

**POST-CABINET PRESS CONFERENCE: MONDAY, 9 APRIL 2018**

**PM:** All right, welcome, everyone. Sorry for the 15-minute delay. Pretty sure that might be a first, and it was based on a significant Cabinet agenda this afternoon. I'll start as per usual and run through, quickly, the week ahead and then touch on a couple of topical issues.

On Tuesday, I will be attending commemorations to mark the 50<sup>th</sup> anniversary of the *Wahine* tragedy, which, of course, touched the lives of so many in New Zealand at that time, and does today still. Obviously, a number of commemorations are occurring around Wellington to mark that significant anniversary. On Wednesday, I'll be speaking at a public sector leaders' summit, and later that day I'll be co-hosting an event here in Parliament to mark the 25<sup>th</sup> anniversary of New Zealand's ratification of the UN Convention on the Rights of the Child—obviously a very significant part of our human rights landscape and something I feel very strongly about. On Thursday, I'll be speaking at Victoria University and later will be attending celebrations at the Ministry of Foreign Affairs and Trade to mark its 75<sup>th</sup> anniversary.

I fly to Brisbane on Friday afternoon, and on Saturday—looking forward to taking the opportunity to meet with some of our athletes in action at the Commonwealth Games. All of that, of course, is en route to the Commonwealth Heads of Government Meeting in London, and, as you already know, I will be holding bilateral meetings with the leaders of France, Germany, and the UK as part of the visit.

Today, though, I am pleased to announce the much-anticipated date for the Northcote by-election, which has been triggered by the resignation of the Hon Jonathan Coleman. Dr Coleman has indicated that his resignation will take effect at midnight on 15 April and I have, therefore, set the date for the by-election. It will be held on Saturday, 9 June. The by-election writ date will be Monday, 7 May. The deadline for candidate nominations to be received will be midday Tuesday, 15 May, and the last day for the return of the writ will be Tuesday, 26 June.

I also wanted to update you all on work under way across Government around transition planning to build a stronger, fairer, and more sustainable economy. We are committed to ensuring the economy is well-prepared for future challenges, and that was very much the basis of the work that Grant Robertson did then as Opposition finance spokesperson, and now will, of course, continue to play a role in with the Future of Work. You will have seen announcements from regional economic development Minister, Shane Jones, on Friday on the Taranaki Action Plan. That \$20 million investment in a range of projects represents another significant step in our work to build modern, high-value, resilient, and sustainable economies, particularly in our regions. We do want to work in partnership with regional and urban economies to ensure that we are planning that just transition for the future, and, in particular, a future where fossil fuels play far less of a role in our economy. We want to do so in a way that never leaves any region behind. We want to make sure that we're aiming to create high-value, lasting jobs and also ensure New Zealand's labour force is equipped for the multiple roles that they're likely to have in the future, and, of course, a lot of our post-secondary education policy is focused on that.

For all of that, though, we need effective planning. We have, therefore, instructed MBIE as a priority to begin coordinating the planning required for the changes that we need to make in the future. That means looking across energy, regional economic development, and workforce planning. It will also need to have a very strong interface with education and skills development, and it will be one of the key priorities in next month's Budget in terms of managing our natural resources and taking action on environmental challenges. So, again, we've asked MBIE to take on that coordinating role. It's something that industry have been asking of us, to create clarity around who will be the leader of that just transition work programme.

I also wanted to indicate that we are making good progress on the Budget, which is why I've invited the Minister of Finance to be here today. The main focus of Budget 2018 is the beginning of our plan to rebuild quality public services that keep our nation strong, particularly health and education. Now, Minister Robertson has already said this is not a job that can be completed in one Budget.

You will have already seen in the past couple of weeks the vivid picture of why we need to reinvest and the consequences when a Government prioritises the books looking good, even if this comes at the health and well-being of a country's people. You'll see that as a strong theme in the lead up to the Budget. We will be creating a picture and sharing more publicly what we have found sitting in front of us from the moment that we took office and we opened up the books.

