

POST-CABINET PRESS CONFERENCE: MONDAY, 7 MARCH 2016

PM: OK, good afternoon. So, as you know, the Government is working hard to keep New Zealanders healthy—which is somewhat ironic, because I've got a bit of a head cold, but anyway. We're investing nearly \$16 billion a year into health—more than ever before. We've introduced free doctors visits for children under 13, reduced cancer treatment waiting times, increased elective surgery, and improving screening and disease prevention.

Reducing rheumatic fever has also been a priority of the Government. That's why we set ourselves a Better Public Services target of reducing rheumatic fever by two-thirds by June 2017. As you've probably seen today from health Minister Jonathan Coleman's announcement, we've today announced that there's been a significant drop in the number of people hospitalised with rheumatic fever. Ninety-eight people were hospitalised in 2015, compared with 177 in 2012. That represents a 45 percent reduction. Rates for Māori have more than halved since 2012, down 54 percent. There's also been a drop of 27 percent for Pacific people. This is great progress and reflects the hard work being carried out by the health sector in communities most at risk of rheumatic fever. It shows the \$65 million investment the Government has made to prevent rheumatic fever is making a real difference. We need to keep the momentum going to achieve the target and ensure the gains we make for vulnerable young people are sustainable.

Tomorrow the Kermadec ocean sanctuary bill will be introduced to Parliament. This bill will allow for the creation of a fully protected ocean sanctuary, one of the largest ocean sanctuaries and most significant. It will also prevent more fishing and mining in the area. This bill is part of our commitment to responsibly manage our environment for future generations and build on the Government's efforts to better protect our oceans.

As you know, the first roadshow of the Trans-Pacific Partnership was held in Auckland today. It is the first of 16 roadshows and hui throughout New Zealand. The TPP has been the most widely consulted free-trade agreement in New Zealand's history, and this conversation will continue through 2016. While we believe this FTA is of undeniable and significant benefit to New Zealanders, we want to give every Kiwi who has an interest an opportunity to ask questions. This includes exporters seeking new opportunities under the TPP and anyone who has questions or concerns. The roadshows are designed to allow open debate, informed discussion, and a clear path forward for businesses that recognise the benefits of a market that comprises 36 percent of the world's GDP.

Just in terms of the House this week, in Parliament we will be progressing the employment standards bill, the Māori language bill, and the building amendment bill. In terms of my own activities, I am in Wellington today, tomorrow, and Wednesday. I am in Whangarei on Thursday, Hamilton on Friday, and I'll be at the New Zealand golf open in Queenstown on the weekend. Sorry, I'm just a little pressed for time today, so I'm going to try and get out of here by 4:30, but we'll see how it goes.

Media: With the Kermadec sanctuary, have you resolved those issues with iwi over consultation?

PM: Yeah, I mean, look, we continue to have those discussions. We're aware of the issues that have been raised. I mean, one of the main points I'd simply make is that Māori are often raising with us, you know, the issues of environmental protection, so one would have thought that that they would see the step that we're taking there is a very important but positive step for environmental protection. We understand there are one or two people with quota rights, but they have never taken up the quota there, and, largely, what they would even catch, if they could catch it, would be migratory species like tuna, which they can catch somewhere else. So, you know, we're aware of it, but we still want to press ahead with the legislation.

Media: And with those other sanctuaries in Marlborough and [*Inaudible*] are you planning to make recreational fishers [*Inaudible*] report their catch?

PM: I'm not sure about where we're at with that. I mean, obviously, we are trying to progress those. Historically, no, they haven't recorded their catch. They certainly have a bag limit, as you're aware. But we make an informed assessment of what we think is happening. What we do know is that, fundamentally, more people are catching fish from a recreational perspective and they're more efficient at catching fish. So the best estimates that we can see from MPI see a very substantial increase in the take that's happening from the recreational side, but I don't think there's—at this point—there's any plan to say, you know: "Tell us exactly how many snapper you've brought in on a particular day when you were fishing."

