

## POST-CABINET PRESS CONFERENCE: MONDAY, 12 MARCH 2018

**PM:** All right. Thank you, everyone, for joining us this afternoon. Obviously, nice to be back after the Pacific mission. I was going to thank those who joined us, but they're obviously taking a well-deserved—bar one—a well-deserved break.

To quickly recap, we feel, as a Government, very positive about the Pacific mission and what we were able to achieve while we were away. We had very broad discussions with the leaders of Tonga, Samoa, Niue, and the Cook Islands, but, of course, a particular focus on climate change: Cyclone Gita, severe weather events, and the additional assistance that was required to tackle those. Also, a very strong focus on support for ongoing economic development—particularly in Samoa, around microfinancing for businesses and so on, but also a theme around alternatives to the current use of diesel generators in the likes of Niue; also, improving electricity structure in Tonga and the like. So, overall, a positive mission from the perspective of the Deputy Prime Minister and myself.

I want to speak briefly to the issue of the President of the United States and tariffs on steel and aluminium. You'll be well aware of the issue now and the potential impact. Ministers are actively working—including the Hon David Parker—on seeking an exemption for New Zealand and our steel and aluminium exporters as we speak. We have what I would characterise as an important and broad relationship with the United States, not unlike Australia, so we believe we have a strong case for an exemption. I think that case is enhanced by the fact that we are clearly not a target here. Our exports of steel and aluminium to the United States are very small—\$39 million and \$23 million, respectively, so small from the United States' perspective, but not small for those who are exporting. We believe they pose no threat to American steel and aluminium manufacturers.

Of course, also the US has a trade surplus with New Zealand. They send us \$60 million more in exports than we—\$60 more in exports. So from our perspective, again, some of what the President is rallying against we are not the target of.

Right, just a quick recap of the week ahead—and obviously the Minister for Trade and Export Growth and myself are happy to answer questions on that. On Tuesday, I—tomorrow—I have a bilateral with Prime Minister Phúc of Vietnam. This is my second meeting with the Prime Minister, having also met him at APEC in Da Nang last November. There will also be announcements this week from Minister Hipkins on terms of reference for the review of Tomorrow's Schools. On Thursday, Minister Jones will be making further provincial growth fund announcements. On Friday, I'll be speaking at Pasifika before opening Toi Art, the refreshed national art gallery of New Zealand at Te Papa. So that's a bit of the week ahead.

Happy to take questions.

**Media:** Prime Minister, Government insurer Southern Response engaged a private investigators firm called Thompson and Clark to spy on victims of the Christchurch earthquake. Is that an appropriate use of taxpayers' money?

**PM:** No. No, it is totally inappropriate. That is why the Minister has referred that to the State Services Commission to investigate. There is no doubt that was not an appropriate action.

**Media:** Thompson and Clark have been caught doing spying operations before. Do you think that other Government departments or organisations should be using them?

**PM:** Absolutely not. In fact, we had a very brief discussion amongst a few Ministers this morning to seek out that they make sure that none of their departments are engaging Thompson and Clark in the same way, because their behaviour around spying and so on is totally inappropriate.

**Media:** So you're, effectively, banning Government departments from using—

**PM:** I'm seeking out that everyone assures themselves that they're not being used for that purpose.

**Media:** Just on—Winston Peters was on *The Nation* on Saturday. Do you agree with his view that Russia—there's not sufficient evidence that Russia meddled in the US election?

**PM:** Well, actually, I've looked at the entire transcript of that discussion, and it strikes me that a lot of the conversation that the Deputy Prime Minister was having was around, first and foremost, New Zealand being able to access trade agreements in a fair way, relative to other countries. Look, when it comes to the issue of other countries' elections, of course, that one particular issue is playing out very publicly, and it's for everyone else to make the judgment based on the evidence that's building as to whether or not they believe that's the case.

**Media:** But do you agree with him?

**PM:** That?

**Media:** That there's not sufficient evidence that Russia meddled in the US election.

**PM:** Again, it's not for me to pass commentary on other people's elections, but, obviously, there is a continuing public discussion over what exactly happened and trying to bring transparency to the issue.

**Media:** Do you share his view that there is not sufficient evidence to name the Russians as being responsible for the downing of MH17?

**PM:** Well, obviously, if we look at the process that's being undertaken now, we've, obviously, had the first joint investigation team response. No one is disputing the evidence that the plane in question was shot down by a Russian-made missile. That is not in question. What is still under way is the second part of the report to determine who was responsible for that.