We want to share the reality of what we're seeing in the lead up to the Budget, and just the scale of the investment and the rebuilding that needs to take place with our core services, like health and like education. It's obvious, though, to people, when the likes of Middlemore has a building that's rotting around its patients, just how critical this area of work is.

I'm going to hand over to Minister Robertson, though, to speak briefly to our Budget priorities, just to give you a sense of the work that we have been doing and where we are heading.

**Hon Grant Robertson:** Thank you very much, Prime Minister. As the Prime Minister said, Budget 2018 will build on the mini-Budget that we produced before Christmas—the families package, which, as you know, delivered in excess of \$5.5 billion worth of benefits to low- and middle-income families and those on fixed income. We believe that this will make a significant difference, and we will have more to say at Budget time around how people can find out about what it means for them themselves.

In terms of what we will then do with Budget 2018, it is really, as the Prime Minister has said, a question of how do we make sure that the critical public services that New Zealanders rely on are to the standard that they want and that they deserve. We need to do that by investing in those public services and continuing to grow our economy, have surpluses, and manage our other costs and opportunities.

So in addition to those critical public services that we want to get back to where they should be, the other main focus in the Budget will be on sustaining economic development and supporting the regions. We know that in order to be able to provide New Zealanders with the public services that they need, we need a strong economy, we need an economy that can transition through the changes the Prime Minister was just talking about, and we need strong regions.

We will also continue to take action on child poverty and homelessness. No New Zealander is comfortable with the level of homelessness that we have seen over the past few years. And while it's easy for a Government to claim that a surplus is a sign of success, that level of homelessness cannot be allowed to continue and still claim success. We also want to continue to support all families to get ahead and ensure that they have a fair share in the wealth that is generated by our economy, and you've already seen some moves we've made on that. And, also, we want to continue to take action on environmental challenges, such as climate change, while protecting communities who are currently reliant on fossil fuel industries.

This package will be an important step in rebuilding those public services. But one Budget cannot make up for nine years of neglect. This has to be a long-term plan to invest in our future, and it is one that we are committed to.

We are equally committed to our Budget responsibility rules. They remain important not only in providing a discipline to us in how we go about making our spending decisions but also because they futureproof us in terms of any other external or, indeed, internal shocks, as we saw with the Canterbury earthquake. It is important that we balance those two things together. We know that we can do that. We can make important, progressive changes that

deliver to New Zealanders the services that they need and keep the books in a healthy picture, and that is what you will see when the Budget's delivered.

**PM:** Thank you. So I think, in short, to call the deficit that our health services are facing an accounting issue is ludicrous and wrong. All right. I am happy to take any questions on any issues of the day you might be interested in.

**Media:** Prime Minister, you sound like you're dampening down expectations for the Budget. Should we not expect anything big out of it?

**PM:** I had to dampen down mine when I saw the state that the last Government has left core services, like health and like education. I've always said that, from the beginning, we thought it would be bad. We didn't know it would be this bad. And the public are seeing just a snapshot of it now. The state of Middlemore Hospital, I think, is emblematic of what we're seeing across the board. In almost every portfolio I can think of, off the top of my head, I've seen examples of where there's been a lack of investment.

**Media:** So if there's an infrastructure deficit like this you've just discovered, why not change your Budget responsibility rules, because this is a man-made shock, a bit like a dreadful shock of the earthquake. Why not say: let's invest in infrastructure?

**PM:** Well, the first thing I'd say is, it's not just infrastructure where we're seeing that deficit. It's in the ability for those services to maintain the level of services that New Zealanders would expect within the funding that they've had available to them, and so you'll see examples of that from us in the lead-up to the Budget. But, at the same time, New Zealanders need to know that we are willing to prioritise. We've had to make some hard decisions, and the decision we're making is that we will balance the books whilst investing back into the core services that New Zealanders expect, like health and like education and like making sure that we're building housing.

**Media:** [*Inaudible*] this morning said that they're expecting Government surpluses of 0.5 percent for the next couple of years. Could we be expecting to see the Government using some of that money that would have come from surpluses into what you're saying with the infrastructure investment?

