

POST-CABINET PRESS CONFERENCE: MONDAY, 19 MARCH 2018

PM: All right. Kia ora and good afternoon, everyone. Today, Cabinet met in the morning to allow for the State luncheon for President Joko Widodo. Following this media conference, the President and I will be holding bilateral talks later this afternoon.

Before discussing some items from Cabinet, let me provide an overview of the week ahead, and I will include in those opening remarks some of the things that I intend to talk to President Widodo about, acknowledging that there is some interest in that bilateral visit, but for a number of reasons, not least logistics, it won't be possible for us to hold our post-Cab after that bilateral.

On Tuesday, the House resumes. I'll also be speaking that evening at the parliamentary celebrations to mark the Hindu spring festival of Holi. Wednesday, I'm launching a book celebrating the saving and restoration of the deconsecrated church of Old St Paul's—that with my arts, culture, and heritage hat on. Thursday morning will be the welcome back event for our Paralympians who took part in the Winter Games, and I'll be joining Minister for Disability Issues, Carmel Sepuloni, to welcome them home. On Thursday, the former President Barack Obama, obviously, will be officially welcomed as well, with a pōwhiri at Government House in Auckland before he and I will hold a private meeting. And on Friday, I'm undertaking various events in Auckland, including the opening of a new learning centre at Selwyn College, and I have some international media engagements.

A couple of things that I just want to spend a little time on—just to update you around the issue of steel and aluminium tariffs. I have written to President Trump on the issue, outlining, of course, some of what we understand to be the existing areas of concern for the United States and what has driven the imposition of those tariffs, and some of the things that would be considered in deciding whether or not any country would be exempt. So those are things that I've incorporated into that letter and, of course, we are awaiting a response, as are many other countries who have sought an exemption as well.

Minister Andrew Little, as justice Minister, outlined our intent, if Cabinet agreed, to deal with the issue of the year-and-a-day provisions in the Crimes Act. I can announce today that Cabinet has agreed to change legislation to remove that provision in the Crimes Act. This is to prevent any future situations where people are unable to seek justice because of what has become an outdated provision in our laws.

Both Minister Little and myself met with families who had tragically lost loved ones in the CTV Building collapse. One of the issues that was raised by families was this provision in our laws. It has been flagged as one of the factors that was considered in not laying a prosecution around the collapse of the CTV Building, and it is one of the many reasons why this bill must be enacted in Parliament and this law must change.

What, essentially, the law does and, as the United Kingdom and Ireland, Canada, most Australian States have already removed this kind of law. It essentially puts in a time line where, beyond that time line of a year and a day, pursuing criminal justice cases after someone has died essentially lapses. Obviously, with advances in medical technology which enable people's lives to be prolonged and special cases like the CTV Building collapse, this is no longer a provision in our law that is allowing justice to be done.

Yes, it is correct that, originally, in February 2017, Minister Adams asked officials for advice on year and a day, but when we came into office, we prioritised this as an issue. There were a number of things that the Ministry of Justice were looking at doing. We've plucked it out so that we could expedite it. So it's fair to say that it is something that Minister Little wanted to prioritise in a way that perhaps hadn't happened previously.

I want to briefly mention a little more detail about the visit by Barack Obama. His interests since leaving office particularly focus on youth leadership and inspiring the next generation of leaders—something that I'm looking forward to having an opportunity to discuss with him,

particularly, I think, some of the traits and characteristics of our next generation of leaders in New Zealand, which we should be rightly proud of. There may be interest, of course, in that private meeting, and I'm happy to hold a stand-up afterwards to reflect on any insights that might be of interest.

Very quickly, given that there might be interest in this, I'm also happy to reference some of the issues that I'll be raising in my bilateral with President Widodo. Indonesia is an incredibly important potential economic partner for New Zealand. It represents the biggest economy and biggest population in ASEAN, accounts for 40 percent of ASEAN's total GDP, and they are, of course, New Zealand's country coordinator in ASEAN. The last time we had a visit by an Indonesian President, though, was in 2005. Bilateral trade at the moment sits at about \$1.8 billion, but we've had a goal for some time now to lift that to \$4 billion by 2024. It is our view that more can be done to try and lift our sights, in terms of our trade relationship.

