

**POST-CABINET PRESS CONFERENCE: MONDAY, 12 FEBRUARY 2018**

**PM:** All right. Good afternoon, everyone. So \*Cabinet met today—the first Cabinet meeting we've had in a few weeks, on account of \*Waitangi weekend. I'll be sharing with you some of the previous Cabinet outcomes via an announcement I'll be making alongside Minister Hipkins. But first, a quick overview of the week ahead. Tomorrow we'll have the first reading of the Child Poverty Reduction Bill, which, obviously, we've canvassed broadly here in the past. On Thursday I'll be travelling to Christchurch. I made a commitment some time ago to meet with the CTV families, and so that will be the primary purpose of my visit. But while I'm there, I'll also be opening the Rutherford Building at the University of Canterbury. And on Friday I'll be making a speech at the Westpac business breakfast, amongst many other meetings and general tasks.

But the thing I wanted to talk about this afternoon relates to the State sector and Crown entities, and that's the reason I've brought the Minister for State Services along with me this afternoon. We are introducing new legislation on Thursday, entitled the State Sector and Crown Entities Reform Bill. This bill provides for stronger oversight of the pay for chief executives and conduct of Crown entity board members. We believe that these changes will bolster the public's trust and confidence in Crown entities, which are often the face of Government. This Government is particularly committed to raising pay levels for those on low and middle incomes, but there is a high level of public concern that the levels of pay for the highest paid chief executives is excessive. In some cases, Crown entity boards have not met either the State Service Commissioner's or Minister's guidance. These changes will address those cases in particular by giving the remuneration system more teeth.

Our view is the public expects this level of accountability and transparency, and these requirements don't apply to Crown entities in the same way that they do to other parts of the State sector. These changes mean boards of statutory Crown entities will need to obtain the State Services Commissioner's written consent for the terms and conditions of employment for a chief executive. I'll hand over to the Minister to talk in a bit more detail about the content of that bill.

**Hon Chris Hipkins:** Thank you, Prime Minister. As the Prime Minister has indicated, the bill is—the most noticeable change made by the bill is around the chief executive remuneration. It will require the State Services Commissioner to consent to the remuneration for Crown entity chief executives. That brings them into line with some Crown entities. So, for example, universities and DHBs already require the consent of the State Services Commissioner, but others don't. So that will change, and the State Services Commission will now have greater jurisdiction. It also brings the chief executive terms and conditions into line with those within the broader Public Service. So it makes them 5-year appointments, whereas at the moment they are not.

The new bill will give the State Services Commissioner the power to set a code of conduct for Crown entity boards. This is in line with international developments around board accountability and conduct. This bill will allow that to happen as well. And then the other major change that it makes is it brings the State Services Commissioner's powers of inquiry into line with the Inquiries Act. So it makes it consistent with the law that Parliament has already passed, without the need for the commissioner to come back to the Ministers to seek power for every individual investigation that the Commissioner may wish to undertake.

**PM:** We're happy to take questions on that or other matters.

**Media:** What sorts of behaviour would fall under the code of conduct? What would you expect the Commissioner to ban?

**Hon Chris Hipkins:** I mean, I think to some extent this is about safeguarding. So we have a Public Service code of conduct, for example, which is issued by the State Services

Commissioner. Depending on how you read it—you might read it and say it's fairly motherhood and apple pie and it's what you'd expect public servants to be doing. I imagine that the Crown entities code of conduct would be quite similar. It would be about responsible governance and about behaving in an appropriate manner as a Crown entity director. So I don't expect it's going to be anything that's shocking. But I think by setting out a code of conduct, what the commissioner is then able to do is deal with any transgressions more clearly.

**Media:** So is he going to have the power—at the moment, he's got the power to oversee top pay rates and give his view on them without them having to take it into account, which there was a couple of obvious examples, so will this give him the power to set the rates?

**Hon Chris Hipkins:** Not to set the rates; it will put them on to the wider Crown entity sector, on the same footing as universities and DHBs where the commissioner has to consent. So, basically, at the moment Crown entities consult with the commissioner but then they can ignore what the commissioner says. They won't be able to ignore the commissioner any more.