**Hon Grant Robertson:** Yeah, look, I mean, we've been clear from the outset that we have a slower debt repayment track than the previous Government. We said that we would reach the 20 percent target 2 years later. That obviously means, you know, the way that that debt gets paid down is through those surpluses, so, clearly, we are looking to use them a little differently. We have different priorities from the previous Government, and we're not simply going to claim success on the basis of the surplus if we haven't done the work that's needed to, in health and education. We believe we can make these critical investments and still stick to the rules that we've got, and you'll see the outcomes of that soon.

**Media:** But isn't it negligent not to invest to fix these problems, like sewage falling down the walls—

**Robertson:** We are going to be investing.

**Media:** —when you can borrow at 2.7 percent? No one in the bond market is remotely worried about you taking longer to repay.

**Robertson:** As I said, we are, you know, on a slower debt repayment track than the previous Government. We accept that we need to do more and we will be investing and making sure that we address those issues. But we said in the election campaign that the underfunding of health would take at least two election cycles to deal with. We talked about a six-year plan to try and get back the \$2.4 billion that the previous Government had underfunded health by. So we've been very upfront about the fact that this will take some time. We have a job that New Zealanders expect of us, to balance together fixing these problems and keeping the economy sound and ready for any other shocks that might come along.

**Media:** You're now telling us, though, that the situation is worse than you had thought, so—

**PM:** Sorry, what was that?

**Media:** You're now telling the situation is worse than you'd thought, so don't you—

**PM:** But not just infrastructure, as I say. Of course, we're seeing some very visual effects and impacts of the Government having under-invested in core services, but it's not just infrastructure that we're seeing the effects of that under-investment; I feel like I'm seeing it across the board. But what it really points to, though, is that it is wrong to claim that this is an accounting issue; it feels systemic to me.

**Media:** Yeah, but, given that, going back to Bernard's point, why don't you do more, then?

**PM:** And the point we're making is that it is our intention to, and you will see that in the Budget. But it means that we have had to prioritise some of our own priorities—the things that we went into the Budget looking at—because of the nature of the under-investment we're seeing.

**Media:** Does this under-investment, as you call it, mean that you are not going to be able to fulfil some of your election promises?

**PM:** No, of course the things that we campaigned on, of course, are over a three-year cycle, in many cases, and, in some cases, six. So, as the Minister of Finance has said, we won't be able to rebuild or deliver everything in one go, nor would the public expect us to do that. What we are articulating here is that this Budget is a rebuilding Budget. This Budget is a reinvesting in core services. That's what New Zealanders expect; that's what we need to do.

**Media:** Treasury's investment statement identifying problems with assets in social housing, the defence's state, corrections, education, and health—are you (a) able to put a dollar figure on how much is going to be needed to address those issues, and (b) how long you would expect that to take?

**Hon Grant Robertson** Yeah, I'm not going to put a dollar figure on it today, Richard, but, you know, we've already had advice, which I've talked about in Parliament before, about a \$14 billion gap in the health capital area, of which, you know, around about \$10 billion will need to be provided by Government. Those other areas that you mentioned are ones all of which we're looking at. But, you know, at the risk of being repetitive here, we were clear in the election campaign, this would take some time to deal with. You simply cannot expect, when you've got hospitals that have got mould in the walls—if that problem is replicated around the country, if there are other issues in the health estate around the country, you cannot expect one Budget to deal with those nine years of neglect. We'll lay out our plans in this Budget. People will be able to see them clearly. But this is a long-term project.

**Media:** From what you understand, is that problem replicated across the rest of the country?

**PM:** Yeah, it's not just what people will see in the walls and the buildings; it's whether or not there was enough preparation for very simple things, very simple preparation for what we're facing in other areas. And we will build the case for that as we lead up to the Budget as well.

**Media:** But aren't you just repeating the same Budget settings as the previous Government by committing to the 20 percent—

**PM:** No, we've got a longer range, as the Minister has said, debt track. Jenna, do you want to ask any other question? You look like I might not have covered what you needed there.

