who work perhaps with the GCSB or SIS or Defence Force who are looking specifically at these things—if it is a rising threat, the use of the internet?

PM: Well, there's absolutely no doubt that the use of the internet generally, the cyber risk, is much, much greater on so many fronts, and there's no question, as I said earlier, that I think ISIS is a modern-day example of a terrorist organisation deploying the internet and deploying it extremely effectively. So of course authorities will need to combat that over time as best they can, just in the same way that, you know, we've been for quite some time talking about the way that companies need to protect themselves against cyber risk. So all of those things I'm sure will change over time, and I have absolutely no doubt that's partly what the members of that conference last week talked about, but I haven't had a chance to talk to Mr Finlayson about it yet.

Media: Are you going to discuss the Iraq decision at next week's Cabinet meeting?

PM: Sorry, one more time again?

Media: Are you going to discuss the Iraq decision at next week's Cabinet meeting?

PM: I don't think next week, but before the end of February, so I suspect maybe the week after that.

Media: Is this dragging on longer than you would have hoped?

PM: It just takes a bit of time. It's a complicated process, and there's quite a lot of information that's either been gathered or is continuing to be gathered, assessments are continuing to be made, Defence is getting in a much better position to provide us, you know, really firmed-up advice. They're working their way through that. There's been some sort of preliminary discussions, but we're not at the point to get a Cabinet paper yet.

Media: You're not timing it for Tony Abbott's visit are you?

PM: No. No.

Media: Is that a deadline?

PM: It's not a deadline. It's just—I can see how things are evolving. We've had, you know, some preliminary sort of discussions; in fact, we had one of those today. But they're working towards a Cabinet paper with some recommendations or some suggestions, but they're not doing that at the moment. There's more information they need to gather.

Media: So it's sort of the end of the month, at the earliest.

PM: That's my guess, yep. The end of the month at the earliest before Cabinet could make a decision.

Media: Have you spoken to Tony Abbott since the vote this morning?

PM: I haven't, no. I texted him over the weekend a couple of times, but I haven't spoken to him today.

Media: What did you text him about?

PM: I shouldn't really go into that. It's private stuff.

Media: Are you still having thoughts about an Anzac - type approach, where you have a joint force?

PM: Well, that call hasn't been made yet. I mean, there's every possibility, if not probability, if we go into partner training, we'll do that with Australia. So whether it'll be just, sort of, us alongside Australia, or it will be a more badged Anzac sort of unit, those calls haven't been made yet, and that's the sort of thing we need to work our way through as well.

Media: Are you concerned that the Canadian special forces have been engaged in three separate return-fire, taking-fire situations during January?

PM: I haven't seen what they've been doing. I mean, I've been aware that they're there, because Stephen Harper told me they were there, just in the same way that I'm aware that Australian special forces are in Iraq, but I haven't seen what activities they've been engaged in. So I can't comment about the merits or whatever they've done there. But what I do know is the very strong message we've been getting out of the Iraqi system is that while it looks a lot like they want support to train their people, they don't want New Zealand going in there and fighting on their behalf, and so that's definitely off the table. There could definitely be training, but there won't be combat on—

Media: But that's the same conditions the Canadians have got, and they have been engaged in these sorts of firefights.

PM: Yeah, I don't know—I just don't know the details of why that would be.

Media: On first-home buyers, a survey over the weekend showed that 47 percent of first-home buyers needed money from their parents to get into the market. What do you say to those other people who don't have richer parents about whether or not they can get on the ladder?

PM: Yeah, so I don't think it's strictly new that parents or family members often lend money or give money to a child or a family member to buy a home. I think that's been happening for some time, truthfully.

Media: The survey said it was only 13 percent in the 1970s, and now it's 47 percent.

PM: Well, I suspect that reflects a number of different things. Interestingly enough, though, of course, if you go back to the 1970s, when people borrowed money for a house, they generally could only borrow about 70 percent, and nowadays one of the reasons, as we know, why the Reserve Bank reined in the very high-value loans was because people were borrowing up to 100 percent, so in a way it defeats that argument that you would need family members to do that. But, look, there's always been family members who are given some support. For those that get it, it's obviously a big advantage; for those that don't, it's a disadvantage, but the Government's Home Start programme is a programme designed to allow people to build a nest egg and, if you do have two people in that programme, and you put in the minimum contribution of 3 percent, you do that for 5 years, you both earn the minimum wage, with the employee contribution and the employer contribution and the Government contribution, along with, if you're buying a new home, your deposit from that programme will be about \$50,000. And in Auckland there's plenty of homes you could buy for \$500,000 or less. They won't necessarily be in Grey Lynn or Ponsonby or Parnell, but if you Google "Auckland homes \$500,000 or less", there's quite a few that come up.

