

## **POST-CABINET PRESS CONFERENCE: MONDAY, 4 DECEMBER 2017**

**PM:** All right, thank you for joining us this afternoon. I thought I would, up front, address some of the speculation that I know has been in the gallery this afternoon over my Facebook live and the issue of where my ring was placed during that Facebook live. And I am happy to confirm that I have eczema on my left hand, which causes me to rotate where I wear my beautiful onyx ring. And so, no, I'm not engaged. I do, however, suffer from a small skin condition, which is not very romantic. Glad to have cleared that up.

To report on what has happened in Cabinet today—another busy schedule for Cabinet. One of the outcomes of the meeting today, and that is why I have the Minister for Canterbury's recovery with me, was the confirmation of urgent legislation around the reinstatement of the Christchurch Cathedral. I can confirm today that urgent legislation to enable the process of reinstating Christchurch Cathedral will be introduced this week.

Now, this is an important milestone in Christchurch recovery. For the last seven years, this cathedral has represented much in terms of the recovery, but it has also held back the recovery and redevelopment of the central city, and so progress on this issue is critical and something that this Government takes very seriously. We are happy this legislation will allow for work to be done around this local landmark but also for that redevelopment to start moving in the central city as well.

The idea of a bill was agreed as part of the Crown offer, with cross-party support prior to the election, to reinstate the cathedral, and it's based on the recommendations of the independent cathedral working group. The legislation itself, as we have seen in past legislation of this ilk as it relates to disaster recovery, will enable fast-track resource management and consenting. We'll also support the creation of a reinstatement trust, providing governance and oversee fund-raising, and a joint-venture project management company to oversee the reinstatement process. Now, you may have noted, as well, a chair of that trust has already been appointed, and that chair is Peter Guthrie. We expect also the reinstatement trust to be incorporated within the next two weeks.

At this time, both the Minister and myself would especially like to acknowledge the previous Minister, Nicky Wagner, for all of her initial work in bringing various parties together and getting this work under way. This is an issue we'd like to see ongoing cross-party support around, and, certainly, that's what we'll be seeking with this bill before the House this week.

Just to cover off some of the other agenda items, Cabinet of course approved some of the items that went to "LEDGE" this week, and I can confirm we've approved regulation to ban microbeads. Again, that's something I want to acknowledge the last Government for the work that they did on this issue. Many of you may be familiar with the environmental damage that microbeads in things like facial cleansers, bath scrubs, toothpastes is causing. They're not small enough to be captured by waste-water treatment systems, but they're large enough to cause environmental damage, particularly to marine life. We are not the only country dealing with this issue; others have as well. But I'm pleased that this will be gazetted this week. There will be a six-month transition before it comes into force. And, again, an important piece of work, I think, for us to have progressed—and, again, I thank the last Government for beginning it.

To preview the week ahead, Tuesday we will be announcing the detail of the fees-free policy for 2018 at Aotea College. In the evening on Tuesday, at, I believe, 5 p.m., from memory—for those who choose to tune in—the seventh annual Climate Reality Project is taking place, hosted by Al Gore. It's a 24-hour project where activists and those who are doing work on climate change issues from around the world are brought together for what is considered a 24-hour project to raise the profile of climate change issues.

And as part of that I will be interviewed by Al Gore on New Zealand's position and work in this space tomorrow evening. On Thursday, briefings for incoming Ministers will be posted to the Beehive website and will be released and available. I'll also be visiting Mana electorate with Minister Faafoi. On Friday visiting Waiariki electorate with our Māori caucus, and also in the coming week we'll have the release of the Havelock North water report coming through as well. OK. Happy to take questions. Barry.

**Media:** The Christchurch Cathedral—what's the total cost to the taxpayer?

**PM:** We've already dedicated an amount of—was it \$10 million, Megan?

**Hon Megan Woods:** It's the sum of money that the previous Government committed to that we agreed in the cross-party group prior to the election. So it's a grant of \$10 million with a \$15 million suspensory loan.

**PM:** So that was previously agreed. In terms of the total cost, it's fair to say that there is still being work done on the reinstatement and the planning around the reinstatement of the cathedral itself.

**Media:** Did Cabinet discuss any proposals around what Shane Jones is calling a "Work for the Dole" scheme?

**PM:** No. As Minister Jones has indicated, he hopes to bring a work programme and ideas before Cabinet before Christmas.

