

**POST-CABINET PRESS CONFERENCE: MONDAY, 4 APRIL 2016**

**PM:** Okey-dokey, so good afternoon. As you're aware, I've just returned from Washington where I attended the Nuclear Security Summit and met with a number of political and economic leaders. It was a great opportunity for me to push the benefits of the TPP, and to get a sense from leading US economic officials about the US and global economy. The TPP is a huge opportunity not only for New Zealand but also for the United States and other member countries. I made the point that, for the US, the TPP is not only about trade and economic benefits but also its continued leadership and key relationships in the Asia-Pacific region. It's clear that the political environment in the United States is complex right now but the administration is committed to ratification, and I remain optimistic that the TPP will be passed by the United States.

In terms of the US economy overall, the overwhelming view was that it's doing well. A strong US economy is important to New Zealand, and it was encouraging to hear that job growth and consumer demand remain strong, meaning more opportunities for our exporters. I also held a number of bilateral meetings with political leaders, including my first official meeting with Prime Minister Modi of India. We discussed ways both our countries could benefit from closer ties, including in the trade and economic areas.

I met with the UK Prime Minister, David Cameron, where we discussed issues including new restrictions on New Zealanders living and working there, and the upcoming referendum on Britain's EU membership. I expressed our view that these restrictions do little to relieve the broader immigration pressures the UK is facing, while they are seen by many as targeting countries like New Zealand. In our view, such laws do not reflect the close ties between our countries, and I urged Prime Minister Cameron to consider options to address this.

At the Nuclear Security Summit the focus was on addressing the threat of nuclear terrorism and ensuring that non-military nuclear and radioactive materials do not fall into the wrong hands. The Nuclear Security Summit has made significant progress in this area over the last 6 years, and New Zealand is committed to playing its part.

You will also have seen today that Cabinet approved a series of new air services agreements with a range of countries. Since the Government launched its international air transport policy in 2012, aimed at making it easier for airlines to operate here, more than 50 new or amended agreements have been negotiated, bringing the total to 70. This means more flights from more airlines in and out of New Zealand to more and different parts of the world. They are contributing to the arrival of a record number of tourists, 3.2 million in the past year, and mean more options for Kiwis going abroad. They are part of the Government's effort to promote and open New Zealand up to the world.

Also, today the new health and safety laws take effect. These significant reforms will go a long way towards helping improve our unacceptable workplace injury and death toll. They strike the right balance between workplace safety and ensuring that businesses aren't tied up in unnecessary red tape.

Finally, congratulations to Lydia Ko on her win at the ANA Inspiration. The victory makes her the first Kiwi golfer to win two major titles, as well as the youngest woman in history to do so.

Parliament this week—we have the Committee stages of the Environment Canterbury bill and the Māori Language Bill. Wednesday is a members' day. In terms of my own activities, I'm in Wellington tomorrow and Wednesday, in Hamilton on Thursday, and in Auckland on Friday.

**Media:** Is it embarrassing for New Zealand to be involved in the centre of a Maltese political scandal in which a Minister has used a secret trust in New Zealand?

**PM:** Well, I don't know all the details but I don't think it's embarrassing. By that, what I'd say is that New Zealanders have had the same tax laws when it comes to trusts since 1988. New Zealand also had a review undertaken by the OECD in 2013 and they gave New Zealand a clean bill of health. We also have an extensive disclosure regime in New Zealand. We're a signatory to a network of different treaties, and we've been strengthening those laws over time. So, look, overall, New Zealand's had effectively the same laws for the better part of the last 20-odd years and we've been tightening those up through disclosure regimes.

**Media:** But the IRD has recommended the Government look at tightening up those rules, particularly around disclosure, because it says there's a risk it could damage our international reputation.

**PM:** And, as I said, in 2013 we got a clean bill of health from the OECD. We're undertaking ongoing work with the OECD on what they call their BEPS—their base erosion programme. If there are further recommendations that come from the OECD, then I am sure New Zealand would look at potentially making those changes and adopting that, but at this point we've been quite satisfied with the work that's been undertaken.

**Media:** But, Prime Minister, doesn't the fact that foreign income is not taxed, doesn't that make it, by its very definition, a tax haven?

