

POST-CABINET PRESS CONFERENCE: MONDAY, 3 SEPTEMBER 2018

PM: Good afternoon, everyone. Let me first give you an overview of the coming week. The week is framed, really, by the attendance of the Foreign Affairs Minister, Winston Peters, and myself at the Pacific Islands Forum in Nauru. Mr Peters, along with officials, Pacific leaders, and the New Zealand media contingent arrived today after heading off this morning. I'll be attending for one full day on Wednesday for the leaders' retreat, and making a series of announcements. As I've said previously, I will be raising issues to do with the detention of asylum seekers and refugees on Nauru during the forum, and have made it clear that I still hope to meet people living on the island while I am there. Mr Peters and officials arrived today and will be looking at what is feasible in this regard.

In terms of my movements to Nauru, as many of you will already know, I will be heading over at 2 a.m. on Wednesday morning, returning at 11.30 p.m. Wednesday evening, which allows me to participate in the leaders' retreat. I spent quite a bit of time deliberating over whether I would attend the Pacific Islands Forum in Nauru. I analysed all of my options. I'm not in a position, at the stage of Neve being just 11 weeks old, to have travelled with her, because she would not have all of the immunisations required to travel with me. The other option was for me not to attend at all, but given the importance that we place on our relationships with the Pacific Islands and the re-set, that equally didn't feel like an option. When weighing up, therefore, the logistics around travel, I asked officials to check what extra costs I would be imposing on the Crown if I were travelling separately. They assured me that because of the 757 not being able to remain on Nauru anyway but having to leave the island so other planes could come in and depart, and also the fact that if it wasn't flying there it would be taking up its hours somewhere else anyway, that on balance I decided it was worth me travelling for the full day on the Wednesday in order to fulfil my obligations as Prime Minister both here but also in representing New Zealand at the Pacific Islands Forum.

I wanted to share that with you to give some context. It is, as I say, something that I deliberated over at quite some length as to how I could make the Pacific Islands Forum work. This is a unique set of circumstances. I don't anticipate being in this situation again, and I'm happy to take questions on that if anyone has any.

But first up today I want to talk about the living wage and some changes that we have made recently, which is now having positive flow-on effects, and I want to invite to the stage Amanda Sykes and Sammy Tottenham—would you mind joining me briefly—two PSA members who work in the Public Service. Amanda is a library assistant with DIA and Sammy is a deputy registrar at the Ministry of Justice. This week Amanda and Sammy and 2,000 other core public servants were given pay rises as a result of our decision to pay everyone in the core public sector at least the 2018 living wage. As of 1 September, workers in the core public sector will be paid a minimum of \$20.55 an hour, and in our view they deserve nothing less. This is an issue of basic fairness.

The lift to core public service workers' pay is one of a raft of other changes that we've made, and they're all designed to lift the incomes of those on low and middle incomes, who have missed out, in our view, over the past decade. Just some of those changes have been, of course, the 164,000 workers who will benefit from our minimum wage increase, which came in on 1 April 2018. That's why, of course, we've said we'll also keep lifting the minimum wage to \$20 by 2021. We raised the income of over 380,000 families through Working for Families. We've approved major pay increases for mental health and education support workers in pay equity deals, and we've also, of course, made the decision around our own pay and the pay of public sector CEOs as part of the work we're doing to try and make sure that those on low and middle incomes are earning more, without seeing significant increases at the top end.

PM: But I think Amanda and Sammy wanted to say something for themselves, so I'll hand over, briefly, to them and then I'll open up for questions.

Sykes: Hi everyone. I just wanted to say that I'm really pleased about the lift to a living wage, especially for me with quite a large student loan, it'll just help alleviate that a bit more, as well as a contribution to my KiwiSaver and such. So, yeah, living in a place like Wellington, it'll just help alleviate some of those stresses that come just with day to day living, as well. So I'm really pleased with what's been done today, future things.

Tottenham: I really appreciate the change that has happened. It tells me that I am really valued for the work that I do and as a citizen of Aotearoa. So I really appreciate the opportunity to be here to say this, but to also know that I have a better chance at securing my future.

PM: And they've said that they're open to any questions anyone wants to ask, as well, about the living wage.

Media: What were you getting before?

Sykes: Ah, not the living wage.

Media: Closer to the minimum wage?

Sykes: Yeah, closer to minimum, I believe.

PM: Any other questions? You're off the hook. Thank you very much, the two of you. OK, I'm happy, then, to take any general questions that you might have.

