

POST-CABINET PRESS CONFERENCE: MONDAY, 3 JULY 2017

PM: Good afternoon. As you're aware, a short time ago I launched the new Social Investment Agency, Oranga Tangata. The establishment of the agency is the next step in the Government's longer-term plan to improve the way we deliver social services. This is a very significant part of our economy. This year we'll spend \$41 billion on health, education, welfare, and other social services, so the capacity to improve the lives of many New Zealanders is very significant. We don't always know whether the money we're spending is making a difference, and we do know that we can do a lot better in dealing with people with highly complex problems who are in the greatest need of help and are dealt with by a wide range of Government agencies.

The Social Investment Agency represents an innovative way of Government using modern data collection and analysis; for example, we know that one in every 100 children who turn 5 this year will be far more likely than their peers to drop out of school, move on to a benefit, and spend time in jail, and these children will cost taxpayers more than \$350,000 in today's dollars if we don't change what we do.

The job of the Social Investment Agency is, essentially, a back-office job that is to help Government agencies better understand the needs of their customers and how to change those needs. One of the agency's most important jobs will be to help social sector agencies shift away from just focusing on their specific area of delivery to understanding the people whom they support as customers whose needs they should see in a more holistic way. We've also set up a new social investment board, comprising the chief executives of the ministries of education, health, justice, and social development. It's chaired in the interim by State Services Commissioner, Peter Hughes. At the launch, I made it clear that if the Government is re-elected, social investment will be the way that we do business across all our social spending.

Over the weekend you've also seen that Todd McClay announced the launch of free-trade negotiations with the Pacific-aligned countries Mexico, Chile, Colombia, and Peru, and I want to thank Todd for the extensive work he's done on promoting this prospect for New Zealand, alongside the work he's done on the TPP 11. Better market access to these markets and lower tariffs has the potential to be of real value for New Zealand exporters. We've learnt that wherever we open the door to our exporters, they go through that door and take the opportunities. The Pacific Alliance countries have 221 million consumers and a combined GDP of US\$3.85 trillion. An FTA with the Pacific Alliance would help the Government reach its ambitious trade agenda 2030 target, launched earlier this year, of covering 90 percent of our goods trade under free-trade agreements by 2030.

A short time ago economic development Minister Simon Bridges and sports and recreation Minister Jonathan Coleman also announced a \$5 million investment in Emirates Team New Zealand to help it retain key personnel for its defence of the America's Cup. This is a team that has provided enjoyment and a sense of achievement to millions of New Zealanders over the past few weeks, and helped to project the New Zealand brand of innovation, team work on to the world stage. Once the team is back in the country, we're open to discussing with them their plans for staging the defence of the cup, and that of course will be after the welcome-back occasion later this week.

In the House this week, the Outer Space and High-altitude Activities Bill is set down for its third reading. We'll be progressing the Children, Young Persons, and Their Families (Oranga Tamariki) Legislation Bill, which is another significant step in our move towards a more child-centred system for the care of our most vulnerable children.

In terms of my movements, I'm in Wellington tomorrow and most of Wednesday, and Auckland for most of the rest of the week. Any questions?

Media: Is \$5 million the start?

PM: Well, that's yet to be seen. I mean, it's there to help them retain the personnel. I mean, as we look ahead, the America's Cup is one of these large events which the Government would normally work to support in any case, as we have with Cricket World Cup, Rugby World Cup. That's a separate set of considerations from any further Government grant to the team, which is a separate matter, and there's likely to be quite a lot of work around the issue of the facilities and infrastructure that would be needed for a cup defence.

So, you know, as we get into the discussions, it's becoming apparent that the issue of whether the Government contributes financially is really just one of the issues and probably the most straightforward in the sense that you either do it or you don't. But the, you know, major events aspect of it, the infrastructure aspect of it—it's likely to be a bit complex. And as it turns out, it falls in the same year as New Zealand's hosting APEC. So that will bring a whole set of demands and complications with it, as well.