**PM:** No. Tax havens are where there's non-disclosure of information. New Zealand has full disclosure of information, and so all you've got is a situation where New Zealand's taken a different view from a lot of jurisdictions, and that's because the way we tax is, we tax a set law. In other words, it's all about making sure that New Zealanders pay their fair share of tax. What we've got is quite a legitimate regime. We disclose that information through the anti – money-laundering rules that we have, including factoring in the other different changes that we've made. And, actually, you know, the sorts of things where people are a tax haven, is where they don't have those disclosure regimes and where they're not party to those treaties.

**Media:** Was Professor Littlewood at Auckland University's business school wrong when he says that the trusts are not obliged to inform the IRD who's behind the trust, or what assets are held by the trust, or what the income of the trust is, or even what country the settlor is resident in, or the nature of the assets, or who the beneficiaries are?

**PM:** Well, you'd have to go and pose those questions to IRD. But all I can tell you is we have a—we're a party to a series of different treaties. New Zealand has got a clean bill of health in the 2013 OECD review and we meet our obligations. And if there are future recommendations, I'm sure the Government will take those on board.

**Media:** But isn't it just purely instantly a bad look that political figures in Malta go through companies in Panama and set up something in New Zealand so they can have a—

**PM:** Well, people around the world may well go and do, you know, all sorts of things to avoid paying tax, but New Zealanders are subject to treaties and they are disclosure regimes. We're quite open about what we do.

**Media:** But people around the world are using New Zealand to avoid tax—

**PM:** Well, I don't think I'd necessarily want to draw to those conclusions. There's trust policy in New Zealand, but it's been policy set up in 1988. And what's happened is it's been reviewed, as I said, in 2013 by the OECD and given a clean bill of health.

**Media:** Prime Minister, can you be sure that New Zealand is not being used as a way to minimise tax or for paying an unfair amount of tax?

**PM:** Well, our responsibility is in terms of New Zealanders paying their tax. Around the world there's a very complicated, different set of rules when it comes to taxation. Everybody

is different. But, actually, you have an obligation from a New Zealand perspective, which is where our concerns are, for New Zealanders to pay tax, and by having the rules we have—by taxing the settlor—we stop exactly the sorts of things that we would be concerned about, which is New Zealanders using foreign trusts not to pay their tax. That was why the decision was made way back in 1988. We have these series of tax treaties and we have a series of other agreements that we meet, and we disclose that information.

**Media:** But when the Law Commission looked at the New Zealand regime, it did draw some parallels between New Zealand's regime and those so-called offshore trust regimes. They didn't put us squarely in with England and Canada and those other sorts of jurisdictions. They said that our laws put us in the category of offshore - like trusts in relation to this.

**PM:** Yeah, well, OK, I can't tell you all of those details—I haven't reviewed all of that work. You'd have to take that up with IRD. All I can tell you is that, unlike a jurisdiction which is a tax haven which doesn't disclose and you've had all of the secrecy rules, that's not the case where it comes to New Zealand.

**Media:** What do you think the Maltese political figures wanted to have trusts in New Zealand for?

**PM:** You'd have to go and ask them. I have no idea.

**Media:** But what do you think that they—why do they want the Rotorua and Haast trusts [*Inaudible*].

**PM:** I have no idea. You'd have to go and ask them. People have trusts for all sorts of reasons.

**Media:** Should foreign companies be allowed to register in New Zealand and then operate offshore without any requirement for compliance with our money laundering or our terrorism financing laws? That's the principle involved here.

**PM:** Well, again you'd have to go and ask IRD. But, as I said to you, (a) it was reviewed by the OECD and given a clean bill of health; (b) we've implemented factor and also implementing the OECD's common reporting standard, automatic exchange of financial account information. We observe their anti - money-laundering rules.

**Media:** But MBIE does have an options paper out at the moment canvassing solutions for the problem I've just mentioned.

**PM:** And if they come up with recommendations, I'm sure the Minister will take that on board, but, you know—

**Media:** That's indicative that there is a problem, these papers highlight it.

**PM:** Well, then you need to go back and ask the OECD why they gave us a clean bill of health.

**Media:** You have no opinion on it?

**PM:** Well, it's a very complex—

**Media:** There is a reputational risk to New Zealand—

**PM:** It's a very complicated area. We've had the same law since 1988. So what we have done is strengthen that up through much greater disclosure.

**Media:** Are you saying that the IRD does provide tax information to foreign jurisdictions on the money if it's invested in New Zealand—

**PM:** No, what I'm saying is they have responsibilities under the anti-monetary and the AML laws—anti - money-laundering rules—and they are, I think, in relation to the trustees, and we have a series of tax agreements. We don't hide information like that in New Zealand. We share that information with people that ask us.