**Media:** Have you talked to him at all about it?

**PM:** I've talked to him—as I've said in my morning media round, I've spoken to him about this issue several times before his interviews on the weekend. I'm well aware of the strength of feeling and the focus he wants to place on this issue. It's shared by Labour. We obviously have a view that this is an area where we need a lot of work done, particularly for our young people who are not in employment, training, or education, and there are more than 70,000 of them.

**Media:** But are you on the same page as him in terms of how these schemes would work?

**PM:** Yes.

**Media:** Would you call it a "Work for the Dole" scheme?

**PM:** Yeah. The only reason we've used different language—and, again, I put emphasis on it. We've called it "Ready to Work". Minister Jones has talked about "Work for the Dole". We're, essentially, talking about the same thing. The reason we've used a different title is some people have confused what we're proposing with the schemes of old where an individual has worked only for their dole payment but it's been a genuine job where, legally, they should be receiving a minimum wage. And so that is a point that Minister Jones made in his interviews—that there is a wage attached to what we're talking about.

**Media:** Mr Jones dubbed it "Working for your Country" yesterday because he thought there'd be an allergic reaction to "Working for the Dole" from Labour and the Greens. What'd you think of "Working for your Country"?

**PM:** Oh, look, the point here is what are we trying to achieve? Regardless of the name, what are we trying to achieve? We want young people in work. We want to give them opportunities to have work experience. Many of those young people who are in that category of not in employment, education, or training simply haven't had an opportunity to even gain work experience because those jobs haven't been available. Now, when you look in an area like Northland, which is where the Minister's been particularly focused on, his role is in making sure the jobs are available, and things like our forestry plan should provide that.

The next step is then finding a pathway for young people who've been out of employment or training for a long time to make it into that. Now, we can call it whatever we like. Ultimately, it's jobs for young people and it's good for New Zealand.

**Media:** So do you think people should be penalised if they don't take up—

**Media:** Do you support sanctions on people who refused to take up those jobs?

**PM:** Yeah, well, the point that I've made is that our—answering both of you; welcome back, Lloyd. The point that I would make is that we already have a sanctions regime in our welfare system, and that's provided us with the tools to ensure that people do take up the job opportunities that are available to them and do take up training. Now, my view is that that sanction regime provides us the opportunity to achieve the outcomes we want, but I do want to take that to Cabinet for discussion.

**Media:** The Greens oppose such sanctions, though. Is that going to create—

**PM:** They want a review of the sanctions regime because, under National there has been a tendency to allow particular penalties to families with kids, and there has been a different use of some of those sanctions in terms of the frequency of their use under the last Government than on those prior. So whether or not—that is quite different to the issue of whether our welfare system should have sanctions at all.

**Media:** So if Shane Jones' nephew doesn't take the job planting pine trees, is he—do they lose the dole?

**PM:** Yeah. And if you would apply the current regime that we have, if someone chooses not to take a job opportunity up, then sanctions apply to them. So what we're saying is there is already a sanctions regime in place. I do want to allow Cabinet to have a full discussion about how it would apply in this programme.

**Media:** Have you spoken to Mr Jones since the interviews yesterday?

**PM:** Yeah, but we've had—as I say, I've had about three conversations with him prior. We've had conversations since. I've spoken to also about five other Ministers since then as well. So I'm constantly talking to my team.

**Media:** So you think that it's OK for someone—if they're on the dole for more than six months, if they get offered a job, they don't take it up, or they quit—you're happy for their dole to be cut?

**PM:** What I'm saying is we already have a sanctions regime that would apply in that way. I do want to leave room for Cabinet to make that decision, but a sanctions regime is not new.

**Media:** Is it appropriate for a Cabinet Minister to just kind of brainstorm policy in media interviews?

**PM:** You will see that our coalition agreement does already talk about this, so this is not new. This is something we've agreed.

**Media:** Did you oppose any of the sanctions that National introduced when they were introducing—

**PM:** I certainly, when I was the Minister—the spokesperson, excuse me—for social development, I certainly raised questions about their increasing use and their use—in some cases we would see examples of someone who was never notified of an appointment having a sanction applied, so where I saw cases like that, I certainly raised it and certainly the frequency of their use and in some cases the harm that was being done to kids. So, yeah, we did raise questions about that.

**Media:** Are you comfortable with Shane Jones' \$1 billion fund investing in irrigation?

**PM:** Well, actually, what the Minister there was talking about was water storage. So he was using examples where a case might be brought around whether or not that would open up opportunities in a region around perhaps even food supply. Where we're absolutely clear on is those large-scale irrigation schemes where the Crown has subsidised the conversion—potentially, sometimes, to land—where it makes no economic sense to convert. The subsidy of those schemes we've said absolutely will end. The criteria—

**Media:** So where are you drawing the line on that?

**PM:** Well, the criteria for our regional economic development scheme actually is being drawn up right now. That will give greater clarity around the test that we'll apply to projects—projects that will be eligible for this fund.