Media: Prime Minister, this decision for you to have a plane fly back and pick you up to take you up to Nauru—

PM: It will be flying to New Zealand instead of the Marshall Islands. So my understanding is that, of course, because it can't sit on the tarmac, there is, literally, nowhere for the plane to be. It had to leave anyway. I think the alternative would have been to be in the Marshall Islands; it's instead coming back to New Zealand.

Media: So what is the additional cost?

PM: I do not know the additional cost; no one ever provided that.

Media: The Marshall Islands is about an hour away; New Zealand is 5½ hours away.

PM: Yes, that is correct.

Media: The return cost to fly a 757, fuel alone, is \$55,000. Do you think that's a good use of taxpayers' money?

PM: As I said, Barry, I asked officials when I was deliberating over this decision around the additional cost, and the response I had at the time—verbally, the response I had was it had to leave Nauru anyway. The point has also been made to me that there are a certain number of hours that is budgeted for for the 757, that that's either used for official visits like this or it's used for running up training hours, and that, in their view, this therefore wasn't a way to balance out or question the cost—that it would be spent any, essentially, was the message I had back.

Media: If you sought assurances about the cost, why didn't you ask what the additional cost would be?

PM: Well, obviously, the answer I had back was that those flying hours are allocated anyway, so I never had anything that suggested to me that it was such a significant spend that that was of concern. But I did weigh—the point I'm raising, the reason I'm sharing it is, I weighed up all of these issues because this is a unique set of circumstances. There won't be many occasions that have these set of circumstances, and it was something I gave a lot of thought to. But the other option was not attending, and that didn't feel right to me either. There's a considerable number of issues at present that are topical. We place huge

importance on our role in the Pacific Islands. I think, equally, there would have been criticism for my nonattendance, and so I made the call to attend.

Media: Presumably, those flying hours would have come at the expense of those flying hours being used on something else?

PM: Well, I cannot answer that; I simply don't have that information. But, certainly, the feedback I got was that it would have been spent otherwise. Whether that could have been training, and this of course is a substitute for that, I just don't know. But I was given assurance that the plane simply could not stay in Nauru; it had to leave anyway. So the impression I was left with was that it wouldn't be at great additional expense to any of the agencies—that was the impression I was left with.

Media: Well, it costs a lot more to fly one hour than it does five and a half, surely?

PM: Again, you're making—as I say, I haven't broken this down, but the feedback that I got, or have been given, is that if it's not spent doing this, then in other times on other occasions it would be spent doing other things, perhaps training or flying hours. I was never left with the impression that I was racking up an additional extra cost as a result of this decision.

Media: So perhaps this is at the expense of further training?

PM: Perhaps. Perhaps. I've never had that broken down for me in writing, but, as I say, I did ask the question verbally because I was weighing up all of these issues and making this decision.

Media: When did you make the call?

PM: I've been back and forth on it in some time. I couldn't give you a precise answer on that, to be honest, because we went through the logistics of it over a number of weeks. But this was something I was even deliberating while I was on maternity leave.

Media: Did you consider taking Neve up there a few days earlier, with Winston Peters on that same plane?

PM: She can't—she, essentially, isn't immunised to travel to Nauru. She's too young. She hasn't had all the immunisations required.

Media: But aren't you taking her overseas in a couple of weeks?

PM: Yes. They're not places where she's exposed to the same issues. And, actually, then she's had, I believe, another set of shots then—without wanting to get into all personal medical records and the like.

Media: Is the Government still committed to doubling the refugee quota?

PM: Yes, we are.

Media: So would you be surprised, then, that Winston Peters today, from Nauru, has said that the Government has made no such commitment?

PM: We haven't finalised all the details of that commitment, but that remains part of our policy.

Media: He said the Government has never made that commitment—

PM: It hasn't come through Cabinet. That's an accurate representation. But that is still a commitment that we have.

Media: So he's saying that you'd go as far as 1,000 but not to 1,500.

PM: That is a commitment that we've made. It hasn't come through Cabinet yet. What we have had to make sure that we can do is ensure that all of those refugees at this point can be resettled appropriately and that we have the facilities to do that. That's something we've had to invest in in order to build up that capacity to make sure that we do the resettlement process appropriately and properly.

Media: But given what he's saying, there is a chance now that you won't double the quota to 1,500?

PM: Again, I would want to check the context of all of those questions, but, as I've said, that commitment still remains.