Media: So you think there is a case for eventually for them to have to do that?

PM: We haven't really considered—I mean, you'd have to think through, of course, the logistics of that. It's one thing for someone to have a quota that they've bought or they've acquired in some way, and, obviously, accurate recording against that quota's a relatively straightforward and well documented thing to do. You know, having someone come along and say "OK, well, I went out this afternoon. The boat limit was x number of snapper and I either did or didn't catch that.", just, logistically, is a lot harder. You could certainly see over time how in theory people voluntarily might pull up that information, but it wouldn't be a perfect example.

Media: And have the [*Inaudible*] industry been lobbying you on this, or is there capability for the take to be documented?

PM: Look, they may well have with the MPI Minister; they haven't directly with me.

Media: Have you sorted those issues with iwi regarding the Kermedec—

PM: I think there's been discussions. We've been making our point. And as I said, you know, they have had some quota or, I think, the capacity to catch fish there, but they haven't ever caught fishes, as I understand it, in that area.

Media: Are iwi going to be part of the governance of that sanctuary?

PM: We're working our way through the process of how that might work, but it's not impossible that if there's a governance structure, as there has been with, you know, other areas—you know, for instance, Fiordland; we did something down there. There was iwi representation on the governing committee and it's quite possible that would be the case with the Kermedecs.

Media: Could iwi still fish? I mean, is it possible that the iwi with their quota there could still fish there when it's a sanctuary?

PM: No. No, they're completely—everyone's excluded, including a yacht sailing through the Kermedec region, throwing a line out to catch their own dinner. There'll be no—it's a no-take zone.

Media: Can iwi expect compensation—

PM: It's not our intention to do that. You see, it's a migratory species and they could potentially catch it somewhere else.

Media: Prime Minister, the Australian defence white paper describes the New Zealand - Australia defence relationship as a relationship within ANZUS. Is that the way New Zealand sees it?

PM: Are you asking whether we're still part of ANZUS?

Media: I'm asking whether or not you see the Australian - New Zealand defence relationship as an ANZUS relationship.

PM: It's probably described more as an Anzac relationship—I mean, inasmuch as Australia and New Zealand work together on some of these issues, not always. They have a very different defence profile and capability, obviously, to New Zealand, but, you know, they were well and truly aware that a long time ago we suspended ANZUS and we've got no intention of re-joining.

Media: So why did they put it in their white paper, and they had consulted New Zealand, they said?

PM: You'd have to ask them. They write lots of things down or describe things in different ways to us.

Media: Just on burglaries—are those low-resolution rates an incentive for criminals to actually have a crack at robbing people?

PM: Well, there's a few things I'd say. Firstly, the burglary rate is dropping, as is the overall crime rate. Secondly, I can absolutely understand the frustration of people when they are burgled. People feel as though—and I think rightfully so—that's an invasion of their privacy. They feel violated by that, often. And often you actually see a situation where the goods that are stolen aren't necessarily of such a high economic value, but they're often of very high sentimental value. So there's a lot of pain and suffering from burglary. I think the police genuinely do what they can to successfully resolve burglaries, but you'll appreciate that sometimes they just don't have a lot of leads or a lot of things to work on.

Media: Have you been burgled?

PM: Yeah, I—well, if we're talking about my office, yeah, I have actually on about three or four occasions.

Media: And did the police solve those burglaries?

PM: Well, they did, actually. I remember the most recent one was when I was Leader of the Opposition and the person got sent—or I think there were a couple of them—to prison. They had a P habit they were trying to support. They burgled our place at St Stephens Ave.

Media: Do you understand how important it is for people when their home gets invaded like that?