**Media:** Isn't the issue, though, that if it's water storage or irrigation—either way—it potentially allows for more intensification of dairy farming—

**PM:** Yeah.

**Media:** —which presumably you're opposed to?

**PM:** Yeah, and which leads to the question: what is the environmental impact? And that's the question that we posed when we were looking at some of those large-scale irrigation schemes that have been subsidised by the Crown. So that's one of the questions that, yeah, we will be asking. But, again, as I say, the criteria is being drawn up as we speak.

**Media:** Won't that undermine what you're doing if this billion dollar fund is going around and funding these projects?

**PM:** No, not at all. You're making an assumption that it will. The question that he was raising is what if there is a water storage project that doesn't put a test on some of the environmental protections that we want. So that's why that criteria is really important.

**Media:** Just back on the employment issue, there were a number of regional youth employment schemes targeted at the sort of people you're talking about around the country already. Do you think they're not working, or what more do you think needs to be done with those?

**PM:** Again, I guess the point that we would raise is the degree to which some of this is really genuine work. So some of the areas where we're targeting are areas where we have seen higher levels of unemployment where we also need to see investment in regional economic development and job opportunities. That's why forestry is such a good example. You know, we know that in the Bay of Plenty, in Northland, on the East Coast—those are all areas of social deprivation and high unemployment. If we can bring the two together, we can invest in our regions and job growth and opportunity, then it's about making sure the young people are accessing those jobs.

**Media:** Mr Jones has also been very critical of the Iwi Chairs Forum. How confident are you that you can keep Māori freshwater rights out of the Supreme Court, based on what Willie Te Aho said last week?

**PM:** Yeah, look, we've got a lot of work to do in that space, and we flagged before the election that we wanted to continue, as we'd already begun, conversations with that group. We will continue in conversations with the Iwi Leaders Forum, and I'm hoping we'll continue that useful relationship as we try and work through the issue.

**Media:** Is it frustrating for you that one of the Ministers in your Cabinet is saying things like he did around "I wouldn't meet them until Haley's Comet returned."?

**PM:** Well, I will, and that is not frustrating. Of course, Ministers will have different opinions, but that's just not one I hold.

**Media:** Prime Minister, has the Ombudsman asked you to release the coalition negotiation addendum?

**PM:** No, no, but I have seen the report that he's received, the complaints that I was aware were being made, which is why I said in the House last week that I welcome working alongside the Ombudsman to resolve this issue, and we will work alongside him to do that.

**Media:** So have you received a letter from him to you?

**PM:** I haven't checked in with my office as to whether they have. Oh, actually, they may have now. Yes, we have received that letter, yes.

**Media:** And what does it say?

**PM:** That they've received complaints and that they'll be looking to work alongside us.

**Media:** Are you disappointed that you've already received a complaint to the Ombudsman five weeks into your prime ministership—

**PM:** No, no. Look, I think the question comes down to how we then deal with those issues, and I flagged last week that I was willing and will absolutely cooperate with the Ombudsman, and even that's a change, perhaps, on what we've seen in the past. But it's also about what we do, looking forward, as well. Yes, we may have a different position than the Opposition, who are one of the people who have made this complaint, on what constitutes an official document. But where there is no dispute over official documents are things like Cabinet papers and briefings. And we're looking right now at what we can do to be more proactive in the release of that information: how we balance free and frank information and preserve that whilst also routinely making sure that we're trying to release documents where decisions have been made. So that's something we're working on.

**Media:** Does that document canvas the issue of who should become Prime Minister if you were no longer Prime Minister?

**PM:** I heard that speculation. As I've always said, there are a range of documents exchanged in the course of the negotiation, and, whilst I don't want to get into a back and forth on some of the things that were talked about, I can tell you that was not it.

**Media:** Going back to the \$1 billion provincial fund, how much of that will come out of operating expenditure; how much of it will come out of capital expenditure?

**PM:** As we've said: a mixture, but we'll give you more detail on that at our Half-Yearly Fiscal Update.

**Media:** Are you concerned, given the comments of Grant Robertson twice in the House last week, that there are a number of surprises awaiting you in the capital Budget, which could be quite important?