**Media:** So it does give them the power to set?

**Hon Chris Hipkins:** Effectively, yes.

**Media:** Would you envisage any of the current CEOs having pay cuts under this, or would it just affect future pay increases?

**Hon Chris Hipkins:** Not under this legislation, I would think. This is future-focused legislation

**Media:** So which Crown entities are outside your net at the moment that you're bringing into the net?

**Hon Chris Hipkins:** I can give you a list, but there are some obvious examples: the guardians of the Superannuation Fund, ACC are two notable examples.

**Media:** And are there any particular situations arising at the moment where boards are declined, by State Services Commission, Ministers, to give their CEOs a big pay increase?

**PM:** When you look overall at the picture, though, between the State sector generally and Crown entities, there is a bit of a disparity between the increases that we've seen in one grouping versus the other grouping. What we want to see is consistency, but also meeting public expectations about what's reasonable in the level of pay increases in the economic environment that we're operating in at any given time. So this will, I think, meet public expectations by bringing greater alignment between what we see more generally in the State sector and also what we've seen within Crown entities, because that's the one area where we have this inconsistency.

**Media:** With something like the Super Fund, though, the argument on the other side is that they've added billions to that fund and billions above what you expect at normal market rates because of the brilliance, I guess, of the directors, so isn't a million a year a small price to pay for that?

**PM:** And they're operating at a particular level now. The question is, beyond that, will they be seeking significant increases year on year that would be out of step with the general pay increases as a percentage you'd be seeing across other parts of the public sector. But I think that also probably ignores that there is an assumption here that when you're working within the public sector—and that does include Crown entities—that there is a level of public service involved with that too. So this is trying to bring alignment, balance, between yes, being competitive, but those incremental increases we see for those working in those sectors to not be out of step with public expectation.

**Media:** Do you have confidence in the board members of the Super Fund, given their, I suppose, recidivism when it's come to disregarding the State Services Commissioner's recommendations in the past?

**PM:** Well, rather than reflecting back on decisions of the past, this is about us trying to create an expectation going forward.

**Media:** But will it have any influence, I suppose, on whether the responsible Minister, whoever it is, decides to reappoint them to their roles or not?

**PM:** Look, if there is deliberate flouting of decisions made by the commissioner by individual boards, I expect that that would be taken into account going forward, but I don't expect that that will be likely to happen in the future.

**Media:** Prime Minister, do you believe that the Iraq mission in Taji has been expanded without notifying the public?

**PM:** Look, I've had a very scant briefing since I saw the reporting on the decisions of the past Government this morning, and I have been advised that, at least from the advice that the past Government received, in their view they hadn't extended beyond the mandate that they were given.

**Media:** So have they been training outside of Camp Taji?

**PM:** I'm advised that there was one camp where training was able to take place that was not put into the public domain. I'm told the rationale for that was security reasons at the time, and then in the future when an OIA was put in, that the view was that that was no longer needed to be kept as secure information, and so that's the point at which that information was then revealed. I've also been advised that, actually, no training from New Zealand forces has actually occurred at that camp either.

**Media:** And have they been advising and assisting on other coalition forces' operations and missions?

**PM:** Again, I can only report on the advice I've been given today. This Government has made no decisions relating to the nature of our deployment in Iraq. We've simply inherited the existing arrangements. What I've been advised is that there was a change that allowed forces within Taji, within the camps, to provide a mentoring role.

**Media:** Was that location you're talking about previously Qayyarah West?

**PM:** Yes. Yes, that's the one that I understand was not publicly notified at the time—I'm told for security reasons—but that further down the track there was a view that it was no longer necessary to withhold that information, and that's why it was released.

**Media:** When Andrew Little was Labour leader he talked about an independent investigation into the hit and run allegations. What is your position on that at the moment?

**PM:** Yes, that was something that we did indeed talk about prior coming into Government. I've asked the Attorney-General to take forward looking into that issue. My understanding is he's doing just that. I'm leaving it to him to continue to pursue that.

**Media:** So would that go as far as an independent investigation?

**PM:** I don't want to comment on where he will take that, before he makes those decisions, but that I have tasked him with the role of taking that issue forward.

**Media:** So when you say mentoring, because this OIA and the report that was released today seem to suggest that there was informal and formal assistance to the logistics of other operations, and also that New Zealand forces were maintaining equipment. Are you saying that that isn't happening?