Media: ANZ today said that there's a shortage of housing in Auckland of 14,000. What did last week's social housing announcements do, and how many extra houses will it actually see built in Auckland?

PM: Well, we said the number of social houses would go from 62,000 to 65,000.

Media: Are those new houses or just houses that were sold into the voluntary settlement?

PM: Well, the overall mix, because it changes—you know, some would be, you know, it could be a bigger number that go over, obviously, you know, depending on the time, because that's a 3-year time scale, over to these community housing providers. But look, I mean, at the end of the day, if you look at the new home starts out of Auckland, and the construction level out of Auckland, you know, I desperately want to quote you the number but I might get it wrong, but it's a big number last year. So if there's a 14,000 shortage, well, that's quite within the capacity of Auckland to build those homes. I mean, we've got an agreement to release enough land just under the social housing areas, the special housing areas, for 39,000 homes over, I think, a 3 to 5-year window. So there's plenty of capacity for us to catch that up.

Media: Did you say that people should commute from Hamilton to get jobs in Auckland if they can't buy a house?

PM: I haven't said that, no, but, I mean, I accept that people probably commute further out, but I have never mentioned Hamilton, no.

Media: What do you make of Andrew Little's suggestion that a future Government should look at exploring self-governance options for Māori?

PM: I reckon he's going—we'd be leading New Zealand down completely the wrong path. I mean, in 1840, when we signed the Treaty, it strikes me we signed the Treaty to, you know, form modern New Zealand, and that was a New Zealand where we cohabitated and ran the country together. It wasn't about separatism; it was actually about unity, and Andrew Little's basically suggesting that we head down a path of separatism, and once you do that, it's a very, I think, slippery slope, because you'll get lots of people who argue, you

know, when it's convenient for them, that that gives them unilateral decision-making rights in certain areas. I think—I can't see why New Zealanders would support that, and I can't see why it would, you know, help what is a vibrant, growing, multicultural New Zealand to succeed.

Media: So what is it when we have co-management at the moment?

PM: Yeah, we do, and if you go and look at something like the Waikato River, that's exactly what we do. We have co-governance agreements, and we've got a little bit of that happening in places like the Ureweras, for instance, but that is co-governance, where you've got a scenario where there's input by statute, if you like, of a number of different parties, but they come together to make decisions. That's quite different from what I think he's suggesting, which is the independent state of Northland, or something else.

Media: Prime Minister, the six foreign fighters, are any of those in Iraq, to your knowledge?

PM: I'd have to check that, to be sure. I want to say yes, but I'd need to check it.

Media: And do you know the identities of these six Kiwis?

PM: Some of them, yes.

Media: What will be the thrust of your statement tomorrow? Will you be doing the "deliver one statement but actually speak a different one"?

PM: If I tell you that, you won't hang on every word I say, Vernon!

Media: I'll hang on both statements!

PM: Will you? I'm not going to read out the statement we're delivering tomorrow; not that it's not a brilliantly crafted statement or anything, but, no, look, in reality, it's—I don't think you'll find anything new in the statement, but it does set out what's a busy work agenda. What I'll do in my 20-minute statement to Parliament is just address what I think the state of New Zealand is at the moment, what are the key work programmes/initiatives for the Government, and where I see us going. It's probably easier for me to do that just in my own words than the written parliamentary statement. But they'll mirror one another in terms of the basic themes. But there's nothing new.

Media: Is there an overall theme, then, or is it just, as you say, going through the plan for the year?

PM: Well, I think I might have said in a couple of speeches I've given recently, you know, the Government's not there to sit still and fill in the green chairs. It's here to actually carry out our agenda, which is, you know, one that we had a very strong mandate to complete, and that is around economic development of New Zealand, around welfare reform, tackling some of those critical issues like housing, and the like. So it's very much focused on getting on and doing the job. I think, realistically, if you look at what we've been doing, and you can see that from the state of the nation speech that I gave and, say, that Andrew Little gave. Ours is packed full of initiatives and ideas and things we're doing. His is really full of platitudes. So, at the end of the day, he hasn't got any new ideas. In fact, in the entire time that he's been the leader, name me one new idea he's come up with. He says he might dump a couple of their old policies. And that's it—that's all we've heard from Andrew Little in the entire time he's been the leader so, you know—

Media: Māori sovereignty?

PM: Oh, yes, that's it—yes, that's No. 1: Māori sovereignty.

Media: Will you flesh out some of the plans you've got to address—

PM: I probably will address that tomorrow in my speech, though—that's a good point.

Media: Will you flesh out some of the plans you've got to address child poverty?

PM: I'm not going to thrash—the basic initiative that we are working on that—yes I'll talk about that, but that's for another day, and you'll appreciate that.