PM: Yeah, well, the particular person—and I think this is not; it may not always be the same profile, but it's possibly similar—the person or the people that undertook the burglary at our place, as it turned out, had undertaken a lot of burglaries in the area. So one of the reasons why the police obviously do follow up, other than just their sheer responsibility and everything else, is that I think there's sometimes people that undertake a lot of burglaries. So they're getting information that can allow them to solve, you know, multiple crimes—is something that they're trying to do. Clearly, the police have to prioritise what they're doing. So if you have a potentially violent domestic situation that they are asked to attend, vis-a-vis going to a burglary, the burglary will get pushed down the pecking order. Someone will turn up, but it might take 2 or 3 days.

Media: Where were your other burglaries?

PM: So, Wellington, when we had—

Media: Premier House?

PM: Yeah—well, not Premier House, no, no. So when we first lived in Johnsonville, we were burgled then. When we were in Burwood Crescent we literally had the house cleaned out, so we were burgled there. Another place—I can't remember. So we've had three or four I think.

Media: Were they all resolved?

PM: Honestly, no, actually. I don't think in the case of Johnsonville, but I think in the case of Burwood Crescent they definitely were, because they stole Bronagh's birthday

present at the time, which was a pink Honda City, and that was of some amusement to the cops at the time—that I'd be stupid enough to buy her a pink Honda City—but, anyway.

Media: When are we going to see the Security Intelligence review?

PM: It goes to the ISC tomorrow. So the committee makes the decision about when it will be released. But with a bit of luck, certainly in my view, it should be released as soon as practically possible—so the latter part of this week, I would have hoped.

Media: And will we see it in full or will it be redacted?

PM: Yeah.

Media: So it's not top—

PM: It was written in a way where it is not redacted and it should be released in full.

Media: And when is the Government likely to make its response to what's in the review?

PM: Well, the ISC will meet tomorrow and, obviously you're aware that Labour are on that committee with us, so that will be an opportunity for them to, sort of, have a bit of a discussion about it. You've probably seen my public comments in the past that we want to move forward on a bipartisan basis if we can. So that'll give us our first chance, I think, to talk through the recommendations and the merits of the recommendations that have been made. And then we'll see how things progress from there.

Media: Do you think the Greens have got an argument that they're not on the ISC?

PM: Well, in the end, it's a matter for the Opposition to decide who they have on. Personally, I think it makes sense for them not to be there, because at the moment the ISC is made of five members and the Opposition takes two of those spots—and at the moment you've got Andrew Little and David Shearer—so if the Greens were on you would only have one Labour member. And, in reality, if you think about it from a proportional point of view, if the Greens, then why wouldn't you potentially have, say, New Zealand First and someone else. So I think, in a lot of senses, this is one of those things where Labour and National are, rightfully, the people that should be guiding this.

Media: On Landcorp. They've decided to step away from investing so much into the Wairakei Estate. So is this a signal from them that dairy has kind of had its day?

PM: No. I think there's a number of things going on. You probably saw their result, which was, I think, that they made a loss on their returns. Certainly over the years, even when dairy prices were higher there has been quite a low return on capital. So I think the decision that they have made, firstly, is: "This isn't the right time to be investing more." That is probably consistent with what a lot of other private sector dairy investors are doing at the moment—holding back a bit and not necessarily investing. Their balance sheet is a bit challenged at the moment, as I understand it; they plough in a lot of capital and the Government has been reluctant to put in more capital. So we've said to them that they have to fund their own development there. So I'm not terribly surprised that they are doing what they are doing. But whether that means, you know, you shouldn't buy a dairy farm or invest in a dairy farm—that's a completely different issue, I think.

Media: The Landcorp CEO today said that because of the environmental constraints on [Inaudible] Central Plateau that he didn't think there was much room—at least for that area—to increase dairy production. Surely the Government and Fonterra need more conversions to meet its targets for increasing production?

