

POST CABINET PRESS CONFERENCE: MONDAY, 17 AUGUST 2015

PM: OK, good afternoon. So today I met with New South Wales Premier Mike Baird, who's here in Wellington as part of a visit to New Zealand. We have a significant economic relationship with New South Wales, with two-way trade of about \$4.78 billion. This relationship provides an opportunity to share ideas and collaborate in areas where we can learn from each other, like infrastructure and social services. Mr Baird was particularly interested in our investment-based approach to social services, the way we measure performance of public services, and social bonds. We also discussed some of the major projects planned for Sydney to improve light rail, airport connections, and road tunnels. We have some synergies of interest there, of course. New South Wales is home to about a fifth of the Kiwis in Australia. It's in our interest to have a strong relationship with the leadership of where over 114,000 New Zealanders reside. It's also our second-largest tourist market, after China, so there's mutual benefit in working together and sharing ideas about what works and what doesn't.

As you may be aware, the Cook Islands Prime Minister Henry Puna is in New Zealand this week. He's here as part of the celebrations marking the Cook Islands 50th anniversary of self-government and free association with New Zealand. The anniversary is a significant occasion for both our countries, and I look forward to hosting an official lunch for Prime Minister Puna in Auckland on Thursday to mark the occasion.

I can't let this opportunity pass to congratulate the Silver Ferns on their performance at the World Cup in Sydney. While they were unable to conquer Australia this time around, they performed fantastically throughout the tournament, and making the final was a great achievement. And, of course, it would be remiss of me not to mention the outstanding performance from the All Blacks against the Wallabies on Saturday, bringing home the Bledisloe Cup once again. It had the added benefit, I might add, of evening up a bet I had with a CNBC presenter, who had to wear an All Blacks jersey, scarf, and hat and wave a New Zealand flag to settle a score this afternoon. Much fun that was, too!

In terms of the House this week, the Government intends to complete the third reading of the Appropriations (Estimates) Bill and progress a number of first readings. As for my activities, I'll be in Wellington today, tomorrow, and Wednesday—tomorrow, Wednesday, as I say—and Thursday I'll be in Auckland with Prime Minister Puna. And on Friday I'm at Tūrangawaewae for the coronation of the Māori King.

Media: Prime Minister, Cabinet discussed today taxing online purchases from overseas. What decisions were made on whether to tax those or not?

PM: Yes, no decisions have been made, but in the next day or so there'll be a release of the discussion document. That discussion document will be split, really, into two parts. So the first part that will be mainly focused on will be about GST being applied to online services. So if you think about something like iTunes, that's the bulk of the discussion in the document that will go out tomorrow. When it comes to the importation of goods, where at the moment you pay GST only if the goods are worth \$400 or more, there is a chapter in the discussion document, but it's fair to say the officials are working their way through that. That's the more complicated sort of nut to crack, if you like, and I anticipate that Cabinet will get a series of recommendations in the latter part of this year—sort of by about the end of October—and then we'll be able to report back on our steps there. So the first step will be services; the second step, online purchases.

Media: Do you think that iTunes—you know, you buy a song on iTunes—do you think that should be capped?

PM: I do. I think you should have pay for online services, and, in fact, there's about 12 jurisdictions around the world that do that, including Europe, so it's a well-trodden path, and it actually works. And I mean, in principle, if you buy, for instance, SkyTV and pay for that in New Zealand, you pay GST for the Sky services that you get. Why shouldn't you pay if you take, I don't know, Netflix from offshore, or something like that.

Media: And even, you know, the fact that an iTunes song is quite cheap, the principle still stands?

PM: Yeah, I mean—but that's also true that if you go down the road and buy, you know, a lolly for 10c, you pay GST on it.

Media: Just on foreign land ownership, and purchasing foreign land, does it surprise you that Canada—Canadians—have bought up more land than the Chinese?

PM: Yeah, not really. I mean, I think what was being measured in the KPMG survey was that the investment that goes through the Overseas Investment Office—so it's a combination of land and, really, commercial property—and the Canadian pension fund has been a long-term investor and often had an interest in New Zealand. You remember the row that took place back in 2005 with the Canadian pension plan trying to—or Pension Fund—trying to buy Auckland Airport. So I'm not surprised that they're a significant investor, but I think it will shatter some of the thoughts that, you know, somehow it's China that's investing and nobody else is interested. It's just simply not true.