**Media:** But the IRD doesn't share it with its sister organisations overseas.

**PM:** Well, I don't know.

**Media:** That's what I understand.

**PM:** You'd have to go and ask them. It's a very complicated piece of law. I'm not the expert on it, but they can give you the answer.

**Media:** Do you think that this—Prime Minister, do you think this leak could throw up other questionable people who have trusts in New Zealand?

**PM:** I don't know. I mean, there's seemed—from the limited media reports I've seen—there's, you know, a huge amount of information in those reports and lots of people involved. So people may have trusts registered all over the show, some of which may be in New Zealand, at least in terms of the trustee registered in New Zealand. But there's a legitimate business in terms of trusts. There has been for a very long period of time. We've implemented the laws which were passed, say, back in 1988, and they've been consistent over successive Governments because it seemed to be the most appropriate way of making sure that New Zealanders pay their tax.

**Media:** So is it a legitimate business, you know, for trust lawyers and trust accountants in New Zealand to set up this kind of operation for people offshore?

**PM:** Well, it might be. I mean, you'd have to go and ask them. I mean, as long as they comply with the laws and meet their obligations under all the different treaties that I just outlined.

**Media:** Have you ever used an offshore trust?

**PM:** No.

**Media:** Never, in any country that you've lived in?

**PM:** No. I have the two trusts I've had and they're the only ones I've got.

**Media:** Prime Minister, why do you think it would be of any interest to overseas companies and individuals like this person in Malta to set up a trust here?

**PM:** I've no idea. Go and ask them. People have all sorts of reasons why they set up trusts. I'm not responsible for them.

**Media:** Do you think there's a reputational risk for New Zealand when overseas companies do use a New Zealand registration as a validifying tool in their operations?

**PM:** Again, you'd have to go and ask the industry, but there's been all sorts of reasons why New Zealand's been a good place to register trusts in what has been quite legitimate work. I mean, we've had good administration, we've had, you know, competent people doing those things. These are assets that are not held in New Zealand and where the settlor is not in New Zealand. I mean, in the end, as I said to you, you know, in 2013 the review was done and New Zealand got a clean bill of health.

**Media:** Are you happy, though, for New Zealand to be lumped in with Belize and Mauritius in terms of how our tax rules and trust rules are set up?

**PM:** Well, every country has a different set of rules. I can't explain those and, you know, as I said to you, it's complicated in New Zealand, but it's been consistent. All that's happened post, I think, about 2006, is there've been a number of changes, tightening up, making sure that there's disclosure. We've been a signatory to these treaties, and, you know, at the end of the day, you know, there's ongoing work in this area. The OECD and others, if their base erosion programme come up with other suggestions, New Zealand will look at it.

**Media:** Has any country in the last—in recent years—expressed any concerns about New Zealand's regime in this regard?

**PM:** They've never raised it with me, no.

**Media:** Will you be making any inquiries yourself as to why a Maltese wants to [*Inaudible*] a private trust here?

**PM:** No, it's got—I mean, it's a matter for IRD.

**Media:** The chartered accountancy—chartered accountant and lawyer—behind the Maltese trust is Roger Thompson from Bentleys in Auckland. Do you know or have you met him?

**PM:** Well, I'd have to go and check with my office, as you'd expect. The name doesn't ring a bell. I don't think they're a firm I've ever used. So I don't know them, but my office would have to go and check, because as I've been Prime Minister for 8 years, I could have met a million people.

**Media:** Yes, agreed. Agreed.

**PM:** Probably have met a million.

**Media:** Will you be asking any of your Ministers if they know who have been using tax havens at all?

**PM:** Well, you're missing the point. I don't think you quite understand trust law. The whole purpose of why in 1988 New Zealand established a law that said the settlor actually pays tax, if you like, and the way we tax that is to stop—it doesn't make any difference. If a New Zealand person set up a trust in the Cayman Islands, because they're the settlor they would have to pay tax. That's why we have the tax laws we have. So it wouldn't make any difference. If anybody in New Zealand went and set up a trust somewhere else around the world, they would be the settlor and they would be required to actually pay tax—because they'd pay tax on their worldwide income.