**Media:** Do you think Russia was responsible?

**PM:** No—obviously there's another piece of work building evidence around who, exactly, it was. So I'll be eagerly awaiting—as will those most affected by that incident—as to where the evidence points to. But there's no dispute that it was a Russian-made missile.

**Media:** Do you have any concerns, in light of these comments, and, you know, the fact that the [*Inaudible*] commissioner didn't visit last year, apparently in relation to concern over New Zealand's position towards Russia, that this could have an impact on an EU FTA?

**PM:** No, no. And let me clearly restate our position again, when it comes to trade generally within Europe: we, as a Government, are prioritising the EU FTA, and there is good reason for that. We're seeking a mandate this year to proceed with that negotiation, and are very hopeful about that. Now, the reason for that being a priority is obvious: the scale of that FTA is significant. But what the Deputy Prime Minister has pointed out is that while sanctions have been in place, there have been other countries within Europe who have traded around those sanctions and have been able to do so. Now, New Zealand has applied the spirit of the sanctions, but, of course, we have a number of non-tariff barriers that apply still to us in that trade exchange that we're seeking to overcome and just make sure that New Zealand is treated fairly in the same way that others have been trading around the sanctions—as is appropriate.

**Media:** Do you have any concerns about how often Winston Peters would meet with the Russian ambassador or the nature of that relationship?

**PM:** No. And I have to say, I mean, of course, the Deputy Prime Minister is responding to questions that are being asked. So this isn't something that's frequently being raised; he's, more often than not, responding to questions when he's answering about this particular issue.

**Media:** But do you know how often he meets with the Russian ambassador?

**PM:** I certainly heard questions asked of him—oh, it probably would have been a couple of months ago in that regard, but no. The reason I have no concern is because the context in which he's discussing this issue is simply around New Zealand's access relative to other countries, and, of course, as I say, we are prioritising the EU FTA.

**Media:** What about the parallel he made with Australia and the fact that there are barriers with them, too? Is that a fair comparison?

**PM:** In comparison to?

**Media:** To—he said that, because of the detention issues with holding people there, that they too have potential barriers to a trade deal with Australia. Therefore, could that be comparable to Russia?

**PM:** I would need to see the context of those comments, sorry, before I answer that.

**Media:** What do you make of these two foreign fighters, Kiwis, going to Syria to fight against the Islamic State, we've heard, with the Kurds?

**PM:** Yeah. And although I didn't see that report, I am aware of it. And, look, MFAT's advice, for good reason, remains that Syria is a hugely dangerous area to enter into, and that we would advise against travel into the area. It's an extremely risky venture to undertake.

**Media:** But are they doing anything illegal?

**PM:** Look, I haven't had specific advice on that, but that wouldn't change my advice that—just don't go. Regardless of the purpose, do not go.

**Media:** How many Kiwis are fighting against Islamic State?

**PM:** I don't have advice on that. I'm not sure whether or not we would be able to quantify it. We probably know how many, I imagine, are in Syria—possibly—but whether I wouldn't be able to quantify, necessarily, their activities.

**Media:** What do you hope to discuss tomorrow in your bilateral with the Vietnamese PM?

**PM:** I imagine that we'll continue on with the conversation that I had last time I met. We have a number of arrangements around support for things like their exports of dragon fruit, so a number of initiatives like that that I'd be keen to check in on how they're progressing to make them even tastier. But also we have an existing comprehensive agreement with Vietnam, and each time we meet we have talked about the potential to upgrade that into a strategic partnership. So that's the foundation for our dialogue.

**Media:** What's his interest in New Zealand?

**PM:** I think that he's travelling in the region more broadly at the moment, but, of course, we have a significant relationship both from a trade perspective but also export education, and when I was in Vietnam and in Da Nang I met a number of those who had come and particularly accessed our higher education and then returned to Vietnam, brought economic benefits to Vietnam from that, but of course contributed to our tertiary education system at the same time.

**Media:** Prime Minister, on the steel and aluminium issue, the Australians—Malcolm Turnbull solicited the support of Greg Norman, the golfer. Have you thought about Bob Charles here, that frequently Donald Trump gives a shout-out to?

**PM:** Look, it's fair to say Ministers are working hard on the issue and seeking to use a range of different avenues to promote New Zealand's case. The Minister for Trade and Export Growth has been dealing explicitly on that. I don't believe Bob Charles has been on his list.

**Hon David Parker:** No left-handers.

**PM:** No left-handers! But, you know, in the same way that Australia has sought an exemption, we are seeking an exemption for all of the reasons I've outlined, and whilst we've used most avenues I don't think we've resorted to golf as yet. I'll take that on board; it's creative.