Media: The report also found that 5 percent of New Zealand's productive land has been sold offshore in the past 5 years. Is that a concern?

PM: Oh, yeah, I'd have to have a look at it all. It depends a bit on, you know, how you measure things and—because it measures what goes through, over and above a certain threshold. So there's—you know, it doesn't measure absolutely everything. There is a lot of land that is sold domestically. It doesn't measure when a foreign owner owns land and then sells it back to a New Zealander. So it's not a complete picture of raw data.

Media: But just to put that question another way, are you concerned that too much farmland—New Zealand farmland—is heading into offshore hands?

PM: Not at the moment; I don't think it's alarming. I think what you're seeing at the moment is some purchases going offshore, but not an uncontrollable amount.

Media: Do you think we'll see some dairy farmers trying to sell off land as they get worried about the price falling?

PM: They might do, but there's two schools of thought there. I mean, some people say when the exchange rate falls, you know, it's more likely that you'll see a foreign buyer coming in because, by definition, that asset is cheaper for them. On the other side of the coin, if those dairy farms aren't making money when the payout is \$3.85, they're still not going to make money whether they're owned by a foreigner or by a local. And so, on that basis, you know, if they didn't come in when the payout made the farm very profitable, will they come in when the farm is no longer profitable? So I'm not sure it'll change the dynamics that much.

Media: So when would it be a worrying amount of farm sales overseas?

PM: I think we'd have to go and have a look and sort of assess that. I don't have a particular number in my head.

Media: The report also reveals that 60 percent of all agribusiness investment is from Asia. Is that needed?

PM: Yeah, well, I mean, I think it's a good thing when you're seeing some of these countries coming in and investing in the processing, for instance, and the value-added components. So if you think about people like Yili and Yashili, who have been investing in big dairy plants here in New Zealand, out of China, you know, they're investing hundreds of

millions of dollars. They've got access through their own companies obviously—or some other company, but access into the Chinese market and distribution. So in a way it's a good thing. You know, it's investment in New Zealand that creates jobs in New Zealand, and it's sort of a long-term investment, because they have the retail distribution into their home market.

Media: Just quickly on Lochinver, is the Government any closer to a decision on that?

PM: You'd have to ask the Minister. It's been reported back to Minister Bennett, but I don't think she's made a decision yet.

Media: Why is it taking so long?

PM: I honestly don't know. You'd need to talk to her.

Media: How long do you think it would be until we have a tax on Netflix, for instance?

PM: Because it's occurred overseas, I would have thought we'd be able to move relatively quickly. So there's a consultation period where the discussion document will be put out into the public domain, and then on the basis that we decide to move forward, which would certainly be the Government's hope, then it becomes the implementation of that. So that is arguably a lot easier, because it's really about registration of some of those big companies. So that's an easier process. I think in terms of the purchase of goods that come across the border, that is, as I say, more challenging. We're working on that, and I reckon we'll get there, but it's just going to take a little bit more time.

Media: So it could be by Christmas?

PM: Could be, yep. I think that's possible. Certainly it will take a month or 6 weeks or so for them to report back, so that puts you into sort of the end of September. It might be a little bit optimistic—by Christmas—but soon.

Media: You'd pass law under urgency, I take it, given that—

PM: I don't know. No decision's been made on that. I'm not even sure that you require law for that. You may or may not.

Media: Is it as simple as reducing the threshold for imports and products?

PM: No. The problem on the product side is that, yeah, of course you could reduce the de minimis rule. I mean, by definition, if you went from 400 to zero, then everything would be caught, but the problem is the Government's trying to balance up, you know, the need to be both fair to existing retailers who have bricks and mortar on the ground, the fact that we've got a hole in our revenue account so it's emerging, because more and more purchases are happening online, but also reflecting the fact that consumers, both for convenience, not necessarily price, do want to purchase online. So if we make the de minimis zero, everything gets held up at the border, and that's a massive inconvenience to consumers. There's got to be an easier way through that. I think there is an easier way through, but we just have to work our way through it.

Media: How closely are you aligning with what Australia is doing with—

PM: Well, our officials are talking directly to their officials, so we are trying to work on it together.

Media: What would the easier way through look like? Would you do it through credit card companies or PayPal, or how would you do it?