**PM:** All I can say is what I've been advised on this morning, and I am quick to say that I haven't necessarily received the full information that the last Government received at the time that they made their decision, which were, ultimately, their decisions. It's been described to be, as I say, a mentoring role, but, again, the briefing I've had has been pretty, pretty quick, and it was so that I could come down and answer any remaining questions that may exist—but keeping in mind these weren't our decisions.

**Media:** Are you confident that the Defence Force is being clear and transparent with the public about what they're actually doing out there, because it does seem to be mission creep.

**PM:** Ah, and look, as I say, the view that I have received is that they operated within the mandate that they had. Some decisions were made by Cabinet and some were under delegated authority. That, though, is something for the past Government to answer to. We, as I say, have not made any decisions as a Government around the current deployment, and our job is to consider what happens in November, when that mandate comes up.

**Media:** Isn't it your responsibility to oversee what's going on at the moment—whether it was your decision or not, you should be fully across what they're actually doing out there?

**PM:** Yes, of course, but not all of these decisions actually resulted in activity. As I say, the one camp where there is said to have been training never actually occurred. Some of those individual deployments have now ended. So this is a changing landscape. Of course it's our job to know what's going on, but we must act based on decisions that we were asked to make at the time. And that's what we're doing. None of these decisions have we being asked to act on.

**Media:** On to November and making that decision about renewal, how important are these revelations and this information going to be in contributing to that decision?

**PM:** Oh, again, as I've said, this is a landscape where it's incredibly important we make decisions based on the context. There's a lot of political activity likely to happen before November—elections, etc.—that may change the environment. I want to make sure that we make the decision at the time with all of the information around the current role we're playing, what's required, but, ultimately, a decision in the best interests of New Zealand.

**Media:** So is it fair to say you're more likely not to extend the mandate because three parties of Government oppose the deployment?

**PM:** I don't want to pre-empt that decision by each of the parties. As I say, it's not something that we have started in earnest our consideration of, because it's so important that we factor in information closer to the time that will be relevant. But I absolutely believe it will be a decision that all of us will give deep consideration to.

**Media:** When do you aim to have the decision made?

**PM:** As I say, there are things that are likely to happen in the interim that we'll need to factor in, such as elections, so I imagine it will take a bit of time yet—but obviously in good time for the November mandate coming up.

**Media:** The Deputy Prime Minister, Winston Peters, said on Saturday that this would be an issue that would come up in your meeting with Malcolm Turnbull, and he said that no decision would be made before then. Are you expecting Malcolm Turnbull to discuss this with you and give you an indication of what Australia would like to—

**PM:** Look, these issues often are raised when we have opportunities and bilaterals to talk about them. Of course we'll be interested in what Australia's thinking is in this area, but our decision will be one made on our terms based on New Zealand's interest.

**Media:** Why is New Zealand not sending a Minister to Kuwait for the reconstruction talks?

**PM:** I understand the defence force Minister at the moment is on his way to Rome for a counter-ISIL ministerial meeting. So we're certainly making sure that we're engaging in international fora where these issues continue to be discussed.

**Media:** Are New Zealand soldiers collecting the biometric data of Iraqi forces?

**PM:** Yes. I asked that question. I'm advised that, yes, they have been involved in the collection of biometric data, which became standard practice, I understand, some years ago

for all coalition forces as a way of making sure that there is some screening of those who have been trained to ensure the security of those who are undertaking the training.

**Media:** Are there any concerns with the sharing of that data with Iraq, the Iraqi Government?

**PM:** Yeah, but as I say, I've been advised that that biometric work is done in order to protect those who are training Iraqi defence forces, and that is the primary purpose—the purpose of undertaking that work. Again, a decision that I would describe as being operational—I don't even believe that necessarily even came before the last Government.

**Media:** PM, just on the mandates. That's something, if you extend it, is that something that you would make a decision on at a Cabinet level or a parliamentary level?

**PM:** Look, it's something initially, of course, that I would want to discuss with our coalition and confidence and supply partners. But I take very seriously the views of all parliamentarians on issues like this, but, ultimately, the responsibility always falls on the Government of the day.