PM: Yeah. I haven't had a good look at all that, but some years ago—and I was trying to think back to whether I was Leader of the Opposition or in the fairly early days as Prime Minister—I actually flew over that area with the regional council there. And they were pointing out the big piece of land that was Wairakei Pastoral that was going to be converted into dairy farms. One of the points that they were making at the time was that Landcorp were a very high-quality farmer, so they had undertaken a lot of work to try and mitigate the

environmental impacts. Their main argument was that we did have to be careful about intensification, but if you were asking them to pick and choose between Landcorp as a developer vis-a-vis some other existing farms, they would be picking Landcorp, because everything they were doing was done to the highest environmental standard. But in the end the point is, we have seen with the establishment of water standards and the likes, you have seen more work going into what is the appropriate level of intensification, and, actually, as you've seen in places like around Lake Taupō and Rotoiti, I think, quite significant steps being taken to say there are certain waterways that join, or land areas that adjoin waterways, that should not actually be farmed for dairy and the likes.

Media: Landcorp's still planning to invest another \$130 million, though, in the Wairakei—a couple of sheep farms and still an extra 5,000 cows. That's going to increase its gearing. Are you concerned or worried that they might be increasing their gearing too much?

PM: Well, there's been concerns, and you'll be aware that last year there were significant discussions between the board of Landcorp and, I think, the Minister of Finance about how they might finance what they are doing. The Government has been making it pretty clear to them that if they want to increase the capital investment they have at Wairakei Pastoral they are fully free to do that, but they need to manage their own balance sheet and invest where they see the best return. And that's, ultimately, a matter for them.

Media: On the flag—have you given any thought to what happens if the vote is to change the flag? When will that take effect? How will it take effect? What is the likely roll-out process?

PM: So when we went through the legislation that was required to set up the referendum, I'm pretty sure that embedded in that legislation was the effect that we didn't need to go back to Parliament to change the flags and emblems Act; it just automatically happens. But the question, of course, is, you know, one assumes it's by Order in Council so at some point, you know, that would need to take effect. I think the general proposition we've been working towards is, if the flag changes then the first time we probably officially use it might be the Rio Olympics.

Media: The New Zealand sailing teams going to Rio put out a statement saying that they're trialling different sails with the two different flags on because they need to have them both ready.

PM: Yeah, right.

Media: Presumably that's adding to their cost. Has there been any Government contribution? Have they come to you for anything?

PM: Not as far as I'm aware, no.

Media: How concerned are you about the National Party resignations in Clutha-Southland?

PM: Well, I just don't have any real details on it. It's not unusual for there to be a change of staff when you get a change of MP. I mean, people who work in offices, out-of-parliamentary offices—like people who are on the political staff—are on events-based contracts. Now, this is different because that didn't trigger that, but the reason they're events-based is quite often there is change when there's a change of member.

Media: So when you have the electorate chairman saying his position's untenable and the electoral agent having to sign a confidentiality agreement due to an employment issue, surely that's a little unusual, isn't it?

PM: I just don't have all those details. I mean, I understand at the heart of it, if I read the papers and the media report it says there's obviously a disputed employment contract there or employment issue there. I just don't have all those details.

Media: Have you spoken to Todd Barclay about it or will you speak to him? Will you?

PM: It's not my intention at this point, no.

Media: Are you aware of the allegation of a secret recording going on—

PM: Well, I mean, you know, I've seen media reports of that but I don't have any other information on that.

Media: And yet that doesn't merit anything more than sort of an informal chat with Bill English? You don't want to take it any further?

PM: Well, it's not a matter for me. You know, if there is an employment dispute, then parties will take that up through the relevant channels that they decide to. I mean, you know, every MP has, effectively, employment agreements with the people that work for them and they manage them. It's not unusual that there's change of staff or from time to time there are disagreements, from time to time people leave. Unfortunately that's the nature of what goes on. If there are any issues of concerns, then people should take it, bring it forward, and have it appropriately dealt with.

Media: Party members in the electorate have talked about concerns over a lack of honesty, a lack of integrity, a lack of maturity, and there's a suggestion that it may be turning some voters, constituents, off National. Is that a concern to you?

PM: There's nothing I've seen of any evidence that would support that. Sorry, I haven't seen anything that would support that view.

Media: Wouldn't you want to reassure yourself that any employment issues between the MP and his or her staff in any MP's case wasn't something that should be a concern to you?