PM: Yeah, I mean, in simplistic terms, if you pay the GST, then there's no reason for it to be held up at the border, is there? So there are ways of doing that. For instance, you know, in some jurisdictions the website realises that you're a UK purchaser, and therefore if you're a UK purchaser, it adds on VAT. So there are ways of doing it. It's much easier when you get, say, for instance, self-registration by big companies, because they understand your tax laws and they write it into their websites, and that works. It gets more tricky when the

kind of small surf shop in LA, you know, has a website and you want to go and buy a T-shirt from, it and they're not in the big system.

Media: But you're usually doing that using a credit card or some other means—could you monitor it that way?

PM: Well, yes, but obviously this is where it gets really tricky and quite technical quickly, but it's all about how the documentation looks and the officials—you know, when it actually comes into New Zealand, recognition that GST's been paid, and whether that's electronic, for instance. So there's stuff to work through.

Media: Would there still be a threshold in the same way for that? I mean would you still say that under, say, 50 bucks is not worth it—

PM: Yeah, so the question—I mean, in Australia, I've seen them making some comments saying that the de minimis—because they're at a thousand, they're the real outlier—could go as low as 20 or potentially zero. We'll need to make our own call; I'd be surprised if it was zero, but, you know, we'd have to work our way through it. But, for instance, even at 400, we're somewhat of an outlier. Canada, I think, is 20; European Union is much, much lower than us. I mean, most people are below New Zealand and Australia.

Media: That's the key thing here, isn't it?

PM: Well, I probably want to talk to the officials about that, but something that means that, you know, the bulk of purchases are caught, bluntly, because I think, you know, I completely understand why people want people want to buy online. I actually support them buying online if they want to do that. I just think it should be even and fair with New Zealand retailers, who have to pay GST and charge consumers that, who underpin New Zealand jobs. Everyone's all right with this as long as it's a level playing field.

Media: Yeah, but there's those two issues, isn't it, that you wouldn't need the \$400 rule or change bringing that down in terms of iTunes and Netflix, if they would register—

PM: Exactly. That's why it's a lot easier. So we're 100 percent confident, in my view, that we can deliver the services component. That's relatively easy to do; it's obviously—in the invisible world, it's, you know, it's a service. So that's very easy, because it's not getting held up at the border. By definition, you are consuming it in a different way. It's just more challenging on the other side, but we want to ultimately be able to apply GST both to services and goods. It's just that the starting point will be services.

Media: How much of a hole is opening up because of this in terms of buying stuff overseas, and getting GST receipts and—

PM: Yeah, so I think the official advice is sort of \$180 million from memory but rising by quite a bit every year, but it's very unknown. I don't think it's quite as easy for them to calculate with a high degree of accuracy. So there's lots of numbers that get bandied around. One of them I'm pretty sure I saw was 180.

Media: Then how much do you think you could raise by putting GST on these services?

PM: Well, eventually, hundreds and hundreds of millions a year, because I think two things are happening: one, you will actually catch quite a lot of stuff which should be taxed. But I think the second major point is that the international trend, and certainly the trend in New Zealand, is to move to online shopping. So people are just doing that for convenience, and I think that trend will become more pronounced, not less pronounced.

Media: Could it be that services are covered by the end of the year, but issues around goods mean that that's something you do later on, or do you want to do them both together?

PM: No, goods will definitely be longer, would be my guess, because we just need to work through the logistics, and even Customs being able to develop, actually, the capability to do that would take quite a bit of time, I would have thought. So, look, in theory, yes, you

could say we'll hold the two together, but my best guess at this point would be services will be enacted before goods.

Media: Premier Baird is himself for raising more money from GST, including online goods. Did the two of you discuss it today?

PM: We had a brief discussion about tax, just in general, not necessarily about online purchases, but just tax in general. We talked about GST and the tax structures.

Media: What about the promise from National before the election of no new taxes? This Netflix or iTunes tax—is that a new tax?

PM: No, it's not a new tax. I mean, you pay GST in this country, and you pay GST on everything. I think it's a bit of a stretch to say because we're going to apply GST to a new way of people purchasing things, which is online, it's a new taxation.

Media: Can you tell us what's happened to the Health and Safety Reform Bill? It was on the Business Statement to come up this week. You haven't mentioned it.

PM: The Minister reported back to Cabinet today, not with a paper but just with a couple of points he's working through on as they're going through a couple of issues. So you'd have to ask Minister Woodhouse's office about when that's due. It must be very close, but he was just covering off a couple of points today he wanted to alert us to.

Media: What are those issues?

PM: Look, I'll just leave it for him to sort of talk to you about.