Media: He said it's a Labour promise, not a Government promise. But subsequently the immigration Minister said 1,500, but Winston Peters says no.

PM: Again, it hasn't come through Cabinet yet. That's a fair reflection that that final paper has not come before us yet.

Media: So it could be kiboshed at Cabinet?

PM: No—well, no, I'm not pre-empting that, but what I am being clear on is, process-wise, it hasn't come to Cabinet yet.

Media: Is he sorting out something for you to do up there, when you're in Nauru, in terms of meeting asylum seekers, and will you be consulting with the Nauru Government—will you require their consent before you meet any asylum seekers?

PM: No, not necessarily. But my understanding is there's still some logistics around the programme that I understand, whilst Minister Peters is on the ground, is being worked through—yeah.

Media: Just on Meka Whaitiri, are you aware of any personal grievances that were made against her during the time [*Inaudible*]?

PM: I'm not making any comments on any other issues relevant to employment matters until this process has been gone through. This is something that natural justice needs to apply to. Ministerial Services are undertaking this work now, and I do want to let that process run its course. It's only fair to both parties.

Media: Did you ask Meka Whaitiri to stay in her electorate this week, or did she do it of her own volition?

PM: No. No, no—for me, this is—it was an open option. I support the Minister's decision either way. She has a significant electorate. There's always plenty to be done, whether it's here or in her area.

Media: Is she still drawing a ministerial salary, even though she's stepped aside as a Minister?

PM: Yeah, look, it's only fair that whilst we're undertaking an investigation into a set of allegations, that she, as and would be a case in other situations, she has stepped aside but still remains on pay while this investigation's ongoing. That's only fair—that's general employment practice.

Media: But given the discretion that you have, as Prime Minister, of who's in your Cabinet, is it safe to assume that she still has your confidence?

PM: Yeah, I'm not going to pre-empt any investigation that's currently under way. It would be unfair to do so. Natural justice needs to apply here, and it's only fair to all parties that I allow something that is contested to be looked in fully.

Media: How long will the investigation take?

PM: I understand it could take up to a couple of weeks. I've certainly conveyed, via my office to Ministerial Services, whilst I understand the process needs to be undertaken properly, that I would hope that it would be done in a speedy and efficient manner.

Media: Do you expect her to be back in Parliament next week?

PM: I haven't quite established that with the Minister yet, but that could well be the case. But that's not something that I've discussed with her directly yet.

Media: If issues or complaints were raised about her either during her time in Opposition or as a Minister to the Ministerial Services or parliamentary services, would you expect to be alerted about those complaints or issues raised?

PM: I'm not going to get into any other matters relating to employment issues, particularly while this piece of work is under way.

Media: It does speak to what you knew, though, as either party leader or Prime Minister—

PM: Keeping in mind I was party leader for seven weeks before the election, but, again, I'm not going to get into any situation around employment matters whilst this investigation is under way.

Media: Prime Minister, was the provision of three all-weather race tracks something that was agreed between Labour and New Zealand First during coalition talks?

PM: This will be a reference to, no doubt, the piece of work that was released on Thursday, which was commissioned by the Minister for Racing, but that right now is up for discussion and debate and isn't Government policy. But it is a piece of work that we hope will encourage the racing industry to engage in a bit of conversation about how to make sure we see the full benefits of that industry to New Zealand.

Media: Sorry; it did come up prior to that. The media report it before that report was released last week—

PM: You said three, though, didn't you? Did you say three? No.

Media: And the provision of—Shane Jones said the provision of all-weather tracks was a legacy from the coalition discussions.

PM: You already know what's in the coalition agreement. It's in the public domain.

Media: No, but that's not. That wasn't.

PM: What we've agreed to is in the public domain.

Media: But he said it was agreed during in the coalition, so—

PM: What we have agreed to is in the public domain. Everything else goes through Cabinet and goes through a process.

Media: But there is that document that none of us have seen—

PM: And as I've always said, the things that we've agreed to are in the coalition agreement and the confidence and supply agreement.

Media: How are you going to reconcile the closure of—

PM: That really cuts through, that voice—oh, there you are.

Media: How are you going to reconcile the closure of over 20 race tracks with your one billion dollars being spent on provincial growth?

PM: Of course, you're pre-empting the decision making around what's been in the discussion document, and no decisions on that have been made.

Media: Prime Minister, on the synthetic—

PM: Don't worry, Tova; I know exactly where you are every time.

Media: In July, the Acting Prime Minister said that the Government would be taking urgent action on synthetics. What's the Government done since then? What's the plan?

