

POST-CABINET PRESS CONFERENCE: MONDAY, 12 OCTOBER 2015

PM: OK, good afternoon. So last week the Trans-Pacific Partnership agreement was concluded after 7 years of negotiation. Cabinet, as you would expect, discussed the TPP at length today. Getting it over the line was a remarkable achievement and I want to congratulate Tim Groser and the New Zealand negotiating team.

Concluding TPP is significant for a lot of reasons. It's our first free-trade relationship with the United States, Japan, Canada, Mexico, and Peru, and that's where almost all the tariff savings for New Zealand come from. By the time TPP is fully in force, 93 percent of tariffs will be eliminated on New Zealand's export to these five countries. That amounts to \$259 million a year of tariff savings. In comparison, when the China FTA was concluded, the estimated tariff savings were \$115 million a year. This goes to show you that the benefits of an FTA are far wider than just tariff savings because the growth in our trade relationship with China since 2008 has been immense. FTAs open access to markets and the TPP represents some of the biggest markets in the world.

To give you an idea of that, over a quarter of all household consumption in the world happens in the United States, so that alone is huge. You might say that we didn't get everything we wanted from TPP, but that's what all other 11 countries will be saying as well. In a big negotiation like this there has to be some give and take, but, in the end, we got a very good deal for New Zealand. In fact, we have to be there alongside everyone else or we'll fall further and further behind other countries in terms of market access. So it's absolutely crucial that New Zealand is part of these sorts of trade networks. Our future is being open to the world and connected with it.

If you look at it now, after concluding the Korea FTA and now TPP we have free-trade agreements with our top five trading partners: Australia, China, the United States, Japan, and Korea. I'm also pleased that people can see what is actually in the TPP and be reassured by that. We're certainly supporting the release of the text as soon as possible, but the key parts of it have already been released by Tim Groser on the night of the agreement and subsequently in detail by MFAT.

Looking forward, we are continuing other FTA negotiations. My trip to Europe, which I can announce today, will provide an opportunity to advance discussions on a potential New Zealand - EU free-trade agreement. Next Friday I'll leave for Marrakesh, Brussels, and London. In Marrakesh I'll chair a meeting of the International Democrat Union. I'll then travel on to Brussels for a number of meetings, including with European Council President Tusk, and European Commission President Juncker.

The EU is a key trade partner for New Zealand with two-way trade totalling \$9½ billion. And in 2014 the EU signalled its openness to look more closely at our trade relationship, including as a potential FTA partner. My visit to Brussels will provide an opportunity to further those discussions.

In London I'll have a range of meetings, including a private dinner with British Prime Minister, David Cameron, and an audience with Her Majesty the Queen. And I'll attend a couple of All Black matches in the latter stages of the Rugby World Cup. I'll return home on Monday 2 November.

Finally, as you know, I've just come back from visiting our troops at Camp Taji in Iraq. I'm more convinced than ever, the Government's decision to join the international coalition against ISIL was the right one. Our troops are making a valuable contribution: more than 2100 Iraq soldiers have now been through the training programme, which is helping save lives and defeat ISIL. Both the Iraqi troops and the Iraqi leadership thanked us for that support. I'm also reassured that all appropriate measures have been taken to ensure the safety of New Zealanders in the camp. During the preceding week in New York there was a

strong focus on defeating ISIL, and the call for more international action to destroy the terrorist group.

I stand by my call for the world to do more, and I'm confident that New Zealand is playing its part. As New Zealanders we should all be incredibly proud of the commitment and sacrifice of our troops.

This week in the House the Government intends to progress a number of first readings, including the Environment Canterbury (Transitional Governance Arrangements) Bill, the Home and Community Support (Payment for Travel Between Clients) Settlement Bill, and the taxation bill. Wednesday this week is a members' day. As for me, I'll be here in Wellington today, tomorrow, and Wednesday, as per normal. I have a number of visits in Auckland on Thursday, and on Friday I'll be in Gisborne to attend a number of iwi and local events.

As I announced on Saturday, I'm officially welcoming Australian Prime Minister, Malcolm Turnbull, to New Zealand and to Government House in Auckland, where we'll hold our formal bilateral meeting.