**Media:** No, no.

**PM:** OK.

**Media:** You've talked about, you know, the unspecified size of this capital liability—

**PM:** Not just capital—I'm going to keep making that point.

**Media:** Can I just focus on the capital one.

**PM:** You may.

**Media:** Is it bigger than what Grant was talking about when answering questions in the House late last year about the capital surprise? Has it grown bigger?

**Hon Grant Robertson:** I mean, we're getting more information every day, Richard. I mean, health, I think—well, that was what I was talking about in the House last year. The investment statement was clear that our education estate is aging significantly. You're obviously well aware of issues with the defence estate too, so those—we get more information about that all the time and we're building that up into a picture of how we can respond to that, and we'll lay out our plans and our programme for that in the Budget.

**Media:** Are you giving us a bit of a warning to pass on to the public? I mean, we can't get any more details on it today, obviously. Why have you chosen today to talk about it?

**PM:** Of course, these are some of the discussions that we have as ministerial colleagues in the lead-up to a Budget, and this won't be the only day we'll talk about it. We will continue to share some of the information that we've come across in the preparation for the Budget, but what we are flagging is that, as we've gone through this process, we've uncovered things we didn't expect. We want to build more transparency around that as we lead up to Budget day. But, like I say, as Ministers we've been engaging in this conversation for some time. We've decided it's one that we should be having with the public too.

**Media:** In a sort of a similar vein to that, the housing crisis, is New Zealand's public health service in full crisis mode?

**PM:** Well, we have, what, two DHBs from memory that broke even, two that were in the black, and the remainder facing deficits. We've had long-running concerns coming out of the health sector about their ability to deliver basic services, and now we have, you know, this very significant high-profile issue of one of our hospitals, in itself, just not being in a fit state. I think it's fair to say from all of those indicators that, yes, we have a health service under significant strain.

**Media:** Is it a crisis, though?

**PM:** Would I call it a crisis? Gosh, when people hear stories like Middlemore, that's certainly the impression you're left with.

**Hon Grant Robertson:** I mean, you know, if the previous Government, you know, claims not to know about what was happening at Middlemore, I find that quite hard to believe at one level in particular, which is that they underfunded the health system by in excess of \$2 billion, from what was needed just to stand still. And so the inevitable consequence of that is what you're seeing at Middlemore, and the strains and the stresses that you're seeing in other hospitals and other health services around the country. We made a commitment before the election that we would rebuild those services. It will take time to do that but that's our priority.

**PM:** And Middlemore themselves have said that they delayed what was needed to be done in order to try and meet the Minister's expectations around the DHB running a surplus.

**Media:** Did the problem at Middlemore leapfrog your intention to rebuild Dunedin Hospital?

**PM:** We have to consider that there are demands and health needs across the country, so Middlemore faces this issue. Dunedin obviously needs us to keep progressing their need for a rebuild, so we are, as a Government, having to make sure that we answer all of these needs that are presenting themselves.

**Media:** Just in the wider health picture, you estimated it with a \$2.4 billion shortfall before the election. Has that grown? Have you done any more estimates around that?

**Hon Grant Robertson:** I don't think we've redone that work since then, but that was obviously looking backwards to the equation that's made about what's needed to stand still versus what was funded.

**PM:** And, of course, the point that they'll be making to us and have made is that they also face wage pressures as well.

**Media:** And in that statement makes the point that some DHBs appear to have diverted capital funding into operational expenditure.

**PM:** Yes. Yeah.

**Media:** Has that happened on quite a wide scale?

**PM:** I couldn't answer that directly, but, certainly, we saw the case being made by Counties that one of the messages that they took from the Minister was that they needed to prioritise them delivering a surplus rather than addressing some of those really critical capital needs that they had, and they've made that point very clearly.

**Media:** The two areas that you outlined—health and education—in the past the Government has ruled out public-private partnerships in both those areas. Now that you've gone back and had another look at the numbers and they are as significant as you've said today, is that something that you'll review?