Media: Are we going to see some firmer details on the social housing package?

PM: Some further details? Not tomorrow, but over time, yes, absolutely.

Media: And have you got a time frame?

PM: We're working our way through it, you know, with the community housing providers, and the like. We're going through a process now, but it follows pretty much the agenda you saw in the speech earlier in the year.

Media: The Salvation Army said they don't have the capital to take up the potential offers, and they are saying they would like more grants from the Government and bigger discounts. Doesn't that push back against what you're doing with social housing?

PM: Well, it would be interesting to say bigger discounts, because they don't even know the level that we would sell those houses at yet, so I think you couldn't say that. Secondly, I think it would be worth having a look at what the Salvation Army owns overseas, because to my understanding—I might be proved to be wrong, but I'm pretty sure they are a significant social housing provider in other jurisdictions. If they're not, then certainly the equivalent of the Salvation Army is. So there are plenty of examples internationally of fantastic charitable organisations like the Salvation Army, Presbyterian Support, and others who are significant community housing providers. So, yeah, I accept that they might need some capital, but we put a hundred million dollars into that fund. There's all sorts of cash flow that we can put through there. There are all sorts of schemes—they might build a range themselves, but I suspect, you know, if they believe that they can build a long-term portfolio of houses, which will provide equity growth for them as well as a place for all their clients, I will be amazed if they're hesitant to get involved, and over time I'm sure that will grow. Certainly what you're asking from iwi leaders, for instance, is quite a strong interest to be able to buy some of those community houses.

Media: Just going back to Mr Little's comments for a moment, in November the Waitangi's Tribunal found that Māori hadn't fully ceded sovereignty in 1840—

PM: That's their view, yeah.

Media: So, are you saying that for modern Māori there are no areas where they could not exercise a greater degree of sovereignty than they do at the moment?

PM: What I'm saying is that in my view the signing of the Treaty was the formation of modern New Zealand, and that's not a path for separatism, and if I was—

Media: But you're the one who's saying "separatism".

PM: Well, that's Andrew Little's version of events, from what I can see.

Media: That's your interpretation. What he's saying is that within the framework of keeping New Zealand cohesive and united, and modern Māori, with the economic base that the Treaty settlements have provided does allow for a greater degree of sovereignty to be exercised. You seem to be disagreeing with that.

PM: Well, that's an interesting question isn't it? If you have greater separatism, do you lead to greater cohesiveness? Your argument seems to be it does; I reject that notion.

Media: But aren't you, for instance, through the housing policy you're looking at talking to iwi providers where, you know, they will take presumably over that housing and buy directly for their people—I mean, isn't that—

PM: It's not in isolation, of their own. I can't tell you what Andrew Little's thinking; you'd have to go and ask him that. But what I can tell you is that, in so much that, yep, we talk to iwi groups like, you know, Ngāi Tahu or, you know, others, that would be something that we would offer to other community housing providers. It's not separate.

Media: The Government's also offered, certainly, the ability to self-govern, in respect of social welfare for example, Tūhoe has a [_____16:26:35]; Ngāpuhi might as well, but that's not separatism—

PM: No, and that's not self-governance. What it is, is they have agreements, that's absolutely right, in the case of Tūhoe and others, but that's around their own activities and their own thing, in that they're a partner with us, where they work alongside us. It's not ceding sovereignty. It's a stretch to say it is. The Government's not arguing we shouldn't engage, and I'm not certainly not arguing we wouldn't engage, and we do in lots and lots of areas, but we're not ceding sovereignty, and if Andrew Little wants to, he's welcome to do it.

Media: On the Urewera Act, for instance, that your Government signed, Tūhoe now have a far greater control over the issuing, say, of permits for hunting in that traditional region.

PM: Yep, but they're part of the overall co-management agreement that's there, and they have a certain number of people and we have a certain number of people, and, actually, under that agreement the Crown has the controlling interest and the sole right to retain that controlling interest. So we are the control partner.

Media: So when Minister Finlayson talks about mana motuhake, which I understand means self-governance—he talks about this quite a lot in respect of settlements—he doesn't actually mean self-governance; he means something—

PM: He doesn't mean ceding sovereignty, no, and if you go and have a look at the Ureweras, we are the governing authority, at 51 percent.

Media: Doesn't that transition over time?

PM: No, it stays at 51 percent. The transition's, I think, from a smaller number at the moment, but we're the governing authority. Because that was one of the big arguments, I think, over time: that people argued that they'd lose control of the Ureweras, and that was not the case.

Media: I thought it transitioned to a larger number of trustees on behalf of the iwi—

PM: I don't think it does, but I'd have to check. I might be wrong; I'd have to go and check that. OK, thanks very much.

conclusion of press conference