Media: Do you mean it might be delayed?

PM: That's not his intention. He's trying to progress it. I just—if you're saying it was due this week, then he may get it there, but I didn't get that impression, actually.

Media: Is there some thought that it should return again to the select committee?

PM: No, no, no. He's just working his way through a couple of things in it.

Media: There have been reports in the US that Chinese Government agents are working there to try to put pressure on people they want to have returned to China for legal or criminal activity. Any reports, or are you aware of anything happening here?

PM: No. The only thing that we have had is some Chinese political leadership raising with us people that they believe are in New Zealand that should be sent home, basically, and extradited because they believe they have essentially got ill-gotten gains. So not by name but as a principle, it's not news that the Chinese want to have an extradition treaty. Whether that progresses is for another day, but I'm not aware of anything else happening.

Media: So when you talked to the president about that when he was here, they didn't specifically say—

PM: They didn't name names, no.

Media: But did they say people were living here?

PM: Yeah, they're absolutely convinced there are people—

Media: How many?

PM: Quite a few, I think.

Media: And so has the New Zealand Government helped with any transfers back or individual passage back to China?

PM: No, there's a—no, we're not working on any particular cases there. But as of principle they've made that point clear that they want people extradited.

Media: So are we are moving towards an extradition treaty, or closer towards one with China?

PM: There's quite a lot of work, I think, that would need to be done. And a number of tests would need to be satisfied. So at the moment, legally we can extradite people back to China, so if someone undertook a criminal activity in China, came out to New Zealand and then the Chinese wanted them extradited, then we could do that, but they have to meet a number of conditions so they can't be subject to torture, they couldn't be subject to the death penalty, for instance.

Media: Is this something that you could include in the discussions about the revamped free-trade agreement with China?

PM: I've never really considered it in that sort of place, I think it's just something I think we'd need to sort of consider. All I could tell you is that it's a topic of interest to them.

Media: Have the Chinese authorities raised it again since President Xi was here last year?

PM: Yep, in discussions I've had with the Ambassador and others, they raised it.

Media: But have they not actually put forward specific names yet to investigate to Government agencies?

PM: No, not as far as I'm aware. They certainly just raised the overall issue to me about extradition.

Media: And did Premier—just on the subject of criminals—did Premier Baird mention any issues to do with New Zealand criminals being sent back here and vice-versa? Is that—

PM: No, I mean, we're having those discussions, of course, with the Australians at a federal level, and I think we're working our way through—you know, that's improving in terms of the MOU of understanding if people would be sent back and under what conditions and what early warning we would get and exchange of information. But the Premier didn't raise that today. We're having dinner tonight, so, you know, look, he may raise it then.

Media: Prime Minister, our authorities aren't actively looking at any possible Chinese that may be living here that the Chinese want back?

PM: There is an individual they want extradited, but it's not for reasons around finances—it's not a money issue—it's in relation to criminal activity, and the person is not Chinese, but it was in relation to a case that took place in China.

Media: Official documents indicated that there may be another large sheep shipment sent to Saudi Arabia later this year. Do you know if that is going ahead?

PM: I've seen those reports, but I've seen nothing to indicate that that is true. I mean, there is never any indication that's ever been raised with me. This is this one where they talked about 45,000 sheep or something?

Media: Yep, 45,000 sheep.

PM: I just don't believe that's correct—there's nothing I'm aware of.

Media: What do you make of accusations of political bias against Mike Hosking?

PM: Look, I'm just not going to get into critiquing the media. Look, in the end, politicians always want to see shadows, but in my experience, you know, it doesn't matter what the personal views are of the journalist; they'll ask the hard questions.

Media: The argument—

PM: Frankly as a whole group, you can be annoying at times, but you know, I don't take it personally.

Media: The argument from the Opposition, though, is that public debate suffers as a result of that bias. Do you see that as—

PM: Personally I think that that view is nonsense that there is bias. I mean, those are the same complaints that David Cunliffe raised before the election campaign and the first debate, and then when they thought I got a hard time, they claimed victory on it and they said he was a great interviewer, didn't they? I mean, you see what you want to see. Realistically, the sooner the Opposition parties realise that actually it's not the media that

they're at war with but it's actually convincing the New Zealand public of the merits of their argument, the better. My experience of these guys is they are all professional and they all ask hard questions.

Media: So you don't see there being an issue of diversity amongst media at the moment?

PM: You mean gender diversity?