**PM:** Again, you're focusing very much on capital, and the point that I'm making and want to make really strongly is that there are some very basic needs that exist in both of these portfolios around just the delivery of services, before you even look at the schools or the hospitals they're delivering them in. That is as much, if not more, of a problem in some cases, for these areas. So we are having to meet both the operational and the capital side of the ledger, and both have been severely stretched over the last nine years.

**Media:** Is this a recognition that nurses are being underpaid?

**PM:** What, the fact that I'm pointing out that we have stress and strain in our health and education services? Look, I think, generally, the nurses have been making a point about the environment that they're working in generally, and they will be feeling the pressure, as everyone in the health system will, of a stretched resource. And so they've made points around staffing issues and a range of other things that aren't just about pay, and I think that's indicative of the environment they've been working in.

**Media:** Jonathan Coleman said today that Middlemore never told him about any of the infrastructure issues. What do you make of that?

**PM:** Yeah, and, again, I'd have to go back—or we'd have to go back—through all of the documentation, and even know some of the oral briefings to know whether or not that was the case. I think it is interesting that Counties did point out that they got a very explicit, or took a very explicit, message from the idea of having to deliver a surplus that affected their decisions around capital. So I think that there's something in that.

**Media:** Is that also partially a cop-out too—you know, they did have some responsibility?

**PM:** Oh, look, of course we look to our DHBs to make and prioritise the decisions that are most important to their area and the delivery of decent healthcare to their area. But we have to also acknowledge that they were working in a very tough environment.

**Media:** Do you believe Jonathan Coleman's statements today?

**PM:** Oh, you know, I always want to be careful about calling into question, you know, the claims that are made by other MPs and past Ministers. I haven't seen the evidence. What I don't believe is the description of it as an accounting issue. I just do not agree with our health services being in the state they're in because of an accounting issue. That is just wrong.

**Hon Grant Robertson:** And I wonder what he would expect to have happened in any hospital in New Zealand by underfunding by more than \$2 billion.

**PM:** Yeah.

**Media:** Given everything you've just said, is there no scope at all to extend that debt repayment track? Because it's only two years longer than the previous Government. Surely you could extend that by—

**PM:** And we have, and we extended it for the very reason that we wanted to make sure that, particularly, we had investment in housing. That was one of the very strong cases that we made, and we also made a case for reinvestment in the super fund as another reason for extending that debt track. So we have made a different decision. We have prioritised making sure we've got funding available.

But it's also about priority setting within the scope of both capital and operational allowances, and we're making different decisions than the last Government.

**Hon Grant Robertson:** And bear in mind, we also reversed \$8 billion worth of tax cuts straight away so that we could reinvest those into other areas, like housing and like reducing poverty. So we've made some big and different decisions. We have a different debt repayment track. I believe we've got a good plan that is going to be able to address these issues, but, I repeat, we will not be able to address nine years of neglect in one Budget.

**Media:** Would you have committed to those Budget responsibility rules about debt and surpluses if you had known then what you know now, which you say is much, much worse than you expected?

**PM:** I'm going to make a general comment before I hand over to the Minister of Finance, because one of the issues that comes up time and time again from voters is that, yes, they want us to reinvest in those core services. They want to know that their nearest school is the best school available, and that when they get sick that they'll have the health system they need to make them well again. But they also want us to be careful. They want us to prioritise what's important. They want us to be ready for any potential shocks we might face in the future, be that natural disaster or biosecurity. And so we have to make sure we balance all of those competing demands from voters, and I believe we can do that.

**Hon Grant Robertson:** Yeah, I don't have a lot to add, Bernard. I mean, they are rules that we clearly set out. We campaigned on them. I believe we can do the things that we need to do to begin rebuilding the critical public services that New Zealanders need with that framework. So I'm very confident about that. It's always a balance, and, as the Prime Minister has just said, New Zealanders want us to strike that balance and we believe we've done that.

**Media:** At post-Cab last week, Prime Minister, Minister Twyford said that anything that was in the previous Government's roads of national significance programme would continue as is, in light of the transport [*Inaudible*] that came out last week. Is that correct?