Media: On the deportation issue, how confident are you that Malcolm Turnbull will back down?

PM: Well, I wouldn't put it in the context of whether they'll back down. Whether they'll make alterations to their policies to consider the special relationship with New Zealand and Australia, I can't tell you the answer to that yet, but I can tell you we've been making that case for some time. There is a new Government, a new Prime Minister, and with a bit of luck we might see some, I think, consideration for the fact that we do have that special relationship with Australia.

Media: So are you calling on Malcolm Turnbull to honour that Anzac relationship?

PM: Well, I'm just saying that if you look at New Zealand and Australia, there is a uniqueness about that relationship, particularly the freedom of travel across the border. So by definition there's a lot more New Zealanders in Australia than, maybe, many other nationalities, and that provides its own set of, you know, both advantages, but in this case we're more affected by this policy.

Secondly, I do think that there is—when politicians on both sides of the Tasman talk about the fact that Australia and New Zealand are family, I think they actually mean that, but one of the ways of demonstrating that would be a bit more flexibility about where the threshold is set for this particular policy.

Media: Have you had a preliminary discussion yet with Malcolm Turnbull about this?

PM: Not about this particular issue.

Media: Have you not talked at all about this?

PM: I've talked to Julie Bishop about the issue in New York—briefly and informally. I've had a number of conversations in the past with Tony Abbott about it, so I can't tell you what Malcolm Turnbull will do. But what I can say is that in my dealings with him in the past, I've found him—you know, he's a reasonable, I think sensitive, guy, who I'm sure will take all these issues on board. I mean, as I've been saying—and I said from the United States a couple of weeks ago—it's important that we don't box him into a corner. We can't badger him. We can't force him to change policy, but I think we can ask him to consider the wider ramifications.

Media: David Shearer says that a number of Government departments have been told to essentially get ready for an influx of people deported from Australia. Is that correct, and what sort of preparations are they making?

PM: I don't have those details. I mean, some time ago, when the issue became—we became aware of the fact that there were New Zealanders being sent to detention centres,

you know, my office asked the obvious question: how many, and where? We got some information there. We'd been aware, obviously, because we'd had a number of discussions with the previous Prime Minister about this particular issue. So we'd been aware of the general consequences if all of them are deported to New Zealand. People have the right to appeal, and some of those people are winning on appeal in Australia. So, in so much that we're just trying to get a sense of how big the issue is for New Zealand, yes, of course there will be Government departments that have done some work.

Media: So what were you told in terms of how many, when you initially asked—roughly?

PM: I don't have that number to hand. I thought it was in the order of about 1,000, but I can't be 100 percent sure. I don't have it with me.

Media: So essentially 1,000 New Zealanders could get caught up in this and eventually deported?

PM: Well, it would depend, but that's a very top of the—you know, top-line number. I mean, yeah, that's what's sort of potentially there at the moment. It doesn't reflect what might happen in the future. This is an ongoing programme, so we need to see.

Media: Have any calculations been done on the predicted costs of having those extra people come here and any monitoring of them and the support services—

PM: I don't have any details on that.

Media: But surely if you knew that was happening, that should have been done.

PM: Well, firstly, this is Australia's policy. By definition, these people are New Zealanders, and we can't stop them being returned to New Zealand if that is the wish of Australia. Secondly, yes, we are working on how we'll have better information about who's coming, through the memorandum of understanding that you've seen that the two Governments are agreeing, and we'll have better understanding of, you know, what rights we might be able to apply. We know for very serious criminal activity we will be able to apply the same sort of post-release conditions as would have been the case if the person had committed the crime in New Zealand. But we are, you know, really just working our way through this issue to get a better understanding. We don't have perfect information, as I understand it.

Media: So 1,000 people—is that who could potentially be affected, not necessarily the number in detention centres now?

PM: No, I don't think that's right. I don't have the number exactly on how many could be affected in total. As I said, it's potentially both an ongoing issue. I was trying to get a sense of the number of people in detention centres. I think in broad terms, across about seven detention centres—that's broadly the number I recall, but I'd have to go and have a look at it all.

Media: So there's 1,000 New Zealanders in detention centres right now?