**Media:** Would you put it to Parliament?

**PM:** It's something, as I say, that in the past has always fallen on the Government of the day. We are the ones that have to bear the responsibility, primarily—partly because, of course, we are the ones who have access to all of the information at the time that we make the decision. And not all of that information will always be publicly known, so we're the ones who should bear the brunt of that responsibility.

**Media:** Earlier this morning, Phil Twyford released a report on housing and said that he wanted to double the rate of State house building from 1,000—which Labour promised before the election—to 2,000 per year. What's your view on where that should be?

**PM:** Yeah, and look the Minister has long had that ambition. We've set ourselves the goal of a thousand. Of course we want more State houses, but we're also realistic around the constraints. So 1,000 is where we're heading, but he, of course, wants to beyond that, and I'm sure many people want us to go beyond that because the need is so great.

**Media:** What do you think? Because you're in charge of child poverty and all that.

**PM:** I want to build as many social housing and State housing spots as is possible, but I'm also realistic about the constraints, and we'll be held to account on what we're able to achieve. So what we think is possible is one thing, what we have aspirations for is another. But there is no doubt we have a deficit.

**Media:** Do you think Budget constraints, then, could slow down KiwiBuild and the State housing?

**PM:** No, it's not just that; it's our capacity as well. So we've always said, for instance, for KiwiBuild, that over a 3-year period it takes us a while to amp up, which is why we've got multiple ways that we're able to start ticking off some of our goals around achieving KiwiBuild. That's why initially there's a bit of a mixture of buying off-plan, supporting developers as guarantors. There's a mixture of things that help us scale up quickly, but that doesn't make the 100,000 any less ambitious.

**Media:** Do you think it's going to be harder, then, to meet some of those goals than you thought when you were in Opposition?

**PM:** I've always known they would be hard. That doesn't mean it's not the right thing to do.

**Media:** Shamubeel Eaqub said this morning that the 20 percent debt target was a fiscal straitjacket which was limiting the Government's ambitions to improve housing.

**PM:** Not at all, because if you increase your ambitions to increase wealth and growth in the economy, then of course your debt target becomes more generous as well.

**Media:** Phil Twyford's saying that lack of access to capital at the moment is crippling the supply of housing, and saying one of the big priorities of the Government is cracking this problem of infrastructure financing. What are some the ways that the Government are looking to solve this problem?

**PM:** Yeah, you would have heard Phil Twyford talk about this in the past, things like infrastructure bonds. There's a range of things that we're looking at, because we know there are multiple constraints that have led us into this situation we're in now, and we're working to tackle all of them.

**Media:** Can that come from overseas? Will people invest in bonds?

**PM:** Well, it depends, on course, in that area in which we're trying to encourage that level of investment, but we've always said what we're trying to do is get people away from investing in the unproductive sector of the economy into the productive sector, and to generate supply rather than sit on supply for capital gain.

**Media:** Because he was saying that there's a wash of capital out there and lots of people want to invest in New Zealand. So are you saying, essentially, you'd be welcoming overseas investors?

**PM:** We've always said that we welcome foreign direct investment. We just want it to go in a place that's beneficial to New Zealand.

**Media:** Just back to the question about the State housing build. Did your Cabinet discuss Phil Twyford's proposal to build 2,000 State houses a year?

**PM:** It's a constant discussion. In fact, we've had this question put to us many times before. I absolutely share the Minister of Housing's ambition to house as many people as possible, to move away from a situation where we're reliant on accommodation supplements. But we both know that we are going to work as hard as we can to reach those targets, but we've also got to be realistic about what we're able to achieve quickly.

**Media:** Shamubeel also said today there was a shortage of 500,000 houses and that, with interest rates so low, the Government should be borrowing now to build these houses and solve these—child poverty, productivity—issues. Why are you so determined to stick to that 20 percent limit?

**PM:** I'm really surprised that anyone would claim our target of 100,000 houses is unambitious. I've been told it's unrealistic. I've been told it can't be done. It's new to hear that it's unambitious.

**Media:** The last Government handed out quite a number of permits to big oil companies to explore off the coast of New Zealand—deep-sea oil. Is it business as usual with this Government, or are you going to change?