I will, however, at this meeting—as previous Governments have done—raise critical human rights issues as well. They include, for instance, issues of freedom of speech and access of foreign media in the Papua region, and also the rights of LGBTIQ individuals in Indonesia and talk of a criminal code applying to them. And we'll also, no doubt, discuss issues of regional importance, such as refugee issues within Myanmar and so on.

That's a quick overview of some of the items on the agenda today that I am happy to take questions.

Media: Prime Minister, you famously said that you were going to donate some of your salary to Plunket later on in the year. Are you concerned that they appear to be taking assets and properties from the community and transferring them into their central head office?

PM: No—I know that there has been a period in the past where they've consolidated some of their local assets. I haven't seen any details around the situation that you've just outlined now. There is no doubt, however, that they primarily operate from the support of the community and philanthropic support, and ultimately they'll be making the decisions around how they continue to provide the services that they do. What's important is that we continue to have that level of service—those universally provided nurses in homes for seven, I believe, contracted visits. That's the bit that, obviously, we have a relationship directly with them over.

Media: And their contract is due for renewal in June—that big contract they have with the Government. Do you feel that it's important that they have the community's trust to be able to continue that work?

PM: Oh, look, obviously every NGO strives to build a social licence, and I think Plunket over the years has done a very good job at that. Ultimately though, decisions around the way they use their donations and what support they receive from the community, ultimately, is a question for Plunket.

Media: Does your Government value nurses?

PM: Yes, it does.

Media: Why is it taking so long to get nurse pay negotiations through?

PM: That would be question for those who are involved in the negotiations. Obviously, those are undertaken between DHBs and between the NZNO. It's not something that the Government is directly involved in; it is a very distinct negotiation at DHB level.

Media: Do you think that they are worth more than a 2 percent pay increase?

PM: Of course, they are in a position of negotiation at the moment, and it's not for me to insert myself into an important negotiation that is, as I say, between the nurses' representatives and with the DHBs.

Media: Do you think it's fair that CEOs are getting 10 percent pay increases when nurses are getting 2 percent pay increases?

PM: As I say, of course we value the role of our nurses, as we value the role of our police officers and our teachers. But this is a negotiation that is currently under way through DHBs, and it's not something that we should or are able to directly intervene in.

Media: Because strike action could happen by the end of the week—there hasn't been large-scale nurse strike actions for 30 years, and it could happen under your watch.

PM: Yeah, and, again, as I would say, these are talks that did not start when we entered Government; this is a discussion that's been under way for some time, and it is between the DHBs and the nurses. And it wouldn't be proper for the Government to insert itself into that. Of course we hope for a resolution that both sides are happy with.

Media: Prime Minister, your party is built on unions. It is built on workers' rights.

PM: Yes.

Media: And you came into Government on a platform of putting more money into the health system and paying people properly. Why won't you just come out and pay them more?

PM: Because it's a negotiation that has nothing to do with the Government at this stage. It is between the DHBs and between the nurses directly, and that's the way it's operated for some time, and it wouldn't be proper for us to insert ourselves into that round of negotiations.

Media: So where's the money going? There's nurses out there who are, you know, living on the bones of their arse, working huge, huge days, and all they want to do is be paid fairly.

PM: Yes, and that's why they're in a pay negotiation, and that's why they're obviously, at the moment, consulting out with their membership as to whether or not the offer is something the nurses wish to accept. But, as I say, we're in the middle of a negotiation that ultimately is between DHBs and nurses, not between Government and nurses.

Media: The nurses are saying it's not just about salary—that they need more staffing and also move to pay parity. Can you guarantee them that?

PM: And we know that there are a range of issues. You know, when I've spoken to people who are working in the health sector, there's no doubt that the lack of investment in the health sector is having an impact on the staff and on patients. And that's something, of course, we're having to factor in in the Budget rounds that we're going through at the moment.