PM: No, I think that's the potential for it, but I'd have to go and have a look.

Media: Have any of our Ministers met with Peter Dutton?

PM: Sorry?

Media: Have any of our Ministers met with Peter Dutton?

PM: I don't know. You'd have to ask them individually.

Media: Was this issue the main motivation behind you inviting Turnbull to New Zealand?

PM: No, we have a broad relationship with Australia. I mean, that's—you know, as I've so often said—a very special relationship, and it spans everything from the historical Anzac forces working together, to the work we're doing in Taji today, to our sporting interaction, cultural interaction, economic interaction. I think Malcolm was very keen to make his first international call one to New Zealand, to reflect that relationship, and we have a lot of

things to discuss. You know, I think he has been looking at New Zealand, in some admiration—if you accept the comments he made on the night that he was inserted as Australia's Prime Minister—about what we've achieved over here. So there's a huge amount for us to discuss, but this is clearly one important issue for us to talk about.

Media: Will it be the first thing that you discuss?

PM: Sorry?

Media: Will this be the first thing that you discuss?

PM: Oh, look, I don't know. We've got a dinner on the Friday night. We've got formal discussions on the Saturday. I'm sure there'll be a range of issues. I can't tell you the absolute order.

Media: Are officials already working on a solution? Is there sort of that back and forth going on at the moment?

PM: No, I wouldn't want to characterise it in those terms.

Media: What would you be happy with, though? What's kind of the compromise—that 1-year term lifted?

PM: Again, I think you guys are way too ahead of yourself. I mean, our view is that the threshold is set in the wrong place—it's too low—and not enough consideration is given for people's community of interest. If they've gone to Australia very early on in their lives, for instance, their main community of interest is almost certainly probably going to be Australia. It's where their family is. So, yeah, I'd like to see some reflection of the fact that, you know, there is this unique relationship between New Zealand and Australia, but I can't guarantee that's going to happen, any more than we have worked very hard on the rights of New Zealanders who are in Australia, and, you know, we've made some modest—very modest—changes to that policy there. But, in the end, you know, the previous Prime Minister accepted it because she really had no alternative. So we can't dictate to Australia, but we can at least discuss the issues with them and, hopefully, get good outcomes.

Media: Would you characterise this as a strain on the relationship at the moment?

PM: Well, I think that's a bit harsh, because, in the end, actually, you know, there's a good working relationship between New Zealand and Australia. But they have taken a view that the policy isn't specific to New Zealand; the policy's about the way they want to treat people who they believe present a risk to their country, and, therefore, we are just one of, you know, it must be hundreds of countries, or 100-odd countries, of people living in Australia—their citizens living in Australia. We just happen to be one of the bigger numbers because of the sheer labour movement.

Media: How many Aussies do we have waiting to be deported?

PM: I have absolutely no idea.

Media: Australia hasn't taken into account our special relationship in, you know, the lead-up to this point. I mean, are you going into these talks changing tactic or are you just hoping by virtue of the fact that it's a new Prime Minister and there might be a different stance for Australia?

PM: Well, we've raised this issue on a number of occasions about the uniqueness of the relationship and why we think that they should consider that factor. The driving motivation, as I said to you, from Tony Abbott and his Government was in relation to the way—the message, I think, that they wanted to send to people that they believed didn't meet the standard that they were setting for migrants to their country. We do deport people in New Zealand, but the point is, the threshold is different, and if somebody has been in New Zealand for a longer period of time, it takes a more severe sentence, if you like, and a more severe crime that they've committed before they're deported. All we're saying is it seems logical to us that there should be some flexibility here.

Media: Could we potentially handle a thousand people if that was the overall number that could come back across a number of years?

PM: Well, we couldn't stop that, actually. Those people are New Zealand citizens; they have a right to come back whatever the number is—then we have a right. But, you know, it's important to think about it in the context of not only people that have committed criminal activity today or people that are subjected to the policy today, but, of course, inevitably over time there will be more. So getting a handle on these numbers is really quite challenging.

Media: When did you first discuss this with Tony Abbott?

PM: I don't know. My office would be able to check.

Media: What kind of systems do you have in place for people when they get off the plane? I mean, is there some kind of outcomes for them? Do you have someone to liaise and set them up in a new life here?