**Media:** Chris Liddell could become Donald Trump's chief economics adviser. He hails from Matamata, just up the road, or near, Morrinsville, where you come from.

**PM:** That's right.

**Media:** Did you know him?

**PM:** No, no I did not. They are at least 20 minutes apart, in two distinct townships—ha, ha!

**Media:** I know that. But have you—

**PM:** Whilst often confused, Matamata: horses, Morrinsville: cows—just if you want to remember the difference in the future.

**Media:** What?

**Media:** Do think it could be helpful if he became the chief economics adviser to the—

**PM:** Matamata is a horse town, Claire, and Morrinsville is a dairy country. *[Interruption]* I'm just explaining to Claire. Do I think it would be helpful that he's in that position? Look, only time will tell. I guess it very much depends on his existing ties, the degree to which he wants to use his personal connections to New Zealand and highlight those with President Trump. Look, if anyone internally is able to acknowledge and champion New Zealand's cause, then that's helpful, but I wouldn't—I don't have an expectation around that. Do you have anything further to say?

**Hon David Parker:** Yeah, I've met Chris Liddell and he is a loyal New Zealander. He's one of the people who is behind the Predator Free 2050 initiatives by a large philanthropic fund, and I would have thought that he would be wanting to do his duty by his new employer, but also do what he could for New Zealand.

**Media:** What do you think he could do for New Zealand as the chief economics adviser?

**Parker:** Well, from the advice that we've had, this is primarily, from the Americans' point of view, a security issue rather than a trade issue. We are, of course, pointing out, as the Prime Minister has said, that America has a small trade surplus with New Zealand, that our exports of steel and aluminium are very small, and that we are a security partner of the United States in various ways. The Prime Minister asked the Minister of Foreign Affairs and myself to both be working on this issue, which we are, via a number of routes, not all of which I will detail today, but we are doing our utmost to attempt to have New Zealand get an exemption from these provisions, because we think that would be good for us.

**PM:** I mean, when you look at what's driving this, though, I mean, President Trump frequently talks about trade deficits and those trading nations where he believes that the United States is getting a raw deal. From what you've heard me outline today, New Zealand is not one of those nations, and we'll be making that case.

**Media:** The countries that do have an exemption at the moment seem to be Canada and Mexico, for reasons connected with the ongoing renegotiation of NAFTA.

**Hon David Parker:** No, they actually had steel—America had a steel trading surplus with both of those countries.

**Media:** Indeed, but—

**PM:** So they wouldn't want to encourage a tit for tat.

**Media:** —because of NAFTA they've got an exemption in the meantime. We don't have any such a strong card to play, do we?

**PM:** Well, as the Minister for Trade and Export growth has just explained—I mean, if there is a surplus in place, then that obviously becomes an argument that's useful to make, because they wouldn't want to see a tit-for-tat regime with either Canada or Mexico.

**Media:** But the surplus argument doesn't play with any other countries. Why should it play with New Zealand?

**Hon David Parker:** Well, I think that was one of the points that the Deputy Prime Minister was making in the weekend—that there are some legitimate complaints on the part of the United States that there are other countries who are inconsistent in their application of open trading arrangements. New Zealand isn't one of those countries. We're very consistent, and that's something that should count in our favour, in addition to our security ties.

**Media:** But do you hold out much hope, really? Because, I mean, Trump seems to be saying, you know, “[*Inaudible*] no exemptions.”

**Hon David Parker:** It would be very foolish for me to give up yet.

**Media:** When did you start seeking these exemptions, David Parker?

**Hon David Parker:** Before we left for Chile—so within a day of it being announced.

**Media:** You've called the idea of getting Bob—

**Media:** Charles.

**Media:** —Charles in there “creative”. Are you using any other creative solutions?

**Hon David Parker:** We are acting appropriately.

**Media:** Just on back on Chris Liddell, David Parker—you said he was a “proud New Zealander”. How could Chris Liddell work for New Zealand in the Trump administration?

**Hon David Parker:** I'm not about to put him into a position of conflict between his role acting for the President of the United States on economic policy, but I was just making the point that he's a good person.

**Media:** Mr Parker, 3,000 Kiwis have signed a petition asking for an inquiry into the *Hit & Run* allegations, and they're coming to Parliament tomorrow. Are you any closer to making a decision on that inquiry?

**Hon David Parker:** We are closer to making a decision on that.

**Media:** Can you give them a time line?

**Hon David Parker:** I said a week ago “Within a month”, so in the next three weeks or so.

**Media:** So, if the EU FTA is a trade priority for us, what's our current thinking on the permanent arbitration court that the EU is very keen on? They want that as an alternative to the ISDS procedures, which have been so controversial.