**Media:** But it's not New Zealanders at issue though, is it? It's foreigners using New Zealand for that purpose.

**PM:** Well, there can be lots of—as I said, it's a very complicated area, but there can be lots of legitimate reasons why someone might register a trust in New Zealand. And, anyway, New Zealand is subject to these disclosures and treaties.

**Media:** Well, that gets back to the question: why would somebody want to—

**PM:** Well, there's a range of different reasons. I mean, people might, for lots of reasons—they might be investing in a jurisdiction where, you know, they're just not comfortable with that jurisdiction as a place to register a trust.

**Media:** Do you think it's consistent for New Zealand to say it supports the OECD BEPS proposal, and, at the same time, have an offshore trust system which allows people to arrange their affairs so they don't pay tax here?

**PM:** Well, whether they pay tax somewhere, again, is a matter for them. Ultimately, they've got to meet their tax obligations in the country they're in. They're not New Zealand citizens, because if they're New Zealand citizens they're subject to New Zealand tax. So you're talking about an example of someone offshore. I'm not responsible for them. But what I can say is that we are subject to these treaties. We make sure that we disclose information where it's required. And in terms of the OECD, as I said—without repeating myself—in 2013 they gave us a clean bill of health. We've got ongoing work coming with them in relation to the BEPS programme, and if they come up with recommendations, New Zealand will look at them.

**Media:** Is there any benefit to New Zealand from having somebody set up a trust in New Zealand—put some money or assets in it—that pays no tax here, employs nobody other than the accountant who sets it up, maybe?

**PM:** Well, the advice I've had from the industry is that it's worth about \$24 million a year in terms of the fees that are paid, and tax and GST and the likes is paid on the back of that.

**Media:** So they're the people who set them up and administer them?

**PM:** Yeah, that's what the industry association says.

**Media:** Do we have a tax treaty with Malta?

**PM:** I have no idea. You'd have to go and ask IRD.

**Media:** Do you think it's sustainable in the long run to keep this overseas trust ticking? Because that's a question the IRD are saying the Government should ask itself.

**PM:** Well, I mean, again, you know, if there are recommendations that come along and say that, you know, the Government should consider reviewing it, we'll have to go and take all of that information on board. It's been the situation since 1988, but, you know, if there are strong recommendations that it's worth us changing it, well, we'd go and have a look.

**Media:** When IRD recommended that you make some changes in [Inaudible] law in 2013, what happened to those recommendations?

**PM:** Well, my understanding is that the then Minister looked at it. The view was that they would have to dedicate a lot of work to what is essentially an area where they're not getting any tax from, and, because there's the ongoing work programme, that's where they left it.

**Media:** Minister Adams has got a group looking at passports, looking at revamping the trust law. Do you expect this area to be addressed as part of that?

**PM:** You'd need to go and ask her directly. I know there's some ongoing work, but you'd need to ask her.

**Media:** Granted you don't believe that we are a tax haven, is it none the less concerning that there are now headlines—in the Australian media at least, potentially elsewhere—suggesting that New Zealand is a tax haven and, you know, basically having a go at us?

**PM:** Well, we're not, in so much that, you know, we have these disclosure obligations. I mean, you can't stop people writing something that might be factually incorrect.

**Media:** You once said that New Zealand could become the Switzerland of the South Pacific. Do you still think that's the case, and could these trust rules actually help encourage—

**PM:** Yeah, and you'll probably be aware that Switzerland's gone through a significant change in terms of its disclosure regime.

**Media:** So are you saying that we shouldn't try to be a Switzerland of the South Pacific?

**PM:** No. I'm just saying there's financial services that can apply in New Zealand, and there's legitimate legal businesses, and people need to meet their legal obligations—but from New Zealand's point of view, we've got all of these treaties, we disclose all this information, you know, where it is required in terms of trustees, and the other countries can follow that up.

**Media:** But the reason New Zealand's attractive is that we don't disclose all the information that other trusts in other countries do—

**PM:** Well, you need to be sure of all of what is asked of us and what is required. I can't answer all those questions. All I know is that, you know, we have a disclosure regime, we meet our anti-money-laundering requirements and we do that.

**Media:** Do you know if any of the foreign money comes from illegal activities? Do we know that?

**PM:** I have—I have no idea. It's not money that's in New Zealand, of course.

**Media:** I mean, the Group of Seven did set up that task force to discourage—

**PM:** Who are they?

**Media:** G7

**PM:** Oh, the G7, Ok. All right.

**Media:** The G7. They set up a task force to encourage action internationally against money laundering and terrorism financing. Are you confident that our Financial Services Providers Register, in the way it operates, is compliant with what the FATF—

**PM:** I don't know—I don't have any advice on that. You'd have to go and ask the relevant authorities.

**Media:** Peter Dunne has approved a medicinal cannabis product for use on a third patient: were you aware of that and do you support that decision?