Media: Well, any diversity—gender or even political balancing out the other side—

PM: Not really, I've seen the comments Rachel Smalley made, but no not really. I think, in the end, I don't think there's been dramatic change, actually; I mean, there's a similar number of people asking me questions.

Media: Student groups have been saying they think there's a rise in the number of unpaid internships that are happening in New Zealand—you know, like the young guy in Geneva; obviously there'd be no way that we could have anything to do with particular case?

PM: Didn't part of that prove to be incorrect?

Media: It did, it did, absolutely but university student groups are saying that more and more businesses are taking on people on an unpaid basis—that it's verging on being exploitation. Do you think there is a case for employment law to consider this? At the moment it doesn't work.

PM: Um, well, I haven't seen it or ever had it raised with me that it's an issue. I mean, the thing with internships—I mean, you know, of course if a company can pay it should pay, and in my experience they more often than not do, because if they've got someone in that capacity then ultimately there are certain laws that govern that they have to do things. What is certainly true, is that for a lot of young people, they just do want to get some exposure to, you know, organisations and actually what they do. It's somewhat less about the money and more about understanding whether that's a career path they actually want to progress. So you certainly wouldn't want to close down the company that says to a young person: "Well, come along for a week and get a sense of what it's all about." It's never been raised with me that there's that sort of exploitation.

Media: When you have a situation where it's maybe not a week or even 2 but a number of months, perhaps, that they're expected to turn up in that situation—I mean, is there a place for employment law actually addressing it?

PM: Well, I guess it comes down to the individual to determine whether that's really what's happening and whether they believe it's, you know, worth their while doing it. For the most part, I mean, I would've thought most companies, if they're going to take on someone for that period of time will actually pay something, but, I don't know, you'd have to go and ask Business New Zealand. They'd have a better handle on it.

Media: So foreign investment—Labour says that one of the biggest problems is the fact that there's no way of knowing whether overseas investors are adding any value or benefit for the country, like they promised. Why is that data not collected?

PM: I don't think that's true. There are often report-back conditions. We saw that with Crafar farms. You know, they made—you know, when Shanghai Pengxin bought Crafar farms they made a number of commitments, and actually there was a process they went through to check whether they'd made those commitments.

Media: But that data's not collected in a solid form, is it, then?

PM: Well, the data is, because if you go and have a look at the application that the purchaser puts in, they actually have to spell out what they're going to do. That's actually the basis under which the OIO and the Minister make the decision whether they're going to approve it or not.

Media: How confident are you that these overseas investors are actually adding value when they buy a lot of our productive land?

PM: For the most part I think they honour their conditions. If they don't, then there are, you know, there are issues. I mean, there's a 5-year period, I think it is, and it varies a little bit. From memory, I think there's about a 5-year period where their checks are done and where they've got to report, actually, on whether they've undertaken the improvements that they've said they would.

Media: Prime Minister, TPP—is it beginning to slip away from us?

PM: No, I don't think so. I don't think anything's changed from last week. You know, it's one of those things where it's tantalisingly close, but we're not quite over the line yet.

Media: On the economy, there's been some talk out of China that things are slowing down faster, and last week we had currency depreciating, or was devalued, which surprised a few people. Are you concerned about what's coming out of China, and what it'll mean for our economy?

PM: We keep asking, you know, anyone that has sort of intimate knowledge of it what they think's going on and, you know, a couple of the banks' CEOs were in town last week. I saw them—you just get a bit of a sense. Generally speaking, people are saying the same thing as us, which is on the investment side and in the financial markets side it's slower, and so that'll have a bigger impact probably on commodities. But on the consumption side it's still pretty strong, and most people seem reasonably confident they're going to continue to grow, you know, maybe not as quick as what they'd hope, but just generally that's our sort of feedback.

Media: You've raised some fears that the depreciation will trigger some sort of currency wars across the South Pacific and Asia, potentially affecting us. What's your view?

PM: Well, hopefully, it won't but, I mean, one of the points I think I've made when you've asked me these questions before about China is that they've always got lots of tools at their disposal, and they're quite prepared to use them, and, you know, that includes trillions of dollars in reserves—you know, arguably a lot easier system to change their rules. I mean, everything from imposing, you know, short selling restrictions in their stock market and their currency's just another example of that. It's one of the reasons why my own personal view is that, you know, China might slow down a bit, but, actually, overall, they'll get on top of any challenges that they have there because they have lots of tools at their disposal and they're quite prepared to use them. So whether that sparks off a currency war, hopefully it won't, but, you know, I wasn't entirely surprised by what they did last week.