**Hon David Parker:** We're happy in respect of most of our agreements to rely upon country-to-country enforcement. We are aware that the Europeans seek corporate-to-country enforcement through a standing EU court. We haven't rejected that; neither have we agreed to it. Partly it comes down to a question of cost. But we can see benefits—the main disbenefit being as to cost.

**Media:** Prime Minister, are you aware of allegations of sexual misconduct and excessive drinking at a youth Labour summer camp at Waihi in February that you attended?

**PM:** I went to the opening of that summer camp. It was some—I attended at the very beginning. People had just arrived. So certainly none of that was apparent when I was there. This is the first I've heard of any such allegations, but, now that you've made them, I will happily investigate, because that is not the behaviour that I would expect of any Labour function.

**Media:** What will happen if this is proven to be true—that you find out that it's true?

**PM:** Well, given that I've just heard it now, I'd just ask for the time for me to go and look into that personally.

**Media:** Mr Parker, the EPA's issued another directive to airports today on the issue of toxic foams—it's reported such warnings to airports. Can't you just step in and issue a directive over the top of that and just say, "Stop using toxic foam."?

**PM:** There's already a ban.

**Hon David Parker:** Well, that's, effectively, how we do it. We actually do it—there's been a ban for some years. It appears that there has been some illegal activity in New Zealand that hasn't be respecting that ban. The way that we're working through that is checking through the country, airport by airport, and the rule of law will be enforced. What the EPA has done, I think, is quite responsible. They've put a—issued compliance notices to the airport saying, "Well, look. It's unlikely you're going to need to use this in the immediate future, but if you have an absolute emergency, obviously, you have to put the fire out. But we want a report from you immediately as to how it is that you're going to move to legal forms of firefighting foam and what you're going to do to dispose of these harmful substances." So I've got confidence that the EPA's handling it well.

**Media:** Prime Minister, Judith Collins has been named as the Opposition spokesperson for housing. She's already engaged in some Twitter battles with Phil Twyford. Do you think Twitter battles are ministerial?

**PM:** Look, you know, the use of social media is a form of engagement that existed well before this Government ever came into office, and I expect that, you know, that public form of engagement will continue. Yes, that sometimes will occur between Ministers and Opposition MPs. I would expect a level of decorum in that form of engagement. I can't, of course, impose that on the other side, but I can certainly have an expectation on Ministers.

**Media:** Do you have guidelines for social media for your Ministers?

**PM:** I think, no, we take a fairly common-sense application, and keep in mind, of course, that this is an exchange that's in public.

**Media:** The dialogue that Phil Twyford and Judith Collins had over the weekend—

*[Hon David Parker steps back from lectern]*

**PM:** I see you've snuck back there. Yes, continue.

**Media:** —do you think that's appropriate?

**PM:** The dialogue that they had over—

**Media:** The dialogue between Phil Twyford—

**PM:** I have to say, if you're meaning in reference to Twitter, I didn't follow their banter and exchange on social media. I have seen some of the commentary around, for instance, Judith Collins being given a difficult task, given, of course, we're in the process of trying to fix the housing crisis we inherited, but that's the level of the exchange that I've witnessed.

**Media:** Is it constructive, though? Is it appropriate?

**PM:** Oh, look, we have to get on with the job. The focus for Ministers in this Government is rectifying the situation. Of course, there seems to be some questions as to whether or not we're doing that, and I would expect Ministers to defend the work that they do, but, of course, within reason.

**Media:** Are you satisfied with your MPs' spending on travel, particularly Jenny Salesa?

**PM:** Do you know what, I would say that Minister Salesa herself isn't satisfied, and, in fact, she's made that clear to me. There are some things that she became aware of that have led to her spending being higher than other Ministers. For instance, from time to time, my understanding is that she has ended up with—because of the use of ministerial vehicles and her relative ranking, from time to time she's ended up with contractors, which are charged out at a higher rate, and that's led to an inflation in the amount of her travel spend. She now

has acute awareness of that, and is undertaking to take steps to try and make sure that doesn't happen again.

**Media:** Would you expect her to spend more than you, though? Does she need to travel more than you?

**PM:** Well, again, I'm not sure that necessarily it is indicative of her having travelled more, but the relative cost that she experienced by having contractors on at the time that she used vehicles. But, look, the upshot is she herself was hugely disappointed when she saw the figures at the end of the month. This is not something you get a tally of daily. When she realised what was happening, she's undertaken to make sure it doesn't happen again, and I know she's hugely regretful at that situation.