**PM:** Ah—not the most recent one. But, I mean, he has the legal authority to do that, so—you know, of course he's always careful—he takes the, you know, advice and it's always on a case by case basis.

**Media:** So you are OK with that?

**PM:** It's good he's made a decision, and that's fine.

**Media:** Is this a step towards a broadening of access to medicinal cannabis?

**PM:** No. I think he's just been working his way through applications as and when they are received.

**Media:** Has your view changed at all in terms of broadening access?

**PM:** Look, I'm happy with the process that we currently have—we're always looking at international trends around the world and trying to get better information on what's effective and what's not. If someone wants to have access to a particular medicinal cannabis, then they need to go through the process—but as you've seen, I mean, the process in the past has worked. You know, there have been recommendations that have been accepted.

**Media:** Do you think that process is too hard, too stringent? Too stringent for people?

**PM:** Look, I can't comment because I haven't, obviously, been through it myself—I don't know exactly—but I haven't had someone, you know, come into my electoral office, for instance, arguing that it is.

**Media:** Why do you keep calling New Zealand a British colony?

**PM:** Well, you're being a bit semantic, aren't you? Well, we were a British colony.

**Media:** "Were" being the operative word.

**PM:** OK. All right. OK.

**Media:** From your meetings with—

**PM:** I'll try and get my grammar more perfectly correct. Sorry.

**Media:** From your meetings with the US Treasury Secretary and the Federal Reserve Chair in Washington, what did you learn about the US and global economies?

**PM:** Oh, I'd say the general view is that they're reasonably confident about the global economy, but they had some concerns about, you know, potential slow-downs—I mean they are, like everybody, monitoring the situation in China. A number of them noted that the Japanese economy has slipped back into recession—you know, some indications of a mixed picture out of Europe. So the general view out of the US, I think, was that they're reasonably confident about their own economy. They'd seen the job growth numbers as being quite strong. They're not concerned, I don't think, about their deficit, which they have

seen come down. But there are just a few unknown factors in terms of global—global headlines.

**Media:** So what does it mean, you think, for New Zealand?

**PM:** Well, certainly we met with Janet Yellen and she reaffirmed, you know, what she'd been saying publicly: that she doesn't see core inflation as being strong at the moment. She indicated exactly those comments in her public remarks, you know, a few days earlier and you saw the Kiwi dollar appreciate a little on the back of that. She didn't think—I don't think she sees an enormous amount of pressure to be raising rates in a hurry. I mean, overall, I didn't come away disheartened—I mean, actually, they were reasonably optimistic about the US economy—but, you know, the global issues that they've highlighted are ones that we can all see. There's an uncertain picture in some of those countries.

**Media:** Where did you get to with David Cameron and the visa issue? Is there any chance that they'll relax that?

**PM:** Well, the issue at the core of it is that there's two-and-a-half million people pouring into the UK, and so immigration is a big issue. And because they can't control certain parts of it, or the biggest inflow—which is what's happening out of Europe—they are clamping down a bit on the bits that they can control, and unfortunately we're collateral damage as part of that. But as I tried to point out to him, there's a long history between our two countries, and I really thought that New Zealanders have made a strong contribution and they highly valued the chance to go to the United Kingdom. And I was pretty distressed if that situation became harder for Kiwis, because I thought that they were both well received, pulled their weight in the UK, and it was unfair on us.

Will it change? I don't think the policy is dramatically going to change. But, maybe—like all of these policies, there's always exemption regimes and appeals processes and maybe they can take a more sympathetic view to those.

**Media:** Is there any chance that they could carve out a special relationship for New Zealand and other Commonwealth countries?

**PM:** I think from memory, although I'm not the absolute expert, it's mainly Commonwealth countries that're going through those tier 1. But tier 1's only, I think, about 21,000 people a year; it's relatively small compared to the overall numbers that are pouring in. I mean, the main issue is—as I said in my remarks during the weekend—I mean, I don't think any one single action is the end of the world, but I think the combination of all of them give the impression that they're less concerned about our access rights. And I just wanted to make sure that he was well and truly aware that, actually, we are concerned about any diminishing access rights for New Zealanders.