PM: Well, from time to time there are disputes where people have an employment dispute with their EA or, you know, with someone that works on their team or their electorate staff. Look, it hasn't been my practice over the last 8 years to get involved in those.

Media: So are they employed by Parliamentary Service or are they employed by the party?

PM: I imagine, these people, probably by Parliamentary Services. I think they're electorate staff, aren't they?

Media: And has Peter Goodfellow asked for a "please explain" or has he been—

PM: Don't know. You'd have to ask him. He hasn't raised the issue with me.

Media: Prime Minister, the inquiry into the balcony collapse in Dunedin, and Nick Smith ordered the inquiry into it—to what end is that inquiry being undertaken?

PM: I don't have really any more details other than he's ordered the inquiry and they're having a look at the matter. Yeah, obviously there's been, I think, a number of video images or reports or surveillance that's been now put out in the public domain. I think all he's doing is asking the obvious questions about the building standards and whether they were met when the balcony was actually constructed, not whether there were too many people on it or what it should be able to withstand. I mean, that's all for another debate. But he's just asking the obvious question about whether the building standards were met.

Media: If they weren't met, would you expect some—

PM: Well, I don't know what would happen next, really. We'd have to wait and see.

Media: On health funding, would you expect in the Budget for the Government to loosen the purse strings a bit on Pharmac and on broader health funding?

PM: It's highly likely there'll be more money for Pharmac. There'll, without question, be more money for health. I mean, every year there has been and usually the largest bite of the cherry goes to health. So there'll without doubt be more money, and, as I said last week, it's my expectation there'll probably be more money for Pharmac. Ultimately, how

Pharmac spend that money is a matter for them. I think they, like everyone else, will be conscious of the public debate that's ongoing at the moment in relation to melanoma funding. You know, I've seen their public comments over the weekend. I mean, exactly what they'll use that money for, I don't know, but it's highly likely they'll get more.

Media: In December the Government increased its capital infrastructure spending allowance. Do you think that there's room or necessity to do that even more in May?

PM: In general, you mean? Maybe. We haven't put the Budget to bed yet, so, you know, we go through this process where, you know—to state the blindingly obvious—every Minister puts forward, you know, their wish list, and then the Minister of Finance and his and her assistants get the great job of culling those out and making it fit within the new Budget spending component. That's true both for capital and for operation. We haven't decided that yet. We've had, obviously, a number of meetings. We've got a bit of a sense of where we're going, a bit of a sense of what's happening, but it's pretty early days yet.

Media: What's your sense of it?

PM: Oh, we're making good progress. We're feeling good about it, but the crunchy decisions have got to happen in the next few weeks.

Media: Just on the fisheries settlements with those iwi who were a bit disillusioned with the Kermadec plan—will they have to be renegotiated?

PM: No.

Media: Why's that?

PM: Well, because Parliament has sovereign right to do what it likes, and Parliament will be voting for it to be an ocean sanctuary.

Media: So would it be a breach of that settlement then?

PM: In my opinion, no.

Media: So it might be a breach of those fisheries settlements?

PM: Well, what did I just answer that question to? You just asked me that question and I said no. I can say no to you twice if you want, but that's the answer I gave.

Media: So it won't breach the settlements even though the Kermadec area is in the settlement?

PM: Well, it doesn't matter, does it? I mean, the point is Parliament's sovereign. It has the right to decide whether something's a sanctuary or not. If it decides something is a sanctuary and it's not going to pay compensation, it doesn't need to, and the reason it doesn't need to is, it's a migratory species. You can catch it somewhere else.

Media: The Waitangi Tribunal just announced the hearing dates for the TPP claim. Would that hold any credence with you if they found there were concerns for Māori?

PM: Well, the Waitangi Tribunal, more often than not, always finds against the Government. It doesn't mean it will do, but you'd have to say its long history is, it does.

Media: Just going back quickly to the burglaries, three or four times is quite a few times. Why do you think you were targeted? Because you're Prime Minister or because you live in a nice house?