Media: On the proposed ban on oil expiration, would you contemplate breaking any of the current contracts in place, and what does it mean for consumers of New Zealand?

PM: The point I made out on the forecourt today is that we are in a process of actively considering—as every Government does around this time of year—how we will deal with future block offers. So that's the decision that we have to make. And, as I say, every Government comes to that point around this time of year, where they'll consider what will be included in a block offer and what won't and where it will apply. So that's what, when I referred to active consideration—that's the process and the stage that we're at at the moment, but we're looking at future block offers.

Media: So is there nothing to stop the four South Island cases, where they have EPA approval to drill, from actually drilling?

PM: As I say, at the moment, what we're considering is what the Government would usually consider at this point in the time line, which is the future block offer.

Media: Did you attend that State luncheon for Joko Widodo today?

PM: Yes, yes, yes. And as I referred to, I was meant to be in a vehicle at that time but, obviously, spending five minutes down on the forecourt was absolutely doable, and I thought important, given the fact that so many had taken the time to sign the petition and be there and present, and I was able to do both.

Media: So was there any delay? Did you delay your arrival—

PM: No, no, no, and nor did I intend for that to be taken from my comments. But I think, probably, they were accommodating of, unfortunately, my time line.

Media: What exactly does “actively considering” mean? Is there something before Cabinet? Is there something we’re going to see announced in the next week, month, year?

PM: Every Minister of energy goes through a process of considering what happens with the block offer in a given year. That’s what our Minister of Energy and Resources is going through at the moment, alongside other Cabinet colleagues. We put a time line of, you know, within a few weeks or months for us to make that decision. There isn’t a strict time period, but it is usual that it would be around this time of year that those offers would be made.

Media: It’s a pretty usual thing for someone to say, but the people that attended that process took you saying that you are actively considering it at the moment as quite a bold statement.

PM: Oh, yes. Look, I’ve seen that and we are actively considering what we do in the future, which is what they’re asking us to do. What I’m pointing out is that every Government around this time of year actively considers how it will manage block offers, and that’s what we are doing.

Media: But is one of the things you’re actively considering stopping putting up block offers?

PM: As I say, at the moment, we are working on the way that we will manage future block offers, and I need to allow Cabinet colleagues to factor in environmental impacts, economical impacts, and our focus on a just transition. No decisions have been made.

Media: So it’s no different to what the National Government did, then?

PM: Well, the fact that we’re considering it is no different. At the moment, I’m not going to predetermine what decisions we make, though.

Media: So you’re not looking at current contracts whatsoever? You’re not going to make any changes to those current contracts held by Statoil and the like?

PM: I think what you’ll find the people outside were asking us to consider was what we do in the future. And most of our international partners—if you look overseas, that’s what they’re considering as well—how we approach permitting in the future.

Media: I spoke to a Greenpeace activist today who hoped that you would cancel the current offers, as well as potential ones. Is there no scope for that whatsoever?

PM: We have to keep in mind that, of course, there are contractual obligations that the Crown has entered into and there’s a cost to moving away from those, but also a planning issue. We have the Climate Commission coming in in the future, but, obviously, one of the things they’ll consider is the role of gas, for instance, as a transition fuel, which has less of an environmental impact than some of the alternatives. And so we need to factor all of those issues in. But, of course, that includes keeping in mind that any cancellation of anything that’s happened in the past would come at a cost to the Crown.

Media: Would there be an impact on consumers if you were to cancel future block offer exploration permits?

PM: All of these things have to be taken into consideration: the environmental, the economical impacts, but also the role of the Climate Commission going forward. That’s why

we need to make sure we look at all of this properly. That's why the way we treat block offers is under active consideration.

Media: But other Ministers have made a point of talking about a just transition, which indicates that you have already made some kind of decision to transition out of those fossil fuels.

PM: I think the world has.

Media: Do you think that patsy questions are a waste of time?