**Media:** How did he respond?

**PM:** I think he genuinely took it on board. I mean, I've got a really good relationship with him. It's a—you know, we have an open, firm, and frank conversation about things when we need to. You know, we spent about half the time together on that particular issue, so he could see I was serious about it.

**Media:** Did you make the point that there are a huge number of Brits that come to New Zealand?

**PM:** Well, I made that point, yeah. The largest source of immigration to New Zealand—on the best information I've had up to that point—was from the UK. As I said to him, we let people in, we welcome them, and they actually do a great job in New Zealand.

**Media:** But you wouldn't consider restricting that?

**PM:** No. I don't think we should. I mean, look, as I pointed out to him, it's not dissimilar to what's happening in Australia with the deportees. Of itself, we get a bit caught in collateral damage along the way as they tried to address a broader issue, but as I pointed out to them—Australia, you know—we've made some progress with the exemptions policy



and other things, and I thought the history between our two countries would mean that they should go and have a look at that.

It's not the first time we've raised the issue. I raised it when I was in the United Kingdom last year when I last was there for the World Cup, with Theresa May. You know, we've seen—these issues have been on the horizon for some time.

**Media:** Just while you were in the States, have you had any updates from them on whether or not—

**PM:** You've changed side on what you're sitting.

**Media:** Yeah, I know.

**PM:** I know. You've left your Fairfax friends. OK, sorry.

**Media:** Yeah. Have you had any updates from them on whether they will send a ship here for these navy [*Inaudible*]?

**PM:** Oh, it wasn't raised when I was in the US. I know that they're going through the process of considering that. Obviously they need to make a decision some time in the foreseeable future because if they come, they're coming in—whenever it is—November of this year. So, look, we're hopeful that they will. It'll be great to see them there alongside, you know, so many other navies from around the world. But they have to make that call.

**Media:** Prime Minister, just on women moving to Iraq and Syria, you said this morning that the point is that they can come back to New Zealand. Are you going to make inquiries, though, as to whether they were radicalised here in New Zealand or in Australia?

**PM:** No, because I don't think that's the relevant point. I mean, the relevant point is if someone holds a New Zealand passport, by definition they are caught both by the laws of New Zealand, when it comes to intelligence agencies, and also are the responsibility of New Zealand. And, actually, as you probably know, given Australia, I think, is going through the process—or has gone through the process—of actually being able to cancel passports, I mean, you could find the situation where someone actually does get directed on to New Zealand because of the actions Australia might take. So, you know, whether the Greens like it or not, the reality is that if someone holds a New Zealand passport, it doesn't matter where they leave from, it matters about what they do and where they might come, and one of those options is New Zealand. And it's very convenient for them to forget that, but that is just the way it is.

**Media:** But aren't you interested, as a Prime Minister, in whether these people were radicalised in New Zealand or not? Surely that's an interesting thing in itself.

**PM:** Well, look, we have lots of discussions with SIS and our agencies on all sorts of activities in New Zealand. I'm just not going to document those because I just don't think that that's in the—you know, appropriate for me to do so.

**Media:** But people are being radicalised here, is that right?

**PM:** Well, I'm just not going to comment on that, other than to say that we use our intelligence agencies to do the best we can to protect New Zealand. They have lots of conversations. They advise us where they can.

**Media:** But you were happy enough to go into detail about these women marrying in a hurry to get to Syria and Iraq, so why not feel the same if they were radicalised here or not? Surely that's an important piece of public information.

**PM:** Well, I think you need to go and have a look really carefully at what I said. You know, I didn't raise the issue. As I said before, it was raised by the director, but I just asked a legitimate question, which is, you know, in relation to Jihadi brides. It's a statement of fact that there are people that are in that category that are New Zealanders.

**Media:** But you actually raised the term "Jihadi bride". It was you that brought marriage into the discussion.

**PM:** Well, only because “Jihadi brides” is a common international term. I mean, I’m not the first person to do it. It’s been—when you were at Fairfax, in your newspaper pretty regularly.

**Media:** Is New Zealand considering cancelling passports for those women identified?

**PM:** No, we don’t have the legal authority to cancel passports.

**Media:** Will you be making inquiries as to whether any of these women have, in fact, returned to New Zealand?

**PM:** Look, I’m not going to go into any of that information. Even if I get it, I’m not going to share that information with you.