**Media:** So it's solely just down to contractors and not more extensive travel?

**PM:** No, I think—look, there is—yeah, no, I think it's fair to say she does hold a portfolio that does require her to attend multiple events. I think she was at six over the weekend, as ethnic affairs spokesperson. She was, at the time, travelling back and forth to Hamilton when there were some issues with the Tongan community at the time during a sports tournament, where she was trying to help mediate some issues. So, look, she was no doubt travelling, as well, in her role, but there were other factors at play. But, again, as I say, the Minister would not want me to stand here and excuse it, because she herself was hugely disappointed, and is working to fix it.

**Media:** How far along is the Government with thinking and working on value capture?

**PM:** So that's early stages for us, in the same way that the last Government was looking at the issue but hadn't completed that work. But it's something that we think has merit and is worthy of looking at.

**Media:** Is it sort of an acknowledgment that maybe in the future Government and councils might have difficulty raising revenue, as property prices outstrip increases in income?

**PM:** I think already there's acknowledgment at a local government level that the infrastructure deficit that they face isn't something that they can meet through rates, and are looking for alternative mechanisms to make sure that they provide the services that the communities expect.

**Media:** Do you think police pursuits should be banned?

**PM:** I think if you look at the scale—I think we have, from memory, over three million police stops per annum, roughly 300 that result in some kind of flee or requirement for, or lead to police following, and obviously there have been a number of cases now in the public domain that no one would think was a good outcome, particularly the tragic loss of innocent lives. My understanding is the independent police complaints authority is undertaking a review as we speak, and that seems the right place to ask the question around the protocols for how they're working.

**Media:** Just going back to your trip to the Pacific, do you think there's a case for reproductive health for women and girls having a higher priority within our overall development aid and disaster relief?

**PM:** Oh, I'm certainly fairly certain that we fund programmes where that is an element of the programme. At least some of the multilateral infrastructure that exists, which in recent times the United States have withdrawn from, have contributed to that. But, obviously, as with every aid project, it's case by case, but, you know, from a general principle perspective, there's benefit to such a programme.

**Media:** Was that raised in the wake of Cyclone Gita by any of the leaders in the Pacific that you spoke to?

**PM:** No, not by leaders, but it was an issue that tangentially was raised by, actually, young people in Tonga that I met with. That was something that they'd been mindful of through the work that they had been doing through the UN.

**Media:** Prime Minister, just on Newsroom's allegations about sexual misconduct at the Labour camp, you said that you weren't aware of them. According to their story, the Labour Party national office were actually informed about this.

**PM:** That could well be the case. I'm certainly not ruling out that our Labour Party leadership may well be aware. I'm certainly just pointing out that it has not been raised with me till now.

**Media:** Would you not have expected to have been told as soon as these issues—I mean, there's allegations about four young people who were assaulted at this camp.

**PM:** Yeah, and, again, if that were the case, I would be hugely worried by that. Obviously, I've been overseas and have only just returned and haven't had a chance to touch base with the party president or general secretary. As I say, I will follow up.

**Media:** If there were people under the age of 18 at these camps, do you expect there to be safeguards in place so that alcohol isn't provided to these people?

**PM:** Absolutely. I'd absolutely expect there would be safeguards in place. There's a range of ages involved, but yes, in terms of safeguards and an appropriate level of supervision, yes. When I was there, those who run the camp were present, but, again, I was only there briefly in the late afternoon, and there was no sign of any of that at the point that I was present.

All right, we're half an hour in. Last question?

**Media:** If a third of the attendees are under 18, why was there alcohol at this—

**PM:** I couldn't vouch for the fact that that was the age balance. I simply couldn't tell you. I know that there was a large number of people from university, but I couldn't give you that breakdown, Andrea, from the top of my head.

**Media:** But there were people that were—

**PM:** But, again, as I say, I don't know the age breakdown of who was in attendance, and I can't even say whether or not there was alcohol there. Certainly when I was there I didn't see any sign of it.

**Media:** Just a question for Mr Parker. In the wake of the CPTPP signing, Shinzo Abe has raised again his idea of a quad to be a counter to the Belt and Road infrastructure projects that China's been promoting. That, on the face of it, doesn't include New Zealand. Do you see any future for us within the quad as an adjunct to Australia's membership?

**Hon David Parker:** I hadn't given that consideration. If that was to be the case, that would be likely to be financed through the Minister of Foreign Affairs, rather than the Minister of trade, so I haven't had any information on that.

**PM:** All right. Thanks everyone.

**conclusion of press conference**