Media: If infrastructure is to one side, why are you paying their salaries?

PM: Oh, the—in this case because they don't have any cash and want to retain the team at a time when they're vulnerable to being recruited by other challengers.

Media: We don't pay salaries to other sports teams though, do we?

PM: Well, all our elite athletes we do, yes.

Media: Given that the Government did give a grant to Oracle 3 years ago, 4 years ago, and given that most people see the America's Cup as a huge showcase for New Zealand technology and innovation, is there a case for the Government giving Team New Zealand money to develop and build a new boat?

PM: Well, you'd think that this—look, you know, again, we don't want to get ahead of what's going to be a, you know, range of issues to deal with. But with respect to the innovation part of it, that would be dealt with on the kind of criteria through the Callaghan Innovation, who I understand contributed to Team New Zealand in the same way they contribute to a lot of other New Zealand businesses, including those who may have been servicing other America's Cup teams. So that's all dealt with on its own merits, separate from issues as to whether the Government's financially contributing sponsorship.

Media: Will the Government have a say in where the regatta is held?

PM: Well, that's—I think that's yet to be seen. Look, with these kind of arrangements, there's always the business of—the issue of deciding how involved to get in it. You know, they'll have their own set of commercial arrangements. We all have an interest in success of the whole thing. So that'll be discussed once we get further down the road.

Media: And if it were to be held at the same time as APEC, do you think Auckland could have the capacity to host two events at the same time?

PM: Well, that maybe part of an early discussion—is to work out when the peak APEC activity is, because APEC goes on all year. I think there's something like 23 meetings of all 20 Ministers, or however many countries it is. It goes all year. So, of course, you wouldn't want to be putting more pressure on in Auckland in 2021 than is necessary.

Media: So does that indicate a Government preference, perhaps, of Wellington or Christchurch?

PM: Oh, no, we haven't got into that. I don't—look, I don't think it's that realistic to have the actual finals anywhere else, but, you know, I've heard various speculation that the team might want to in some way bring the event— aspects of the event—to the rest of New Zealand, but it hasn't been discussed in any detail.

Media: Do you think the pressure of APEC and the regatta could bring forward some projects in Auckland—roading projects, rail projects?

PM: Well, possibly. I mean, this is a pretty recent addition to the exciting future in Auckland, and we've been working with the city council on whether the current plan meets Auckland's requirements. Just remember what we have in place at the moment is the Auckland Transport Alignment Project, ATAP, which is a 10-year, \$24 billion pipeline of work. Twenty-billion of it is funded—that's secure. The council's raised the prospect that \$24 billion may not be enough, so that's under discussion.

Media: Do you know how much of this—or how this \$5 million is being apportioned and do you know how it was apportioned last time that you gave it to the team?

PM: Well, we would expect to have in place an arrangement where that's transparent.

Media: In terms of what—what, publicly transparent or?

PM: Well, look, there may be issues of personal privacy. I wouldn't want to comment on that, but, certainly, the Government would want to see that there are conditions attached to the \$5 million to ensure it's used for the purpose for which it's granted.

Media: Were you happy last time you gave \$5 million, that it was apportioned the way you wanted it?

PM: Well, I couldn't comment on that because I don't, you know—off the top of my head I can't tell you what the arrangement was then and/or whether it was checked up on.

Media: Prime Minister, has the Government had any discussions or does the Government know how much economic benefit bringing the regatta to New Zealand could bring to the country?

PM: There's been the figures, I think, quoted by the Ministers today, which show, you know, the hundreds of millions of economic benefit. I suppose there's an issue of whether you want to reassess that. I mean, we take a pretty straightforward view, as I think the syndicate has—or Team New Zealand has—that it'd be a great thing to run it in New Zealand. So they've already indicated publicly that that's their preference. I am sure that'll be subject to ongoing commercial discussions between them and the challengers, and just to what extent it's all held in New Zealand, given the challenger series as well as the finals. But, look, it's going to be held here. I don't think there has to be an economic assessment to decide whether it's here or not.