**Media:** But, more generally, are you worried that people—be they men or women—are being radicalised at mosques in New Zealand? Is that an issue?

**PM:** I’m not going to go into details about what our concerns are, other than to say that where we have concerns we deal with those concerns lawfully.

**Media:** When you were in Washington did you get any official signal as to whether the TPP, or an attempt to pass the TPP, will occur during that lame duck session between the election and the inauguration?

**PM:** Well, that was the question I asked about the progress of TPP. I think if you took the on-balance, considered view of the variety of agencies and people that we spoke to, it was that they gave it a good chance of passing, but if it’s going to pass it’s going to pass in the lame duck period. That was just generally the view of how they thought it would progress.

**Media:** And that was officially conveyed to you or—?

**PM:** Well, I asked everyone. I mean—

**Media:** Or was it rumourville?

**PM:** Well, it depends whether you call the Secretary of the Treasury and the economic adviser to the President as rumourville. I mean, I just directly asked them: is it likely to pass and if it does pass, when will it pass, how does the process work? I mean, they ran through with me broadly how, you know, whether it can actually—whether they can make it happen, what they need. There are unknowns, aren’t there? I mean, there are unknowns about whether certain congressmen get, sort of, peeled off, if you like, whether they can ultimately get the numbers, whether there’s the, I guess, the capacity to pass it in that lame duck period. But the generally best advice we have was that they believe it would be passed and that it could be passed in that period.

**Media:** Why is it easier in that period than before?

**PM:** I think it takes a period of time to go through and they’ve got to build that constituency, you know, going through it, and I think you get to that point where you may get some people who say: “Look, on balance, this is the right time to pass it.” One of the strong points that we were making, but it was also one of the points that was relayed back to us, was that it’s not solely just an economic issue for the United States. It’s also a geo-political issue. It’s an issue of their place in Asia and their global leadership. And I think there is quite a strong view that if they abdicate that leadership in the region, then others will fill that, and that comes with both an economic cost but also another cost to the United States. I suspect for quite a lot of people who have to vote on that bill in Congress that’s one of the factors that they’ll consider.

**Media:** But does the heat come off after the election, after you know who the President’s going to be, and presumably the others are elected and de-elected, is it easier to negotiate it in that period, when the political heat’s—

**PM:** I think a lot of the work’s going to get done prior to that point, but, yeah, you may find some people who say—

**Media:** Won't that tarnish the mandate?

**PM:** I don't think so. I mean, it just takes a period of time, I think, to get there anyway. And it doesn't mean it absolutely has to happen then. It was just that was the considered view that it was the most likely time.

**Media:** No, I was meaning that if it can only be passed by people who won't be around, some of them, to administer it, and it won't be voted on by the people who will be administering it, doesn't that tarnish the mandate for the deal?

**PM:** I don't think so. Look, it's all hypothetical because you don't know who's coming back and who's not and what their motivations are. From what I can see there's a group of, you know, the biggest group of people voting for it on the Hill are Republicans, and, you know, I suspect they're people that have long believed in trade and continue to do so. So I don't think it changes dramatically just because there's a change in President.

**Media:** When you talked about building a wall around America last week, was that a deliberate jibe at Donald Trump?

**PM:** Ah, no, it was just a statement of fact. You can't build a wall around America easily.

**Media:** Do you think that was wise, if it was interpreted that way? He could be the next President.

**PM:** He could be. Well, I'd say the same thing to him. I don't think you can build a wall around America and I don't think he's going to build a wall. I've said it on TV recently in Q+A. I just don't think you can credibly build a wall between Mexico and the United States. I don't think it's going to happen.

**Media:** What did you make of his campaign, given that you were able to witness it first-hand?

**PM:** Well, all of the campaigning is intense at the moment. You know, there's sort of four primary candidates, if you like, and there's just a lot of intensity about each of their campaigns and, yeah, there's a lot of coverage. I don't think I learnt anything new. I mean, I watch Fox news and CNN from New Zealand, so I don't think a whole lot's changed. But, you know, they're obviously getting to that interesting period where they're starting to try and firm up the numbers and see who the nominations might be.

**Media:** Do you think his chances have lessened in the last week?

**PM:** I don't know. I mean, one thing that you learnt over there, and certainly everyone reiterated, was the point that this has been a highly unpredictable campaign. I think most of the pundits didn't think Donald Trump would do nearly as well as has done. A lot of people wouldn't have predicted Sanders doing as well as maybe he has done, so I think people are really reluctant to actually call it now.