**PM:** I've said when asked many times before that I don't see fossil fuels as the future for New Zealand. And, in fact, when we take into account the work that's likely to be done by the carbon commission that will include carbon budgeting, I think we'll see the timeline that we have to make sure what needs to be done to hit some of our targets around becoming carbon neutral. In the interim though, we haven't been faced with—we haven't taken on new decisions yet for things around permitting, other than those that we inherited from the last term of office.

**Media:** So no more permits?

**PM:** We haven't made any decisions. It's something that will be discussed by us going forward, but, as I say, the decisions we've already made to date often have been things that we would be judicially reviewed on if we didn't uphold.

**Media:** Just on the CE pay, do you accept that some of those jobs are in the international market, and are you sure that you're not going to sort of compromise the calibre of people that we attract to them?

**PM:** We have to keep in mind that, of course, that argument's been made and those rates, those salaries, have lifted as a consequence. So they sit at a level that some would argue could be considered competitive; certainly in the New Zealand context, to be considered generous. What we're talking about now beyond that is what rate of pay increase are we seeing submitted beyond where they already sit now, and is that out of step what we expect for those who are working in the State sector. And in the past, Crown entities are the areas where we have been out of step with that level of pay increase.

**Media:** Was any of the work on this legislation under way under the last Government? Because, obviously, Bill English has strongly expressed concerns about the guardian stuff.

**PM:** Well I don't think this was in train, was it?

**Hon Chris Hipkins:** I don't think so. This was something that we picked up fairly early on in broader discussions we were having around the level of remuneration in the wider public sector. The bill that's going before the House this week was a piece of legislation that I commissioned the drafting of.

**Media:** You said that, or the Minister said, that you don't expect any chief executives to take a pay cut. Do you expect the next incoming—

**PM:** Unless they voluntarily want to.

**Media:** —CEO of Super Fund to come in at less than what Adrian Orr is on at the moment?

**Hon Chris Hipkins:** Oh, look, I think we're very reluctant to make predictions about what's going to happen in any individual case. I think that probably is not the most appropriate—this is certainly not the most appropriate forum to do it. But I think the commissioner for State Services certainly has a clear direction from the current Government that we want to see a more reasonable level of pay increase at the top end of the public sector, and that includes the broader public sector, not just Government departments.

**Media:** Would the commissioner have to consult you if he was going to approve something that's a bit out of the ordinary?

**Hon Chris Hipkins:** Well, Ministers need to be consulted in many of these cases already. I think one of the issues is that there haven't really been any levers for Ministers and the State Services Commissioner to pull if those Crown entities choose to ignore the result of that consultation. So this is dealing with that issue.

**Media:** Has the commissioner expressed to you his frustration on—that they can't deal with this? Did they ask for this sort of power?

**Hon Chris Hipkins:** Yes, and I think he did so publicly, prior to the election, when one or two relatively high-profile cases were raised.

**Media:** What happens if there's an impasse and the commissioner won't approve a salary that's put to him and the board won't amend it? I mean, is such a situation possible?

**PM:** I think it would probably be a relatively brave board to ignore entirely the process that's been set out and not seek the consent of the commissioner. And, of course, beyond that, these are appointments that go through a process, and I imagine down the track there might be questions raised around why it was that they weren't following the guidance of the commissioner. So I imagine they'll keep that in mind when this process kicks in.

**Media:** Minister Hipkins, can I ask, is it the case that you're meeting with representatives from charter schools this week; what will be your message to them?

**Hon Chris Hipkins:** The Ministry of Education will be meeting with them this week. I personally won't be meeting with them.

**Media:** What will you say to the schools who don't want to continue as character schools? What's your message to them?

**PM:** I would question why they wouldn't, first of all.

**Hon Chris Hipkins:** Well, the message that I have is that we haven't made any decisions about what's going to happen to those schools that are currently operating as charter schools. We've introduced legislation to repeal the charter school model, but that has within it transitional provisions that allow those who are currently operating as charter schools to continue to do so while we go through this process of negotiating with them. We've said that we'll do that in good faith and that's exactly what we're going to do.

