

POST-CABINET PRESS CONFERENCE: MONDAY, 7 AUGUST 2017

PM: Well, good afternoon ladies and gentlemen. Quite a lot has happened since the last time we met. Good government is about getting results, so while the Opposition have been rearranging themselves and replacing their billboards, we've been getting on with the decisions that make a difference for New Zealanders' lives. Now, that's reflected in the latest advice from international credit rating agency Moody's. It expects New Zealand to be one of the fastest growing triple A economies in the coming years. The Government shares their confidence and optimism about the New Zealand economy. The report confirms that we're getting a lot of stuff right. We're providing opportunities for our young, more options for first home buyers as housing supply grows and rising incomes for workers and superannuitants.

But Moody's also warn we remain vulnerable to external shocks, be they natural disasters, or global market slow-downs. Continued sound management of the economy is required to give the Government choices, for investing more in public services, to keep improving job opportunities and lifting incomes, spreading the benefits of growth across our whole community. Some of these gains are apparent in the independent National Construction Pipeline report released yesterday. It shows the housing pipeline continuing to grow. Over the next 6 years this report, compiled independent of Government, says there will be almost 200,000 homes projected to be built. That's the equivalent of two Hamiltons and two Dunedins combined in the next 6 years.

As you are aware, Ministers have worked hard with council's over recent years to make more land available for housing, speed up transport and water infrastructure, and expand the construction workforce. It won't surprise you to hear that stopping plumbers, builders, plasterers, electricians, project managers, migrating to New Zealand, as some other political parties propose, will not help the building of the 200,000 new houses. Growth in a growing economy does present challenges, but it also presents very substantial opportunities, and, as a Government, we are committed to seizing those opportunities because growth in the economy and in our population is far preferable to the alternative of, quote, "taking a breather".

In that regard, you'll have seen that yesterday we announced \$267 million of investment in commuter rail in Auckland and Wellington. The funding will provide for more reliable and efficient services for commuters. You'll also have seen that on Friday transport Minister Simon Bridges announced an extra \$2.6 billion of funding to improve traffic flows in Auckland, and yesterday's rail announcement was part of that. We'll provide more detail in the coming weeks, but as this unfolds, it will demonstrate the Government continues to focus on investing to support a growing economy and decisions in the country's best interest.

Related to construction, but in a completely different way, I want to congratulate Timaru builder Tom Walsh on winning gold medal at the world athletics championships in London this morning in a shotput. It's an extraordinary achievement for a part-time athlete competing against the very best in the world, with the very best of Kiwi spirit.

This week in the House, the Government will look to make progress and, in fact, complete the appropriations Estimates bill and make progress on a number of other bills. In terms of my activities, I'll be in Wellington tomorrow and Wednesday, Christchurch on Thursday, Motueka and Golden Bay on Friday, and Wellington and Auckland on the weekend. Any questions.

Media: Prime Minister, why did you send 450 text messages to Glenys Dickson in the year up to her quitting?

PM: I think everything that can be said about that matter's been said and I don't have any further comment about that.

Media: Because you implied that you knew nothing about what was happening—or pretty much nothing about what was happening down there—but the fact that you sent 450 text messages in the year up to her quitting shows you were obviously in very close contact.

PM: No, what I said was I wasn't aware of the employment settlement. But, look, that's all been canvassed. Material that was involved has been released to the public, subject to another police investigation.

Media: Are the police looking at those texts at all? Have they asked for them?

PM: You'd have to ask them.

Media: They haven't come to you and asked for them?

PM: You'd have to ask the police. I've had no contact with the police.

Media: Why were some of your texts to Glenys Dickson late at night and early in the morning, and do you remember why you text her at 20 past 1 a.m. one morning?

PM: No, I just can't comment on that.

Media: Do you know why you were texting—you know, you texted her 22 times the day before she quit? Why were you—what were you doing?

PM: Well, again, all the commentary that can be made on that has been made, I think.

Media: Because you texted her 25 times in the week after she quit as well. Why did you do that?

PM: Well, as I said, this has all been covered. You know, it's subject to another police investigation.

Media: Was she trying to get you to save her job?

PM: Well, I don't want to—I can't comment on it, particularly given that this is subject to further police investigation.

Media: When was the most recent contact you've had with Glenys Dickson?