Media: You said that you were discussing the cost of ATAP with the council at the moment. Are you also discussing the timetable that was published last year in ATAP? In other words, are you revising ATAP?

PM: Well, look, the council's going through their LTP process—their long-term plan—and they have to show that it all adds up. So in the spirit of the relationship that's developed, which is a very positive one, I understand there's ongoing discussion with the council about how the ATAP plan fits in with the council's long-term plan and their share of the financing, and that's nothing new. I mean, the mayor has, you know, aired his views publicly about how to fund the gap. That discussion's been going on for some time.

Media: Is \$5 million enough? I mean, the fact that in 2000 we gave them \$5.6 and we still weren't able to hold on to Russell Coutts—that sort of thing? Do you actually think that's enough to keep those key players?

PM: Well, I understand it's an agreed amount.

Media: On ATAP, sorry, did they ask for a specific amount—a new amount—on ATAP?

PM: I couldn't comment on that specifically. Again, I want to make sure we understand how it works now. We expect now continuous discussion with the Auckland Council through all these processes, so it's possible that they've raised particular amounts in the discussion. I just want to make sure and have agreed with the mayor that officials of the council and Government get on with the job of making sure that the long-term plan in place—that their

long-term plan and ATAP line up so that the, you know, public and the infrastructure industry can see a credible pipeline that's likely to meet the demands on the system.

Media: You're basically waiting for them to agree to new sources of funding?

PM: Oh no, no. I think just revising the assumptions that were put in place 12, 18 months ago.

Media: So it's changed that quickly?

PM: Well, yeah, possibly. As I understand it, they go through that process regularly to make sure that the assumptions made a while ago are still relevant.

Media: How realistic do you think it is for New Zealand to host the next America's Cup?

PM: Well, the defenders, as I understand it, have decided that the finals will be here. Now, that may be subject, as I said, to ongoing commercial discussion. Certainly, we're working on the assumption that that's going to be here. You know, they'll be back by the end of the week and you can ask them.

Media: If they don't, if they go to Dubai, do they still get the \$5 million?

PM: Oh, look, we'd have to look at the detail of exactly the arrangement entered into, but, certainly, any Government assistance, in my view, should be conditional on it being here.

Media: When will the \$5 million be handed over?

PM: I can't tell you that detail.

Media: Why not?

PM: Because I haven't been party to the detail of the contract. The Ministers might have that—the Ministers will probably have that answer.

Media: But that was a sum that they put to the Government—was that the agreed amount? So they put in a request for that amount?

PM: Yeah, I understand it's an agreed amount. OK?

Media: Hang on, just on Peter Thiel. Can you just explain when it was you did meet with him and what that was about?

PM: Oh, look, all I can say is that some time during the time I was Minister of Finance I think he came to my office. I mean, I met all the time with people coming from—you know, people with different ideas, propositions, and anything innovative, and I think he might have turned up in the context of one of those discussions. I'd have to—

Media: Was that before or after he was awarded citizenship?

PM: Oh, look, I simply can't tell you that. I'd have to go back through 6 or 7 years of a diary to check that.

Media: Well, he put in his citizenship request that he had met with you before but—

PM: Sorry?

Media: He submitted a letter that said he had met with you before, for his citizenship request.

PM: Well, that's possible that he did. I don't—as I said, I can't, without going through 6 or 7 years or 8 years of a diary, give you the specifics on that. But, look, the process by which the citizenship was granted I think is pretty well understood. He would have got residency in 2006, so he was already a New Zealand resident. It's not the case that he just turned up at the airport and became a citizen in 12 days. So he's a resident since 2006, and then, along with hundreds of others, applied under the discretionary process and the Minister approved it on the advice of officials.

Media: You said that you had discussions about him with—about innovative [*Inaudible*] or something. Was Palantir [*Inaudible*]

PM: What, sorry?

Media: Palantir? Sorry.