**PM:** Look, there's no doubt that every day in office brings a new surprise of things that I would have had an expectation that the past Government would have budgeted for, particularly where they may have announced something, but didn't. But we have commitments that we have made, which we will be factoring into both the next Budget and the Half-Yearly Fiscal Update, and, as we work through them, we're confident we can still maintain our Budget responsibility rules. And that's the groundwork that's important for us.

**Media:** Were the books in a bit of a state, were they? Was it not as rosy as they said?

**PM:** Well, certainly some of the expectations we had were that where announcements had been made around capital expenditure, that that would have been set aside, but that hasn't always proven to be the case.

**Media:** Would it be reasonable then for you to extend your debt target to five years to try and hit that 20 percent?

**PM:** We haven't seen need to do that.

**Media:** Are there any projects that National has already announced that could potentially be scrapped if the allocation hasn't been made for them?

**PM:** That really depends, and the lens we're applying there is: is it one of our priorities or not? And so we've already given some examples where, for instance in roading, we don't consider it a priority in line with what we want to achieve as a Government. But all of our Ministers are undertaking an exercise at the moment where they're working through their various appropriations to see: are these commitments in line with what we would like to achieve as a Government?

**Media:** So there are some potential projects that the last Government flagged, announced, or confirmed that could potentially go?

**PM:** That assumes money was always tagged for it in order for us to reprioritise it.

**Media:** But if they've announced it, and it hasn't been flagged, like the East-West road, by yourselves, there could still be other projects or other initiatives that could be—

**PM:** Yes, there could well be. We are undertaking that exercise at the moment.

**Media:** So will you talk about which of those projects weren't tagged and might not or will be funded in the next half-yearly update?

**PM:** Yes, and we've already given a bit of an indication already, but, yes, as we're gathering more information, my expectation is that we will share where there are areas where we've found holes.

**Media:** Are you trying to work out the size of the infrastructure deficit which has been talked about various Ministers?

**PM:** Or infrastructure hole, as you would like to call it. Yes.

**Media:** Is it \$11.7 billion?

**PM:** I want to be precise before I say anything further on that.

**Media:** Will there be any surprises at tomorrow's fee-free policy announcement?

**PM:** No. No, I mean, as you'd expect when you work through the detail of implementation, there are certain quirks that you work through, around, for instance, how we apply this for vocational training versus apprenticeships. So some of that detail may be of interest, but I wouldn't call them surprises.

**Media:** How much detail do providers have, or will they be finding out all of the detail tomorrow?

**PM:** They've been engaged throughout this process. We've been having conversations all the way through around how this will work, but you will see some of the engagement that we plan to have going forward as they engage with students, but also ways that we anticipate working directly with people who are trying to assess their eligibility.

**Media:** Will you be announcing tomorrow the different vocational courses people could do to access free education as well?

**PM:** Yeah, we'll be giving them eligibility criteria, so that will give you a guide.

**Media:** Do you need to legislate this?

**PM:** We don't need to legislate this, no.

**Media:** It's only four or so weeks until the implementation is due to kick in. Are you worried that it's not enough time for students around the country to—

**PM:** No. Our message to them has been: enrol as you otherwise would. That's been our message all the way through, and that's the way that, actually, we'll be able to apply fees-free. They enrol, and the work then will be between us and the institutions.

**Media:** Was that message just to the younger students? Or did it apply to some of the people that might be thinking, "Hang on, we're going to go back and complete some other"—

**PM:** Look, everyone who may be eligible, but I think what we will find is those who may have questions around the eligibility may have held off, and that's why it's good for us to get out that information to them, make sure it's accessible for them while they make that decision as well.

**PM:** But, you know, just over the weekend, for instance, I had a conversation with a café worker, who said that she was going into study for the first time to be a primary school teacher and this had played a part in her thinking. That's the kind of person that we want, absolutely, looking at their opportunities under this policy.

**Media:** Just on that infrastructure deficit hole, are you going to try and put a size to that, in this half-yearly update, or talk in a bit more detail about it?

**PM:** Yeah, look, I've certainly had conversations with our Minister of Finance around whether or not we're in a position to give a bit of a consolidated view. It's fair to say some of it we're still discovering. So I'll work alongside him to see when we're in a position to share a bit more information about that.

**Media:** Could it be at the half-yearly update?

**PM:** I wouldn't want to make that guarantee now before I've had that conversation with him. It's fair to say that even as we're going through different allocations that we are discovering things as we go.