**Media:** Bill English has just called the policy nasty and vindictive. What's your response to that?

**Hon Chris Hipkins:** I think Bill English and his colleagues are very much trying to whip up a campaign of fear around the country. We've been really clear that we're taking a principled position to not having charter schools in the future, and that we're going to deal with those existing charter schools on a case by case basis. Where I think ringing round all of those schools and saying that we're about to close them down is irresponsible, because, actually, we've got a process in place around how we're going to deal with this.

**Media:** But do you accept that it creates uncertainty for parents and teachers and kids, not knowing what might happen in the next year or two?

**Hon Chris Hipkins:** I think that you get that situation across a whole host of situations where schools are reviewed from time to time. This is nothing new. The charter schools, we were very clear when the model was first established that it was not supported by Labour, New Zealand First, and the Greens, and that, were there to be a change of Government, it would be repealed. I don't think anybody will be surprised that we're doing what we campaigned on.

**Media:** Why don't you meet with them directly?

**Hon Chris Hipkins:** Ultimately, there's an issue that, if those schools apply to be schools of designated character under the Act, then I have to make a decision on whether or not to accept that. And that's a legal process that can be judicially reviewed, so it's important that we follow a correct legal process in how this is done, and the Ministry of Education are the people who will be doing the negotiations.

**PM:** I think ultimately the point here, though, is that we've said from the outset there's a path for these schools. There's a path for these schools and also for their students to stay within those schools. What we're asking is that they transition to a model that at least allows their teachers to be registered, curriculum to be taught, and for them to be treated in a funding sense the same way as State sector schools. If they're willing to do that, then there is a path forward for these schools.

**Media:** But many of them are not. That's the point; many of them don't want to do that. They don't accept that the character school model is the way forward for them.

**PM:** And yet I know of some who initially tried to become schools of special character, and so this is a lesson to us that that process probably needs to be made a little bit more straightforward, because they ended up defaulting to a charter school model. So I do hold hope that there is a way forward, and we're working through that constructively as we can now.

**Media:** Minister Hipkins, have you ever visited or met with charter schools at all?

**Hon Chris Hipkins:** Yes, not since becoming a Minister, but I've visited them previously.

**Media:** What did you think when you went to them?

**Hon Chris Hipkins:** I saw schools doing things that they could do within the public school system, and that's one of the points of debate that I had with them when I met with them, is what they thought the barriers were to them doing the things they're doing now within the public education system. If you look at the schools of designated character under the Act,



most of what they do now—if not all of what they do now—can be accommodated within those provisions of the Act.

**PM:** With the difference that you can't make a profit while you're doing it.

**Media:** How many schools did you visit?

**Hon Chris Hipkins:** Vanguard. I visited the South Auckland Middle School. I visited the Rise Up Trust's school. And I've had conversations with other people who've been operating them although I haven't visited these schools.

**Media:** How much union pressure has gone on you over this?

**Hon Chris Hipkins:** I haven't discussed it with the union since the election.

**Media:** Have they been lobbying you, though, Have they—

**Hon Chris Hipkins:** No, they haven't raised it with us since the election.

**Media:** What do you say to people who say that this is pressure from the union that has led to this? Even before the election?

**Hon Chris Hipkins:** The Labour Party's always taken a very principled position in favour of a public education system, and that dates right the way back to the 1930s. And so we'll continue to advocate for that. This is very consistent with the position the Labour Party has always had.

**Media:** Have unions been lobbying you and asking to meet with you over this issue since you became a Minister?

**PM:** That assumes we didn't have our own view and know our own minds

**Hon Chris Hipkins:** No, I mean, they haven't raised it with me since the election, or at least not that I can recall. They've had other issues they've been wanting to talk about, but not this.

**Media:** Prime Minister, there's a very large cyclone bearing down on Tonga and other islands. Is the Government keeping an eye on that—

**PM:** Yes, absolutely. My latest advice is that we haven't been asked for direct assistance from Samoa as yet as a result of the damage that they've received, but we're on standby, ready and waiting to discuss with them any needs that they might have. The same, of course, would go for Tonga; waiting to see, of course, the impact there but staying in very close contact. Niue, my understanding is that they did not bear as much of the brunt as was first anticipated that they might.

**Media:** Prime Minister, have you spoken to Kelvin Davis about his comments last year that he'd resign if two Northland charter schools closed?