PM: I think that patsy questions are, you know, met with a varied response from Parliament—that's no doubt. But they're also a tool in order to tell the Government's story as well. They also can be reactive, where there has been perhaps a misinterpretation of policy, or a chance to announce policy. So I think that there is a role for them to play. That does mean that I'm taking a different position than perhaps others have in Parliament, but it's one I believe in.

Media: Your predecessor as Labour leader, Andrew Little, has said—

PM: That's the person I meant.

Media: —said they're "nothing more than taxpayer-funded ads." Do you agree with that?

PM: No, I don't. But, of course, we have different views within our caucus on various issues. That happens to be one of them. It's a very small difference, and the point I would make is that those questions—and there's a small number of them—do give us an opportunity to tell a story as well. I do think it matters the way that they're crafted, but, ultimately, it is still primarily Opposition's time in the House.

Media: On question time as a whole, would you like to see any reform?

PM: That's not something that we've given active consideration to. I have to admit that when I talk to other leaders who operate within a similar system, I'm often curious about the way they run their question time. I think ours stacks up relatively well when you think about how pre-planned some of the international examples are.

Media: Is it a bit rich of National to criticise patsy questions given how many times they used them?

PM: Oh, I think probably consistency might be important.

Media: Just on Obama, former President of the free world, coming here, are you surprised he's not holding a press conference?

PM: No, no. Look, I imagine there'll be certain elements of the job that you're probably happy to move away from, and he's probably taking on a new role which means treating his obligations differently. And he's under no obligation here in New Zealand.

Media: Will you be raising any concerns about the current President with him?

PM: No. Look, I'm sure that he'll be extremely cautious in the sense that he's no longer in that political role. What's important for us now as a country is that we build and establish a relationship with those who have been democratically elected in the United States, and that's what we'll do. But that doesn't change my interest in meeting someone who has, no question, been an incredible leader on the world stage.

Media: Has he been an inspiration for you at all in your career?

PM: I think he's probably been an inspiration for people across the political spectrum around the world.

Media: He's coming all this way, and he's not doing any interviews with media.

PM: And I can sense the disappointment that you have over that, Lloyd—understandably. But that's not something that we have any control over. I'd be happy to relay some insight after my meeting with him for you.

Media: What about the lack of press conferences for the Prime Minister of Vietnam and the President of Indonesia? I mean, surely it should be standard procedure.

PM: Yeah, look, and I'm happy to, of course, speak to what I raise, and also, after the fact, the outcome of our conversations from New Zealand's perspective. I have gone back to look at precedent here, and it seems that what has been the practice is to seek guidance from the other partner to see whether or not they are happy to hold a joint press conference. Also, logistical issues come into play.

I'm told—I'm advised—that as far as the Ministry of Foreign Affairs recalls, there has been never a requirement for post bilateral stand-ups. They've always been case by case. Look, it would be my hope that we would do that more often than not, but, unfortunately, the timing of today has made it difficult.

Media: Crown/Māori relations Minister, Kelvin Davis, put out a PR today saying he's going to do a series of hui around the country in terms of priorities and scope in his ministerial portfolio. Is it quite unusual to have a ministerial portfolio that doesn't actually have the priorities and scope in place from the beginning, and what exactly has he been doing during this time if that's not yet worked out?

PM: No, not necessarily. I wouldn't say it's necessarily new. We knew when we established this role that it was something that we wanted guidance from iwi and Māori around what it would look like. This is about the post-settlement world. This is about how we ensure that in the future we're following up on our Treaty obligations once we're beyond the negotiating table. And we've had a range of feedback as to what that would look like.

Over the past few months, Minister Davis, of course, has already been engaging on issues around housing, for instance, that we need to factor in in the way that we're working with already settled iwi. But he decided that it was important that he got further proper formal feedback on the way that the role shapes itself.

So I wouldn't consider it unusual. This is a very new role, and we want to get it right from the beginning.

Media: Prime Minister, do you think that your Government is standing up to its promise of being open and accountable when it comes to the Official Information Act?