PM: Yes, so there is, as I understand it, a process that they go through. You'd need to check that process with the relevant Minister's office, but that's the nature of what sits behind the MOU—is both the sharing of information, the advanced warning we get, and then there is a process that we follow. I think it depends on the individual, but you need to check that.

Media: Are you confident that it's adequate and secure?

PM: Um, yes, but I was concerned, obviously, by the fact that we weren't necessarily getting consistency in the warning of both the quality of information, the history of the individual, and the time frame that we were receiving that information. That's what the MOU does, as I understand it—is it formalises exactly when we're informed and what information we get, so that we can be properly prepared when someone comes to New Zealand.

Media: When did you first become concerned about the triviality of the offences that people were being deported on?

PM: When we raised the issue with Tony Abbott.

Media: So what did Tony Abbott say when you raised that with him?

PM: Well, I'm not going to go into every bit of the conversation, but I characterise it by saying that he had taken a view about those that commit criminal activity in Australia and was trying to send a strong message that he didn't want them there.

Media: Did you have any idea that they were going to be sending people to Christmas Island?

PM: I didn't, no.

Media: So they didn't inform us of that, at all?

PM: Well, I wasn't aware of it, no. They might have told others but certainly not me.

Media: What makes you think you'll get a different outcome from Malcolm Turnbull than you did from Tony Abbott and Julia Gillard or Kevin Rudd? Why would it change now?

PM: Well, for a start off, if—seeing will be believing. But if you look at the plight of New Zealanders in Australia, the sense we have been getting from the Australian Government is there's some movement happening on that issue. Now, we've seen very, very modest changes, but I had a number of conversations behind the scenes with Tony Abbott about that issue, and certainly the feedback he was giving me was that they were looking to advance some of the situations that we were bringing to him and looking to make some changes in that area. So we were getting more positive signals there.

So, again, look, I can't guarantee for you that Malcolm Turnbull will make changes, nor can I force him to make changes, but I can certainly lay out the case. But it just sort of strikes me that if you just take an objective step back here and say: (a) we're more effective

because we just have so many more people; (b) there is that unique relationship; and (c) it just doesn't seem logical to actually do this at this level, I think, with New Zealand, then I reckon there's quite a powerful argument there, and maybe over time we can get change—let's see.

Media: Was the Government aware of the US Department of Defense report on critical coalition training bases in Iraq?

PM: Look, I am not aware of that report. You'd need to go and ask the other offices.

Media: Given that it was critical of the way the Iraqi Army was looking after its recruits, is that likely to have any implication on our deployment there?

PM: I haven't seen—I haven't seen the report, mate.

Media: Do you intend to sight the report?

PM: Probably not. It would be the Minister of Defence, I would have thought.

Media: Given that it was a matter that the New Zealand Government was directly consulted on—is that [*Inaudible*] in the report—why wasn't it part of this trip?

PM: Well, look, I just can't comment on a report I don't know anything about.

Media: Should you have known about it before the trip?

PM: Depends on the report.

Media: Well, given it was about the conditions from the training bases which you were actually paying a fiscal visit to, one would have thought that you might have.

PM: Anything else?

Media: On the TPP, it leaves open the option for taxes on non-residents, potentially on buying land. Are you still looking at potential land tax or stamp duties on non-residents buying in New Zealand?

PM: I wouldn't say we're actively looking at that today, but certainly TPP allows us, if we want to, to apply taxes or other costs—for want of a better term—on non-New Zealanders.

Media: Can you clarify whether or not the TPP will allow you to amend the list of sensitive land that's appended to the Overseas Investment Act?

PM: You'd need to take that up with Tim Groser.

Media: I have, and I've got an ambiguous reply.

PM: Take it up with him again.

Media: What do you think Tim Groser's chances are of changing Labour's mind on the best [*Inaudible*] when he meets with them this afternoon?