PM: Oh, it would be some time ago. I can't—again, I'd have to—I can't really comment on that. I can't tell you off the top of my head.

Media: Was it right for you to imply that you knew very little about this, but the truth was you'd texted her 450 times or more in the year leading up to her quitting?

PM: No. What I said was that I wasn't involved with and didn't know about the nature of the employment settlement.

Media: So you did know about the fact that she was having a whole lot of problems there. You obviously did know quite a lot, didn't you?

PM: Well, look. I stand by the comments I've made publicly and to the police.

Media: Aren't you concerned that your—these records of your text messages have been leaked to Winston Peters?

PM: No, not particularly.

Media: Do you believe she gave them to Winston Peters?

PM: Look, I wouldn't know.

Media: Because if it's not her, then it's maybe someone within a telecommunications company or within ministerial services. Have you got any investigations going on in terms of whether your phone is safe?

PM: No, I haven't.

Media: So you presume it's here, do you?

PM: No, I don't make any presumptions. You know, the material is in public arena. It's in the public arena.

Media: Are you not concerned that your personal text messages have been leaked to someone?

PM: Well, I suppose it's—no, well, look, it's possible. The—you know—the phone records are in the public arena. I'm not that concerned about it.

Media: Are you worried that Winston Peters has the contents of these text messages—i.e. what you were saying to Glenys Dickson in these 450 messages?

PM: Well, you'd have to ask Winston. But it is that—

Media: In what context were you texting Glenys Dickson—as a friend or as a former member of Clutha-Southland?

PM: Well, the—Glenys is someone who worked for me for a number of years that I knew, as I knew a lot of people in Clutha-Southland.

Media: Do you feel that New Zealanders have lost some trust in you over your handling of the Todd Barclay scandal?

PM: Well, that's not the feedback I get. In fact, it's almost never raised with me, but it is important to keep the trust of the public. I mean, politicians have to work hard to earn the trust of the public and you have to work hard to keep it.

Media: You mentioned the construction report—just in your opening remarks. Were you disappointed that in Auckland the house building peak has been now shifted out, I think, from this year till 2019, and also I think there's figures showing 13,500 consents were expected last year in Auckland. There was only 10,000. So isn't that—I mean—isn't that disappointing rather than positive?

PM: No, it's not disappointing. I mean this is the industry making its own projections about what houses are going to be built, and they show a pattern of a higher peak a bit later and building spread across the country. So it's good news for first-home buyers, because what they need is more houses on the ground faster, and the construction pipeline shows that, and it is also good news for the 60,000 young people who'll be leaving school in the next 3 or 4 months, because, whether it's through university or trade training or going directly to work, it shows that over the next 5 or 6 years in one of our biggest sectors, the construction sector, there's a very long pipeline of work and it's going to keep growing.

Media: Surely, it would have been better news for the peak to happen sooner?

PM: Well, it's probably the industry's running about as fast as it can. As they point out themselves, the rate of increase has been pretty impressive for the last 4 or 5 years, and the projections confirm that that's going to continue, but on a broader basis than just Auckland.

Media: So why do you think they're having to push the peak out further, and why do you think 2017, 2016 came in below the building industry's own expectations for the amount of consents that were issued?

PM: Well, you'd need to check that with the building industry. My understanding is that nationally it came in about where they expected it to. There are some capacity constraints in the industry because it's been increasing so rapidly—both on the, you know, people, building supplies and also, anecdotally, some pulling back by the banks from the financing of developments that they, you know, think are a bit riskier. So it's not surprising, and in the long run it's probably not a bad thing that you get a not quite so sharp a peak and a longer, flatter profile of continuous work.

Media: Well, if that is happening, if it's that banks are pulling back and the industry's constrained, then how confident are you that we're going to meet these targets, which are required in Auckland to supply affordable housing?

PM: Well, remember, these are the industry's projections rather than a target that someone's held to account for. Look, we have reasonable confidence in them. The industry itself takes into account the availability, you know, the supply side—materials, labour—and they're indicating that this is what will happen. I think what's important to understand about this is the sheer scale of it. I mean, for quite some time there's been a lot of public discussion about whether enough houses can be built. I think people would be surprised to know what 200,000 houses represents, and that is building Dunedin twice and almost Hamilton twice over the next 6 years.

Media: Can I just ask, back on those 450 texts that Winston Peters has claimed have come from you—can you confirm those are texts from you?