**PM:** Yes, that is correct.

**Media:** So, in terms of the Wellington Northern Corridor, all of those elements along the lines of the Mount Victoria Tunnel duplication, Terrace Tunnel duplication, Ōtaki to Levin—all of that work will happen?

**PM:** Well, all of that work, in my understanding, was put on hold.

**Hon Grant Robertson:** Not the Ōtaki expressway.

**PM:** Not Ōtaki—sorry, did you name Ōtaki in that?

**Media:** Ōtaki to Levin.

**PM:** OK, so let's deal with the Ōtaki element. Planning is continuing on the Ōtaki expressway. Once route selection is finalised, then there will be public consultation. My understanding is that the NZTA board have not made a final selection, and so, essentially, the process continues as is.

**Hon Grant Robertson:** On the other ones, Jo, those were on hold, those projects, as part of the work relating to the Basin Reserve and other related matters, and we'll continue to work on those. But they actually weren't being actively advanced under the last Government, I believe.

**Media:** That was quite a specific question, though, put to Minister Twyford not once but twice, about NZTA's roads of national significance, as defined by them. All of those projects, including those tunnels and a bunch of other projects—

**PM:** They were already on hold, and Ōtaki is continuing. Ōtaki is continuing in the same way. If we hadn't done anything last week, Ōtaki would be in exactly the same position it is now and will continue to be. The only difference is, of course, NZTA will be factoring in the Government policy statement. But, essentially, it still remains a decision for them. They're the ones still making route selection, still will go under a public consultation process. Nothing changes in that regard.

**Media:** Are you concerned about the mixed messaging, though? Because there's been a lot of stories that have come out of that area—Ōtaki-Levin area—where, you know, some people are saying, "Well, we think it's going ahead, based on what the Minister said."; others are saying it's in limbo. There's a lot of confusion there.

**PM:** Well, what he said last week is true today, still, so we've been consistent. It's continuing as planned. It just so happens that that particular project is still in a process of there still being route selection and NZTA making final decisions and consulting with the public. That continues.

**Media:** Did I hear you say before that you're indicating that there would be some things that you won't be able to do that you had hoped to be able to do—

**Hon Grant Robertson:** That's always true, I think.

**PM:** Particularly, I mean, you know—

**Media:** Probably not that specific, so—

**PM:** Yeah, oh, and in some cases, of course, we have to look at—as we've said, though, I mean, there may well have been an expectation that we would do everything in one Budget. Of course, that's not going to be the case and nor is that ever the case.

**Media:** I'm thinking more about does this have an impact of the implementation of R & D tax credits?

**PM:** For some of the specifics, you might just have to wait and see for the Budget, but, certainly, we've had to make sure that we are focusing on that reinvestment, on getting the funding and level of service right. And, of course, when it comes to all of our other priorities, we're just making sure that we're balancing that against that need for reinvestment up front.

**Media:** Is the Dunedin Hospital rebuild still on the same time line? Can you commit to it remaining on the same—

**PM:** Yeah, it's on the same time line.

**Media:** ANZ came out at the end of December talking about the Government not having a lot of wriggle room with its numbers, and indicated there might be some fiscal slippage.



**Hon Grant Robertson:** Fiscal what, sorry?

**Media:** Fiscal slippage. How does what you're saying today, in terms of what you're planning to spend, work into that scenario?

**PM:** We would still rebut that statement. Do you want to expand on that?

**Hon Grant Robertson:** Yeah, well, look, I mean, obviously there was a lot of forecasters giving a lot of forecasts. We'll wait until we have the final numbers to be able to give definitive answers around that, but we are confident that we can meet our Budget responsibility rules and deliver the plan to rebuild our critical public services. Obviously, you will have seen—and I know you follow them closely—the monthly statements, and you will see that there has been a bit more revenue come in, but we've got to use that carefully. There are many priorities for that, but we believe that we've got the plan about right.