**PM:** No, but there's no need to, because the point he was making at the time was he believed there was a path forward, and so do I.

**Media:** You don't expect him to stand by that comment and resign if they don't decide to go with the public school system?

**PM:** I imagine that we're going to find the compromise required, and that was the point he was making at the time.

**Media:** Had Kelvin Davis or Peeni Henare raised concerns with you since you announced this legislation?

**PM:** With me directly? Absolutely not. They know that we're working constructively to try and find a path forward for those schools with which they have a particular interest in.

**Media:** Have they raised it with you?

**Hon Chris Hipkins:** No, in fact I have discussed the matter with them and they're fully supportive of the moves that we're taking at the moment.

**Media:** Do you think they could—having just been up in Auckland, do you think they could face a backlash up here?

**PM:** Again, I do want to push back this assumption here that a decision has been made that doesn't try and accommodate the needs of Northland and those schools. The reason that our Ministers are fully in support is because they know the work we're doing behind the scenes to try and transition those that are existing charter schools into a model that allows for us to make sure that we have curriculum, registered teachers, and that they receive the same sort of funding that a State school does. And there are cases where schools will fall into that criteria.

**Media:** Trusts have expressed a concern that these charter schools are by Māori, for Māori, and they're quite concerned that the State system has failed Maori for decades. How do you feel about that, in light of—

**PM:** Yeah, and as you've pointed out, as I mentioned earlier, it has been raised that actually some of the schools initially tried to use the existing legislation to establish themselves and that it became a difficult process. So there has been a learning for us from that, that we need to make sure that we work more closely with those who have a proposal for a school that might be a special character school to ease the path to make sure that they are meeting the needs of their local community. All we're asking is that when they do that, they be willing to operate under the same rules as State sector schools do, so we can make sure that kids are getting the best education possible. That will be possible for a number of those that have already been established.

**Media:** But some of the charter schools are saying that the thing that makes them successful is the difference between them and the State schools. They say that the bulk funding, the unique teacher contract, and the unique governance structure is precisely what makes them successful. So that's sort of a red line for them—I mean, is there absolutely no room to budge on those provisions?

**PM:** I would like to see the evidence that that's what's influencing the direct change, or what they claim to be achieving with students, because it would surprise me that that is the only thing that's making a difference from their perspective. And, again, we're working constructively to find a path forward.

**Media:** Is there any likelihood that you could broaden what makes a special character school to accommodate these schools? If you changed the definition of what you—

**PM:** I'd be surprised that bulk funding is demonstrating some specific educational outcomes for kids.

**Media:** PM, your meeting with Julie Bishop—

**PM:** Last question.

**Media:** Is there anything that you'd like to share that was on the agenda? How did it go?

**PM:** No. No, just to say it was a really positive engagement, really good opportunity to talk both about a few bits of important work, but also a bit of light-hearted banter as well.

**Media:** Did you talk about Chris Hipkins?

**PM:** No, you are not the subject of dinner conversation, I'm afraid. Granted, I missed the dinner, but even at the tail end.

**Media:** She spoke to you about a women's mentoring programme that Australia does, where's your thinking on that? Is that something New Zealand could do?

**PM:** Yeah, actually, I talked about what we've been engaged in through the programme that operates here at a parliamentary level with women and candidates and MPs in the Pacific. So we had a little bit of a discussion around what more we might be able to do in that space, because we had a shared interest about supporting women in politics, particularly in the Pacific.

**Media:** So would New Zealand so something similar?

**PM:** Oh, look, I think there's—there is room to certainly do what we can to encourage more women into politics in the Pacific. There are some areas where there's no representation at all. So certainly an area I'd love to help with.

**Media:** Sorry, very quickly, on a lighter note, I see you're having a puppet unveiled at the Back Bencher Pub in a couple of weeks. Are you looking forward to that?

**PM:** Trepidation, because, of course, I haven't seen it. I don't know what it will look like. I don't even know if I get a sneaky look before I do the big reveal, and I'm not very good at hiding my spontaneous response to these things. So, yeah, trepidation.

**Media:** How would you like them to portray you?

**PM:** I don't think I get a wish list. I'm sure they'll have a very modest smile. All right, thanks everyone.

**conclusion of press conference**