**Media:** Would you ever play golf with Donald Trump?

**PM:** Well, as I said before, and I continue to say, my responsibility as Prime Minister of New Zealand is to form the best relationships I can with countries that matter to New Zealand, and clearly the United States is one of those. So if he's elected by the American people and did become the next President of the United States of America, I suspect the answer's yes. According to Toby Manhire I've already done it.

**Media:** Just on another matter, in the Government's next steps on water, the document, do you envisage any legislation springing out of that document being introduced into Parliament before the next election?

**PM:** To be 100 percent sure, you'd have to go and speak to Nick Smith, but the sense I've got from just the discussions that have been happening is it's a sort of a medium-term conversation. I mean, the LAWF's being going for quite a number of years now. They are going away to work their way through all of this.

**PM:** So there might be other bits of legislation around water, but the broader issues around, you know, working their way through how allocation is best served, I think it's probably a bit later down the track.

**Media:** Just on Helen Clark, are you expecting an announcement any time soon on her running for Secretary-General?

**PM:** Well, it's a pretty known fact, I think, that she's got a couple of weeks, really, to make up her mind and decide. As I said this morning, I think she's a hugely credible candidate. If she puts her name forward, then we'll back her.

**Media:** And will you be lobbying actively on her behalf?

**PM:** On the basis that she decides to run, I would, yes.

**Media:** Did you bring it up in Washington at all? Did you speak to people about her?

**PM:** Well, there were broad discussions around the next Sec.-Gen. You know, I've said to anyone that's asked me that, you know, Helen Clark would be a great Secretary-General of the United Nations, and, you know, I made that point to a couple of people when I was over there. But that's on the basis that she makes the call she wants to run.

**Media:** Is it hard backing somebody from the other side?

**PM:** No, I mean, look—I mean, obviously, Helen and I competed when I was the Leader of the Opposition and she was Prime Minister, but, you know, I think there's a mature point at which you put politics to one side and you acknowledge and, hopefully, celebrate the skills of a New Zealander, not because of their political tendencies but because of their ability and capacity to do a job. Personally, I think if Helen became the next Sec.-Gen. of the United Nations, New Zealanders would celebrate in the same way that they celebrate Lorde for her achievements in singing and Lydia Ko in golf, and so many other New Zealanders in what we do. And, you know, if she puts her name forward, I'll do everything I can to get her over the line.

As I said, people just need to be realistic that, you know, whatever happens, this is going to be a highly contested campaign, and there's a lot of politics involved. But if you're just asking, is she a person who could carry out that role and do immensely well, my own personal view is, yes. But, you know, I also thought myself that Tim Groser was the best person to head the WTO, and he didn't get there.

**Media:** Do you think she'd do a better job than Kevin Rudd?

**PM:** Well, I'd always back her over Kevin Rudd because, you know, she's a New Zealander, and I've had much greater exposure to her, and I think most people would say that, you know, she was a very strong Prime Minister for 9 years, she's done a great job over the last 7 years of being at the UNDP, and she's had a long history in foreign policy. Look, I just don't know Kevin in the same way. I know the history of being around him, but I haven't seen as up-close and personal as I have with Helen Clark. You know, Kevin Rudd's a hugely talented man, but whether he'd be the right person to be the next Sec.-Gen., well, that's for others to decide.

**Media:** The next defence white paper—is there an expected time when that's going to be publicly released?

**PM:** I think they're working their way through it at the moment. I mean, I'm not sure exactly the timing—Gerry Brownlee would be able to let you know—but I know they are working on it.

**Media:** What are your views on the Environment Canterbury plan to sell, you know, 40 billion litres of water to an artesian water supplier?

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

**Media:** In terms of just, you know, there not being a price on water but this company's getting—you know, the general kind of practice of there not being a price on water—

**PM:** Well, a lot of companies—

**Media:** —bottled water companies can go and make money out of it.

**PM:** Well, that's true, but lots of companies use water and, you know, they're not all New Zealand companies but they can use New Zealand water. I mean, it's true of electricity suppliers. There may well be some offshore owners now of Meridian as shareholders, and they use New Zealand water. I mean, in the end, if there's a company in New Zealand that's bottling water and exporting it overseas, they're creating jobs and, hopefully, paying tax.

**Media:** Thank you.

**PM:** OK, see you soon.

**conclusion of press conference**