**Media:** As the economy's progressed over the last six months and that bigger than expected surplus—has that given you any extra room to move at all? Is it any different from where it was at the end of last year?

**Robertson:** Look, I mean, you know, obviously, the economy has continued to deliver above the forecasts that were made. That's a useful thing for the Minister of Finance, but I've got to be very careful making decisions about that money and whether or not we spend it and how we spend it. But, clearly, it's factoring into our Budget considerations.

**Media:** I'm still a bit confused about why you're doing this. Is this a kind of "jam tomorrow" warning?

**PM:** Sorry? Is it a—

**Hon Grant Robertson:** Jam tomorrow.

**PM:** Oh, jam tomorrow—oh, in terms of why we're talking about it today. We're talking about it today because we are going through a process of Ministers making decisions in the lead up to locking in the Budget. But about jam tomorrow—no, it's about us setting some realistic expectations around what we're facing. Middlemore is but one of the things that we are having to confront.

**Media:** You haven't given any indication of the areas that won't be—the areas that might have to pay for this funnelling into the public services—

**PM:** Of course, all of that will become clearer as the Budget is unveiled, but we will be building a clearer picture of some of the cost pressures we're facing in the days and weeks leading up to the Budget.

**Media:** Just a question about PPPs and their possible place in the whole equation. I wonder, Minister, if you could expand on that. Admittedly, we're talking in very general terms, but do they have a part in the plan or not?

**Hon Grant Robertson:** Not in terms of health and education, no. I mean, that's been a long-held view of parties within the Government. We don't believe in the privatisation of education and health. We've seen some internationally bad examples where PPPs have gone wrong in those areas, so that hasn't changed. We do have a history and we continue to look at them within things like transport and urban infrastructure. And I've given speeches this year about the fact that when we look at what needs to be done, for example, in a place like Auckland, we need to look at innovative financing mechanisms. There are a range of those. PPPs can be a part of that but we've got a very clear position. They're not part of health or education.

**Media:** The Ombudsman today backed the Defence Force decision to withhold some information of the *Hit & Run* book. Does that impact your decision at all, or the Attorney-General's decision at all, to enquire into this book?

**PM:** No.

**Media:** And what's the time frame on that?

**PM:** Imminent—very, very soon. Any other questions?

**Media:** On the Northcote by-election, are you resigned to National holding that seat?

**PM:** Are we what, sorry?

**Media:** Are you resigned to National holding—

**PM:** Absolutely not. When has anyone ever said yes to that kind of question? Absolutely not. We will be undertaking our candidate selection very soon. If my memory serves, it's the end of this week, and, certainly, we'll be putting up a strong fight in that seat.

**Media:** Would you expect any cooperation with the Greens or New Zealand First in the same way you did with the Northland by-election?

**PM:** Oh, look, I set no expectations around this. That's ultimately up to each individual party, including National, whether they choose to contest. As I say, we've announced the date today, but, ultimately, that will be a call for any individual party and I imagine they're probably considering that.

**Media:** How much time will you be spending in Northcote over the coming weeks?

**PM:** Ah, a lot of that will depend simply on ability to spread the time. Obviously, we've got a very busy period in the lead up to the Budget, and so I'll need to make sure that I'm giving that the attention that it needs as well as making sure that I'm covering off all my other duties, including a bit of a travel programme for Commonwealth Heads of Government Meeting. But you will note that the by-election does kick in before my due date. Not that that's on top of mind for everyone else, but it is for me.

**Hon Grant Robertson:** And Northcote's a lovely part of the world.

**PM:** It's very close.

**Media:** Is that the reason for the timing?

**PM:** Ah, that's the reason it's not on the 17<sup>th</sup> of June, which is my due date, if anyone's interested.

**Media:** Are you able to say how many nominations you've had for—

**PM:** Ah, my understanding is more than one. But it would probably—well, that's legitimate. It might be only one contender. It's happened—Mt Albert. My understanding is more than one. But, obviously, there's a few more days yet, I believe. All right. Thanks, everyone.

#### **conclusion of press conference**