PM: Well, I don't know. I mean, look, our preference would be that they vote for it, just because, simply, Labour and National have been locked at the hip historically when it comes to trade deals, but in the end, if Labour don't vote for it, it says much more about Labour than it says about TPP. It just means that they are not thinking like an alternative government. They're thinking like the Opposition, and they're obviously concerned, if they do that, about the Greens and the impact that the Greens might have. It'd be the left of their caucus that would be driving that. I mean, you only need to go and look at Helen Clark and the comments that she made as a successful former leader of the Labour Party. She made it pretty clear that New Zealand couldn't be left out of TPP, and, actually, she happens to be right.

Media: Would you accept their position that they don't want to take a final position on that until they see the actual text of the document? Is that fair enough?

PM: I think they can't make a decision. I mean, I didn't see all of the comments, but someone said to me they listened to an interview with Grant Robertson last week, and apparently he said, on one hand, that he was supportive of TPP, he was opposed to TPP and he was unsure about TPP. Probably sums up the Labour Party's view at the moment.

Media: What do you make of Helen Kelly's calls for the Government to broaden access to medicinal cannabis?

PM: There's a process that people can go through, and, as you see, that process works. I mean, we had the situation of the young man from Nelson, I think it was, where Peter Dunne's office approved the use of medicinal cannabis. I mean, you know, we work on an evidence science-based approach. We do not try to be belligerent about these things, but we work on the best advice that we can get. If somebody wants to bring a particular case for use to the Minister's office in good faith, he will look at it.

Media: Do you sympathise with Helen Kelly's case.

PM: Well, I sympathise a lot with someone who has a terminal illness. If this will help her, and the medical evidence supports that, then she should go through the process. I am sure the Minister will do everything they can to try and expedite it.

Media: You've previously said that you wouldn't support parliamentary debate on this. Does that stand?

PM: Well, that was a comment I made some time ago. Subsequent to that there was quite a bit of discussion about the particular case with the young guy in Nelson. All I've sort of said is it is not in my portfolio, if you like, so I am not the absolute expert in it. But there is a process that people can go through. We are not actively looking to change that at the moment and make a broad, mandated change, but we are always open to the science and the results. I think if you talk to the Minister's office, he will tell you that the results in this area are quite mixed. I think there were very, very mixed views, as I understand it, about whether it was effective at all for the young guy from Nelson.

Media: Peter Dunne has made comments, though, that he thinks that doctors are blocking this, and that there is a lot of stigma attached to it. He wants to see them actually be a lot more open to it. What's your take on that? Do you think that doctors should be doing more?

PM: Well, I just can't comment on the accuracy of that. I don't know.

Media: Have you received any advice about the current political situation in Vanuatu?

PM: I always get advice on a range of political situations around the world.

Media: Specifically, the actions of the acting Prime Minister, who issued pardons for 14 MPs who had been convicted on October 9 on criminal charges. Are you aware of that, can you tell me?

PM: Well, I'm not aware of that. But I have a series of formal meetings I have, and I haven't had those for the last 2 weeks because I've been travelling.

Media: Would you expect to get an update on Vanuatu in the immediate future?

PM: I'm not going to go through the individual ones, but I have a national security meeting once a week when I'm in the country, and it goes across a wide range of political and other issues that I should consider.

Media: Did you receive any special briefings about what is happening with the fight against ISIL when you were in Iraq?

PM: Well, I got a series of reports that I would read as any sort of general brief. I don't know whether that's in the context of what you're asking.

Media: Do you have any views on whether—I mean, the Russians have started bombing; there is now discussion about whether the Chinese might join the fight. I mean, everybody

seems to be bombing Syria now. Have you got any concerns about the security situation there worsening or your views on what it's like?

PM: I think the best place to look is my UN speech. It pretty much spells out our view, which is, yup, we want to degrade ISIL and hopefully have them in a position where they can't undertake the barbaric actions that they can. But we don't think that is unique to ISIL. We also believe that there is no place for Assad as well.

Media: What do you make of David Shearer's comments about the trip and it being overegged?

PM: About the risks being overstated? Well, it is just simply not for me to assess the risks. I mean, I just take the advice I am given. Quite frankly, I haven't seen a political leader go to Iraq or any of those kinds of environments—I also went to Afghanistan, obviously, as Prime Minister—without taking the appropriate precautions. I don't think it's practical that you would do that. We have a responsibility to the party that travels with us, which included a reasonably sizeable media party. We just take precautionary risks—precaution against those risks, I should probably say.