Media: Going back to Richard's question on TPP, when things stalled in Maui, there was some talk from Mr Groser himself about the possibility of another Ministers' meeting in the next few weeks. Is there any progress on that? Is it still likely or possible?

PM: Well, you'd need to ask him for—you know, in terms of whether there's going to be another—and if so, when—another formal meeting, but there's plenty of discussions happening.

Media: Are you concerned about the level of rhetoric that's coming out of the Japanese media about New Zealand—the leaking, for example, of our position on dairy products, and that sort of thing?

PM: Well, look, I sat next to former Prime Minister Aso when I was in Singapore last weekend and had a really good discussion about where things were going, about where the sticking points were, and, you know, I take him at his word, and at his word I'm pretty confident we can do a deal.

Media: But Mr Groser seems to be concerned about it, judging by an interview he's done with one of the Japanese newspapers.

PM: That's—unless it's a new one, the one I—is the one you're referring to one—it's quite old now, it's not—

Media: No, about 3 or 4 days ago in Japan.

PM: Oh, OK. I haven't seen the most recent ones. Look, in the end, you know, it kind of is what it is, you know? You've got three points which are sticking points, you know: dairy, automobiles, and stuff around pharmaceuticals. We're pretty close on most of them. Yes, there's one big shove that actually has to happen, but I reckon at some point that is going to happen, because there is an enormous amount of, you know, political capital and time invested in this, and there's a window of opportunity to complete it, and I still think in the end it will happen.

Media: But what leverage have you got?

PM: Well, I mean, we're an important part of those 12 players. We've been, you know, excuse the pun, a key player the whole way through. You know, we have great access and great links into every leader that's involved in these negotiations, and these 12 countries want to hang together, and I think no one's going to be left out, and if they are, it'll only be because they choose not to join on the terms that we've said, which is, you know, a high-quality deal. And I think in the end it will be high quality. Yes, we've got those last few points to get through, but, on balance, things are looking OK.

Media: Standard and Poor's lowered the local credit profiles of the four major banks here last week—concerns about the Auckland property market. What's your view on the stability of our current financial system? Have you got any concerns sort of creeping up here?

PM: Well, I saw that but—I think it was only very minor. I mean, the main thing I'd sort of say is: look, we asked the banks themselves how they see things. They have on numerous occasions said to me that they stress test their balance sheets. They've done, you know, significant stress testing when it comes to the Auckland property market, including, you know, really ramping up their sort of models in terms of unemployment, interest rates, and the likes, and they're quite confident that their lending is stable and secure. And the Reserve Bank has oversight for them and continues to, you know, take a very active look at what's going on. So we're pretty confident that they're right.

Media: So you wouldn't think that you might want to reassess some of the capital settings in the same way that APRA's sort of beefed up stuff—

PM: Well, that would be for the Reserve Bank. I mean, the regulator has to do that.

Media: So their stress tests—are they forecasting 10, 20, 30 percent falls—

PM: Well, I don't know what numbers they put in, but whenever I talk to them, I always ask, you know, "What do your bad debts look like? What's the performance of your loan book looking like? How confident are you in terms of the lending you're undertaking?". And they always tell me: "Look, we've stressed tested our books every which way, and we're very confident that our lending is appropriate and well placed."

Media: On Landcorp, is there any risk that it has a Solid Energy problem, in that it's taken on a debt when the commodity price has slumped? Is this a concern for the Government?

PM: We wouldn't put it in the terms of risk, but Ministers are aware of the debt that Landcorp carries and are having active conversations with them about that.

Media: Does it face a similar Solid Energy - style risk of getting into debt trouble?

PM: No, I don't know if I'd characterise it in those terms, but, certainly, there's been, as I understand it, a number of discussions between the Minister of SOEs, Todd McClay, and the board of Landcorp about that. That's along with the Minister of Finance.

Media: So does that mean that they're reviewing some of their investment plans or their balance sheets—

PM: Well, I don't know what steps they're going to take. They don't report to me, and nothing's come to me at this point, but let's see over time.

Media: Has the Government decided whether Nauru will be receiving their next instalment of New Zealand aid?

PM: No, you'd have to ask the Minister of Foreign Affairs, who was here today—so hopefully he's here this week. I know he has to make that decision by the end of August.

Conclusion of press conference