PM: Well, I haven't seen the record, so I couldn't confirm that.

Media: Since he brought that up, have you gone back to check that those are your texts?

PM: No, I haven't.

Media: Has anyone in your office? Surely someone wants to make sure that if someone's making accusations about you, that's it's true?

PM: Well, look, I'm sure it can be checked, but Mr Peters seems pretty sure about it.

Media: It seems like you've accepted that that is correct, what he's saying—that number of texts.

PM: Well, I just don't think that it matters that much, and I haven't put a whole lot of time into pursuing the matter.

Media: Why do you think it doesn't matter much?

PM: Well, because I think all the relevant issues in that unfortunate set of circumstances have been aired publicly and through the media.

Media: Would your text contacts with her be in that kind of order?

PM: Sorry?

Media: Would the contacts you had with her by text be in that kind of order?

PM: Would they be in?

Media: That number?

PM: Well, look, I'm in communication with a lot of people all the time, ranging from family members to people I used to work with to people I'm working with now. You know, I don't count up who's texted what, where. I just communicate, effectively, to achieve what I want to achieve.

Media: So what were you wanting to achieve with Glenys Dickson?

PM: Well, again, all those matters, I think, have been aired, and I'm just, you know, not going to comment on it any further.

Media: Then you would have remembered—if there were 450 texts in a year, you would have remembered sending them to a specific person, rather than just willy-nilly to various people, surely?

PM: Well, I mean, you know, the phone records are there, apparently. If that's what it is, that's what it is.

Media: Do you normally text people at 1 a.m.—staff members or former staff members?

PM: Oh, sometimes, yes.

Media: Why?

PM: Oh, cos sometimes that's when you can get a hold of them, or when I can get a hold of them. OK, any other questions?

Media: Yeah, last weekend Queensland Premier, Anastacia Palaszczuk, revealed the "Buy Queensland" procurement policy, which would mean local business would receive weightings of up to 30 percent when Government contracts were being considered. Todd McClay labelled the plan a bit crazy and said legally he wasn't even sure it was possible. What are the next steps the Government plans to take with this issue?

PM: Well, my understanding is Todd McClay's following up on the issues—you know, we've got a CER agreement with Australia, and we'd want to be sure that New Zealand firms aren't being penalised by policy that was inconsistent with the agreement.

Media: Is this the sort of narrative coming from a leader of one of our biggest trading partners—is it concerning for the Government?

PM: Oh, I think it's just part of the, you know, ongoing work that's done to maintain open trade. We're a country—we want to be open to trade, open to investment, and we've spent a lot of time over recent decades in New Zealand shoring up those opportunities for our businesses, because we find that when we do keep open markets—or keep them open—our businesses are good at taking the opportunities.

Media: So should New Zealand businesses be concerned about this?

PM: Oh, I think those who are—any who are involved in supplying the Queensland Government, I think, would be quite concerned. But we're there to represent the interests of both open trade and New Zealand businesses, because we believe the whole point of the trade agreement with Australia is that both of us benefit from it. So we'll follow up to make sure that the arrangements are consistent with CER.

Media: What sort of follow-up will you be doing?

PM: Well, that's a matter for Todd McClay. He can explain that.

Media: Prime Minister, a group of NGOs have written to every member of Parliament asking for more action on climate change—specifically, a zero carbon Act by 2050. Have you seen the letter, and do you have any comment on the zero carbon Act?

PM: Oh, I've seen the letter, and we'll be outlining—our climate change policy I think is pretty well understood. There'll be maybe a bit more added to it between now and the election, but we're happy with where we are on climate change.

Media: So the UK model of carbon budgets—kind of more clear steps forward going towards something like 2050—that's not on the agenda?

PM: No, we're not planning to go down that track. I mean, we've signed up to the Paris accord; that's pretty clear-cut. The measurements are published; we have the emissions trading system, which is one of the most advanced carbon trading systems in the world—carbon credit systems—and, you know, we're happy with where we're going, but we do understand there's quite a challenge for New Zealand to meet those targets.

Media: So what sort of policies might you be announcing—extra policies?

PM: Well, I wouldn't want to give the impression there'll be any big shift. We're pretty happy with the policy where it is, but there may be some additions to it. OK, thank you very much.

conclusion of press conference