Media: How would New Zealand use its role in the Security Council to address the issue of Syria, if international involvement does widen—for example, the reports that we've seen about China potentially getting involved as well?

PM: Well, you'd need to ask the Minister of Foreign Affairs. But, broadly, there are a range of options, obviously, for Security Council and a range of resolutions that could be raised.

Media: Does it put us in an invidious position, given that we have relationships, both trade and otherwise, with both the United States and China, in terms of the P5?

PM: I don't think we've ever been afraid to actually raise issues on the Security Council and to try and get a resolution passed. I mean, you know, there are two P5 members that are supportive of some sort of change to the veto, for instance, but it didn't stop us, and that doesn't include, obviously, the United States or China or Russia. And it didn't stop us having, I think, a pretty strongly worded statement either from myself or Murray McCully. So we've never been afraid to make those particular comments. And I think the P5 members are big enough, you know, to appreciate that we're going to have a perspective, and actually that perspective is shared by 70-odd countries who want to see change to the veto.

Media: But three of the P5 members are now bombing Syria without a UN mandate. Are you concerned at all about that?

PM: Well, that's really a matter for them.

Media: Did you see the comments from Phillip Blackwood's father over the weekend that New Zealand is putting trade interests ahead of his son in Myanmar?

PM: That's absolutely not true.

Media: Just back on that immigration—

PM: I saw the comments, but they're absolutely not true. I can't go into all the details but I think if you go and play the tape, you'll see there's a statement on that particular clip from Bill Hodge saying that one of the big risks—I'm pretty sure it was Bill Hodge they quoted—is the Government could make it worse. And we are conscious of all the issues. We do lots of things there behind the scenes or quietly if we can, and we understand absolutely the issue, but we can't make the situation worse for the person in question.

Media: So are you saying that the Government's hands are sort of tied in this issue? You can't push too hard?

PM: Well what I'm saying is, we take advice on trying to advance the causes of New Zealanders, and we're very conscious of the fact that we don't in some situations want to make it worse for them.

Media: So exactly what is the Government and MFAT doing?

PM: Well, I can't talk about that.

Media: Just on immigration, when you talked with Julie Bishop you described that as blunt. Will you be having a blunt conversation with Malcolm Turnbull on the same topic?

PM: Well it'll be extremely direct. I'm not going to say anything different to him that I haven't said to you, which is, we think the policy's set at the wrong place, we don't think it's fitting with the overall relationship we have, and we think there's a strong case for a special carve out for New Zealand, at least in the way that that threshold is set. And I don't think that's unreasonable. I mean, we have, you know, different rules that apply, for instance, to investment protocols between New Zealand and Australia vis-à-vis other countries. What I can't tell you is whether, you know, over time they'll agree to that, I just simply don't know. But we'll certainly be making the case in very clear terms because I think it's a pretty clear argument that we've got.

Media: What other issues will you be raising with [Inaudible]?

PM: Well, I think quite a range. I mean, economically we'll want to talk to them about, you know, how they see things progressing in Australia, you know, what's their programme over the next 12 months—I think they've got elections next year. I want to talk to them about what they're doing in Iraq, in Taji, and their sort of broader issues in terms of the fight against ISIL. We'll certainly want to talk about both, you know, this issue in terms of deportations, but actually the plight of New Zealanders in Australia. You know, at some point there'll be a wide-ranging discussion about other economic issues. I mean, streaming of imputation credits remains, you know, one of the big issues that we'd like to see some progress on. I have no doubt there'll be a bit of talk about rugby.

Media: Has the New Zealand Government taken any legal advice about the deportation of New Zealanders to Christmas Island?

PM: I can't give you the answer to that. I don't know.

Media: What do you think the political appetite is for a change in Australia on this issue?

PM: I'll have a better sense of that after the weekend.

Media: But it seems like Australians kind of back having a pretty strict policy on immigration and deportation.