PM: Look, as I said, I've got a—I think I met with him once in my office. I couldn't tell you when it was or what was discussed. It wouldn't have been any exceptional sort of meeting.

Media: What was your impression of him?

PM: Oh, I don't know. Just, I mean, it's hard to—I've seen him in public. I've seen him in the media. He's a pretty lateral-thinking, very focused individual.

Media: Was Cabinet briefed about funding options for the Christchurch Cathedral?

PM: Yes.

Media: And any information you can give us about where that might be at, or the options?

PM: Well, there's been ongoing discussion now for quite some time with the owners of the cathedral, the Anglican Church and Anglican property trust, and, as the bishop has indicated, there's a decision to be made by the synod in late September, and so Nicky Wagner in her capacity as Minister has been meeting fairly regularly with them in recent times about the extent of Government support. And, you know, we can go so far but, ultimately, it's their decision about restoring the cathedral. What we want to see is a decision, because, you know, nothing's actually happening there; it hasn't for a long time. It's at the heart of Christchurch and it's good, I think. It is a step forward that there is now a decision to be dealt with within the next 2 or 3 months.

Media: Will the Government put some money into it, if it's—the Government will put some money into it if that's—

PM: Yeah, there'll be some Government support and the tenor of that is being discussed between the Minister and the Anglican Church.

Media: Like Nicky Wagner, are you hopeful that the decision will be before the end of September? When the synod meets, are you hoping that they can expedite it a bit better?

PM: Well, we would hope that the synod takes a definitive position—that they're either going to restore the cathedral or demolish it and build a new one.

Media: But are you happy to wait until the end of September? That's what I'm saying.

PM: Well, we have to because they're the owners and that's the process that they've decided on.

Media: Just, sorry, on that ATAP gap and the possible difference—how it's changed in the 12 months or 18 months—is that basically down to Auckland's population growth being above expected? Why are we having to go back [*Inaudible*]?

PM: Well, we would expect to go back and check the assumptions. I mean, the hurdles the Auckland City Council has to get over for its long-term plan to meet the statutory requirements are pretty high. I mean, they have to have—they have to be quite clear about what they're doing and how they're going to pay for it. And so there's a whole range of discussions going on in the background to that, ranging from the Housing Infrastructure Fund, which is the billion dollar fund we put on the table, through to the arrangements around the CRL, through to whether the assumptions in ATAP remain correct or not. So, you know, it's a very constructive process, I have to say, and is yielding, you know, increasing certainty about the length of the pipeline and how it's going to be funded.

Media: But they would have had to be pretty certain 12 months ago when they came up with the \$24 billion. So has something happened by population growth that we just weren't expecting?

PM: Well, I think that's what'll come out of the exercise, if there is or there isn't, and I think the—ATAP goes back now about 18 months or 2 years, so it may be the assumptions are couple of years old. Again, look, I wouldn't want to give you the—you know, I'm not sitting there negotiating with the mayor; it's being done by officials. But the mayor and I are clear on the need to align the long-term view in ATAP that's already there and the Auckland city plan, because if we can get those aligned, we've got a pretty powerful common view about which projects need to be done and how they're going to be funded. And I think that's the kind of confidence the public want to have and the kind of certainty they want to see.

Media: Prime Minister, can I ask, what is up with your press secretaries getting up and leaving midway through the conference? Is that a signal that we're asking too many questions or that you don't like the questions that we're asking?

PM: I have no idea, but I'm quite happy to answer your questions. I think they are excellent questions.

Media: Is this in the spirit of the democratic process, do you think?

PM: Yes, I think so. I think people are free in the democratic process to enter or leave the room as they wish.

Media: So this isn't something that you've arranged with them?

PM: Well, I think these are less impressive questions than the ones we've had so far. No, I don't arrange with my press staff whether they leave or stay in the room. I'm sure if—they do their job very professionally. And I think that's probably wrapped up the questions. Thank you very much.

conclusion of press conference