PM: Oh, we're at the moment working on what we might do around proactive release. We haven't finalised some of the framework for that. So I absolutely accept that we probably have a few teething issues, but we do have an expectation that we would like to improve in that area.

Media: Would you be concerned if there was an OIA that showed that someone in Phil Twyford's office said, "We're in the process of determining the best approach to withholding information."?

PM: I imagine that's a poorly worded response.

Media: Just going back to the nurses' pay-round for a moment—accepting your rationale for not wanting to be involved, doesn't it really mean, though, that the DHBs have to negotiate on the basis of the inadequate resources bequeathed to them by the previous Government?

PM: And that's a fair point to raise. And, of course, what we've said we need to do is make sure that we're looking overall at the inadequate infrastructure and the inadequate investment in our health services generally. But that's something that we're having to do as part of the Budget process. That means what DHBs doing is separately negotiating with the nursing workforce.

Media: So if they came to an agreement which required more resources than we have in the kitty at the moment, would you consider, at least, underwriting that?

PM: Again, I have to be very careful here. The DHBs are in the middle of a negotiation—something that we have to enable them to do without being seen to be interfering in that process. So I will be cautious around that. It is a matter for our nurses and the DHBs.

Media: That's why I was cautious about how I phrased that.

PM: Not quite cautious enough for me.

Media: Just on Russia, Prime Minister. When did you decide that the Salisbury attack changed your approach to the free-trade agreement? At what point did you decide that?

PM: Well, obviously, we were taking on board all the information that was coming through as it came in. We were very early on in the release of our statement of concern over what had happened in Salisbury. That went out on Tuesday, if I recall correctly. Many of our other partners came out a little bit later, after the UK had made a range of statements and produced further feedback from their investigations, which is why we then updated where we sat on the issue later in the week. It really was in consideration of what was happening as we saw that evidence come out. I do want to acknowledge that I have had a message from Theresa May—directly to me, personally—thanking the Government and New Zealand for its support of the UK and for its strong statements on the issue.

Media: When did that message come in?

PM: I got that probably overnight on Friday, I believe.

Media: Did you have to say, "Winston, look, you've got to give up this idea of a free-trade deal with Russia."?

PM: No. No, I think you'll find that the first person who spoke openly about the fact that Salisbury had changed the position for the Government did come from the Minister of Foreign Affairs.

Media: Did you pressure him to say that at all? Did you suggest that—

PM: No. We both continued to have ongoing discussions as information unfolded, as we also discussed the information that was unfolding with the Minister for Trade and Export Growth, and we collectively came to the decision.

Media: Do you think Russia was responsible for the downing of MH17?

PM: As I referenced in our last press conference, there's no question that the source of the missile was Russia, but there's currently a joint investigation underway, which most of the international community is referencing, around its use and deployment.

Media: Did you have any discussions with your diplomats and officials between the Wednesday, where Winston Peters put out a statement, and then the Friday about the appropriateness or the—

PM: Of course, the way that I often access updated material around information coming from our partners is via officials, so it would be only natural that I continue to consider alongside them what we're hearing.

Media: Did they raise any concerns about the fact that even after the Wednesday when Britain had—

PM: No. These are issues for us. All right, last question.

Media: Do you have access to additional information that the Minister of Foreign Affairs would not have on matters like this?

PM: I would have to have a brief on everything that the Minister of Foreign Affairs receives to be able to tell you whether or not there was any difference in the information we received. But, as I say, it was the Minister of Foreign Affairs who first reflected on the impact of Salisbury on any future trade talks—which, I should highlight again, have been

suspended since 2014 and have not restarted. And, as he said, Salisbury has changed everything.

Media: He actually said it's complicated things; you said it's changed things. He, again, was not quite as strong as you were on it.

PM: But he also pointed out it's too soon to say if or when. Look, you know, the use of language in this case we could discuss, but, ultimately, the end point is exactly the same. Salisbury has made a difference. We had not restarted any FTA discussions with Russia, and now, based on what has happened, it is too soon to say if or when we will.

All right, thanks everyone.

conclusion of press conference

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