PM: Yeah, and they're the challenges for us—that, you know, some of the politics will play both ways. But Australians are fair-minded people and they certainly know that there is that relationship with New Zealand, and, you know, I don't think it's an impossible situation to explain if the threshold was set at a slightly different level. I mean, we've been having open and free movement of our labour markets for a very long period of time, where the threshold's set at a very different level, and I don't think, for the most part, people in Australia have complained about that. So this is a new policy a long time after, you know, we've had that freedom of movement in the labour market, so I don't think there's a strong case that the previous policy wasn't working when it came to New Zealand.

Media: Will we see a Resource Management Act reform bill this year?

PM: I can't be sure. I know that the Minister's been working on drafting it, and I'm pretty sure he's got the draft now. You'd need to check with Nick Smith's office, but I'm—certainly it's an issue that we're very keen to progress, and I think he's been having some quite productive discussions with a number of counterparts, so you'd just need to check with him and the Leader of the House.

Media: Have you had a catch up with Gerry Brownlee since his trip to China and the delivery of the panda proposal?

PM: No.

Media: Are you concerned that you didn't know anything about that proposal being delivered?

PM: I don't know if I'd say I'm concerned, but, you know, I don't know everything that's going on.

Media: Is it unusual, though, for a Minister to be delivering a panda proposal on behalf of Wellington City Council and councillors not know about it?

PM: Well, I think the council must have known about it.

Media: There were councillors that did not know about it.

PM: Oh right. OK. I don't know. I don't know the genesis of the whole story behind it, but it is what it is.

Media: Are you still fully behind pandas, though, in Wellington at some point?

PM: I am, personally. I think, as the *Herald* editorial pointed out the other day—beautifully written—that actually, as Minister of Tourism, I would have a strong interest in it. Actually, history indicates that they have been a strong force for attracting people for tourism. As I made the point some time ago, I think there's a strong case around the sort of civics programme that we run for youngsters here in Wellington, and this could just be in addition to all of that as one of the things that they're like. But, in the end, as I said some time ago, you know, if the Government was to put some money into this area it wouldn't be massive. It's not the top of our agenda list that we have, but, you know, we're always open to looking at initiatives when it comes to tourism.

Media: Prime Minister, under the TPP, would a ban on foreign buyers of residential property or farmland, as proposed by Labour—would that be possible?

PM: It's a very technical thing, TPP, but I think there is real misinformation about farmland that doesn't alter. So sensitive land is carved out, and farmland's included in that, so in the end, if it's above what it is—4½ or 5 hectares—they still have to go through the process.

Media: What about residential property? If we signed the TPP, would Labour still be able to put a ban on foreign buyers of residential properties?

PM: Well, the answer is technically no—it's not carved out, as I understand it. But in the end, I mean, Governments make their own call, and, you know, it's up to others whether they want to go and challenge that. I mean, technically people can go and do all sorts of things. It just means if someone wants to take a case against them and dispute that, they might have a much stronger argument.

Media: So are you saying that Labour could flout this under the TPP, and it's OK?

PM: No, I'm not saying it's OK; I'm just saying technically any Government can flout any free-trade agreement rules that they set, and there'll be a process for arbitration of those if someone wants to take an arbitration case against them. Whether they do or not—I mean, if you think about New Zealand and its issue with Australia around apples, that went on, I think, for 80-odd years, didn't it? It took a hell of a long time before we ultimately took an arbitration case to the WTO. So you can take it, but countries often don't, for a period of time. I don't really know. I personally don't think those bans work. There isn't a great success record for proving that they work, and I wouldn't have thought, for the countries we're talking about involved in TPP, it's really the biggest issue that we think they're driving our housing market, because, frankly, I don't think they are.

Media: You're gathering information about foreign buyers, though. If it comes back and there is a real problem, does this not mean you can't do anything about it?

PM: Well, if you look in Australia, where they've theoretically got a ban, it's been spectacularly unsuccessful. So, in my view, if you really wanted to say that you thought the driving issue around your housing markets and the escalation of prices was foreigners, then there'd be many other ways you could deal with it, which would be likely more successful. And certainly the application of an ongoing land tax or whatever is far more likely to be a deterrent to someone owning a property than having a ban, because there are quite a lot of ways you can get around those bans.

Media: So a land tax and any kind of tax measures—stamp duty—would all still be possible—

PM: They'll all still be definitely possible in TPP, yep. OK.

conclusion of press conference