**Media:** Could it force the Government to change its fiscal settings, particularly that debt?

**PM:** That's not—no, that's not my expectation. Of course, keeping in mind that we set aside more in our capital budget than the Government had.

**Media:** Is there any other new legislation going to be introduced this week?

**PM:** New legislation this week? No, not from memory. The cathedral legislation is the new legislative item this week, but we will have a bit of a rush the following week. One of the issues that we have, of course, is even with one of the bills that I had pre-drafted as a member, there has been quite a bit of work that's needed to be done on that. And so making sure that we take it through a Cabinet process, take it through the parliamentary drafting process, consult with Government departments and Ministers means that we have had a bit of a lag with some of the legislation we've wanted to introduce.

**Media:** So will that tertiary policy go into the House in terms of—

**PM:** No, no. The expectation we've had from the Minister is it does not require a legislative change.

**Media:** Just back on your work for the dole thing—Shane Jones, about an hour ago, said that these people will face the full force of sanctions if they don't take the job. Do you agree with that?

**PM:** And that's—what I've said consistently is sanctions already exist within our welfare system, and the discussion that Cabinet will have is how they apply in this specific programme, which is a conversation Cabinet has for every decision it makes when it relates to receiving a benefit of some description. So that's not new.

**Media:** So just to be clear on your position, though, could you go forward with that kind of viewpoint?

**PM:** Yeah, look, sanctions exist. They're there to make sure that people will take up job opportunities and that they take up training opportunities. And I would expect that we would be consistent in the way that we use them within our welfare system. But, again, Cabinet will have that discussion and make that decision.

**Media:** And if the Greens don't come to the party because of their "abolish all sanctions"—

**PM:** That is a misrepresentation of their policy.

**Media:** Well, I mean, Metiria Turei stood up and said that when she admitted that she lied, but—

**PM:** The work that we're doing is on the way that they're applied, and, as I've said, there has been a change in the last nine years to the way that we've used sanctions in the past. And when you compare the success of those relative systems, if it is all about getting people into work, surely that's the outcome we should be looking for.

**Media:** Has Shane Jones suggested extending those sanctions at all, in any way, to you?

**PM:** Not to me, no, absolutely not. And keeping in mind, of course, Minister Jones has a role in regional economic development around the jobs that are created in the regions that people are able to transition to. Minister Jackson has a specific role on some of these

programmes, particularly with “neets”. There are a range of Ministers who will be working on this issue. I’ll just take a couple more. Sorry, I’m mindful I’ve got a plane again. Jo?

**Media:** Charter school operators have been critical of the lack of information they have about whether they’ll remain open through next year. You’ve got a number of Ministers in your Cabinet who are very closely tied with charter schools. What have their, I guess, comment been to you about how confident they are about those remaining open?

**PM:** Yeah, again, I would say that they’d be critical probably if we also made a decision that didn’t fully take into consideration each individual circumstance. Everyone knows our position on charter schools; they also know that we’ve said that if those schools are willing to operate within the same budget as State sector schools, to the curriculum and with trained teachers, then there’s a pathway through. So what the Minister is obviously working through is the individual circumstances for those schools, and I know that’s what he’s undertaking to do now.

**Media:** Kelvin Davis did say before the election that he would quit if those two schools in Te Tai Tokerau closed. Are you confident that he’s not going to have to resign?

**PM:** Well, he’s also always made the point that there was a path open to charter schools to transition, as long as they are willing to have registered teachers teach to the curriculum and operate under the same budget, and I know that there are those who are willing to do that. OK, I’ll take—last one.

**Media:** On Pike River, are you comfortable that the liability possibly rests with public servants if something goes wrong during the re-entry?

**PM:** Yeah, I’m confident that we’re going to go through a process which means that we’ve dotted all of our i’s and crossed all of our t’s. We’ve given ourselves enough lead time to make sure that we do this properly, but the point, ultimately, is whether or not we’re doing right by families, and that’s what we’ve undertaken to do. OK.

**Media:** Just on the parliamentary lag in the drafting—

**PM:** Yes.

**Media:** Is that going to slow down or mean that you miss any of your 100-day targets?

**PM:** No, no, we’re all on track, currently in that space. Nope, this is just the reality of Parliament timetabling, and it’s no criticism of officials—they’re working very hard.

**Media:** This Al Gore thing you’re doing tomorrow night—that sounds like a big deal. How’d you get into it?

**PM:** My understanding is we received an invitation to be a part of it. I think it came, possibly, after APEC. OK, thanks everyone.

### **conclusion of press conference**