PM: No, I wasn't Prime Minister at any of the times it happened. I was the Leader of the Opposition once, and the rest of the time I was just a normal citizen. I don't know—we had pretty good security at our house, so maybe we were just unlucky.

Media: At St Stephens why didn't you have an alarm?

PM: We did.

Media: Oh. What happened to the alarm?

PM: Well, I was on a plane to Hawaii. It was over Christmas.

Media: And nobody took any notice of it?

PM: No, no, I think they took notice, but, you know, it's not instant, is it? One of the other times was there, and when I was there; I went downstairs and there was a burglar there.

Media: Did you confront him? In the flesh?

PM: Sadly, yes.

Media: Did you just front him?

PM: Yeah, well, the wife sent me down to sort it out. I mean, we thought at the time it was a joke—well, not a joke, but we thought the alarm was going off because the weather was so bad. As it turned out, there was actually someone downstairs. I started screaming and, next thing you know, the cops turned up. But, yeah, I was Leader of the Opposition then too.

Media: Did the burglar run?

PM: Sorry?

Media: Did the burglar run when you started screaming?

PM: Yeah, he ran, but it was about 3 o'clock in the morning. It was terrible—a wet night and I had great respect for the police because they turned up with an Alsatian in about 60 seconds, but they didn't catch the person.

Media: Do you think you got more vigilant treatment from the police because of your position at the time?

PM: I don't think so. But, I mean, you'll appreciate that, you know, we have high levels of security at our house because I'm the Prime Minister. You know, nowadays it's a slightly different deal, but, I mean, Helen Clark was Prime Minister when someone went into her house. It happens.

Media: Did you take a weapon, like a baseball bat or anything?

PM: No, we thought the alarm was going off because the weather was bad, so I just wandered downstairs.

Media: Sorry, where was that, which [*Inaudible*] were you living in?

PM: St Stephens.

Media: Can I just ask you—on to something else. A nanny who was working in Australia has complained about her treatment. She was arrested here for allegedly [*Inaudible*] issues, kept in jail overnight—

PM: Oh, this was in Queenstown, eh?

Media: Does that seem appropriate that she was treated in that way?

PM: On the very limited knowledge of the facts I have, no. It might be technically what they could have done but I think there are other options of how they could have handled the situation. I think she was an au pair, wasn't she, who was coming over here—given what went on you might have hoped that they might have been able to find another way through that, but I only have really limited details. There may be another explanation of it, but you would have hoped that that wouldn't necessarily have been the case.

Media: What particularly concerns you about it?

PM: Just because it didn't seem like it was so significant that they couldn't have dealt with the issue in another way. I think she just said that she said was going to babysit when she was in New Zealand, but she apparently didn't appear to have a work permit and then

they sent her back—they kept her overnight, I think. Look, I don't know anything more than that.

Media: Do you think she should have been allowed to stay?

PM: It sounds pretty harsh deporting someone because they are babysitting when they are an au pair.

Media: Have you asked for a “please explain”?

PM: Well I just got advised about it by one of the Ministers, so I think they are already looking at it.

Media: Does it concern you that she was put in jail? Does that seem—

PM: There were two parts of it that seemed pretty heavy handed. Yeah.

Media: Prime Minister, it caused quite an upset that no one from the National Government was represented at Dr Ranginui Walker's funeral.

PM: I don't know why that was, actually. I can find out—maybe it was just uncoordinated on our side, and everyone thought someone else was going. Hekia, I think, has been either sick or overseas—or a combination of both, I think she's been overseas and sick; Chris, I'm not sure—he'd normally go. It certainly wouldn't have been a snub; we have great respect for what he'd done.

Media: Has anybody contacted the family to extend sympathies?

PM: I've written a letter which I signed out a few days ago.

Media: Just to clarify—when you confronted the burglar, were you clothed?

PM: Yes, I was clothed. Thank you.

conclusion of press conference