PM: Yes, and since that time I understand that the Minister of Health and the Minister of Police have been looking in their respective areas. I'll be asking them to give me a report back. But one of the things that I've looked at since then—you know, the number of hospital admissions that we have, for instance, across substances beyond psychoactive substances

is alarming in every single category. Alcohol far outstrips anything in terms of psychoactive substances. Methamphetamine's high as well—even cannabis. I think that's not to lessen what we're seeing from synthetics; it's to say we've a problem across the board. So if we are looking at that area we need to be really looking at addiction and treatment services generally.

Media: Except the Drug Foundation is saying that this is unprecedented, this is a public health crisis, and what you're saying doesn't sound particularly urgent when—

PM: No, what I'm saying is there's urgency around all of it. We have seen, according to the coroner's reports, certainly, based on what they're reporting, the level of—the death rate is certainly high, and that of course should be causing us alarm. But as I've said before, you know, the biggest tool that we have is saying that these items, these products, are illegal. We've already pulled out that tool and it still hasn't worked, and that's why we need to keep looking for answers. Some have said to me that access to addiction services is one of the keys but I've even seen reports from those services that in key areas that have said, "We're available" we've still got a problem. So this is an issue that is not easy. If it was I would have come out yesterday with a solution.

Media: How quickly can those communities that are affected—how quickly will they see resources to try and curb this?

PM: I guess that's the issue, and some of those communities are saying they already have them and unfortunately they're still seeing high use and harm. You know, this is me reaching out and saying those who have experience, what worked for you? We've got to try and find a way to stop losing lives, seeing harm, and yet when it comes to Government and the law, we've used that tool. What else is there? And so we're still looking.

Media: Labour still hasn't committed to appoint a person to sit on the cross-parliamentary group on mental health that was proposed by National. Will you?

PM: Sorry, we haven't put forward a person—

Media: Yeah. Labour's confirmed that they'll take part in a cross-parliamentary—

PM: Look, I wasn't aware of that, and I'm happy to look into it. I wasn't aware.

Media: Are you frustrated that the ministerial expenses are now three weeks' late?

PM: Yes. Yes.

Media: Do you know why?

PM: Yes, as the Minister for ministerial services has already set out, there was a book of information that apparently wasn't included that Ministerial Services discovered before they went to do the release. And so they've had to go back and do another check on their data set before release. But, yes, I am frustrated by that. Everyone's obviously waiting, and that was incomplete information.

Media: Last night Grant Robertson said the Government would still have done very well if it achieved a debt target of 20.6 percent of GDP in 2022. Does that mean the Government is not as committed to its Budget responsibilities—

PM: No.

Media: —as it used to be?

PM: No.

Media: So are you aiming for still 20 but will be quite happy to come over, or will we definitely have 20—

PM: Our Budget Responsibility Rules remain unchanged, and that is the target in them.

Media: So what did he mean when he said that last night?

PM: Yeah, well, obviously being able to achieve that, relative to other OECD nations, you know, is still a good outcome, but we remain committed to the Budget Responsibility Rules. Judge us once we get there, not what the anticipated result is.

Media: Prime Minister, I have a couple of questions on Abby Hartley in Bali. Simon Bridges has arranged a medivac for her which has been funded by private donors who contacted him. Is that cynical politicking?

PM: Ah, look, I think all of us were moved by the story because all of us have travelled—well, many of us have travelled—and, of course, no one wants to be in that situation. And we deal with, unfortunately, a huge number of these cases, and my hope always is that we have people who are well cared for when the incident happens and that insurance is able to support them if they are in a situation like the one we've seen. So if we're able to see that family supported and well, that's a good outcome. And, actually, if Simon's stepping in to provide some personal support I'm not going to criticise that, but from a Government perspective we have to make sure we do what we can, acknowledging that there are tens of thousands of New Zealanders that travel and many who we do end up supporting who have medical issues while they're away.

Media: So why not in this case, didn't the Government do that—

PM: When I say support, I mean on-the-ground support. Unfortunately, there just isn't the ability to help every single New Zealander who becomes unwell abroad. Our advice always is: please make sure you're insured. And, I have to say, for an insurer to call this a pre-existing condition just does not feel right to me.

Media: Just, finally, back on the refugee quota. Can you give a categorical assurance that the Government will lift the refugee quota to 1,500—

PM: Again, as I say, I've always been very cautious about this. This is something that we remain committed to, but it has not been to Cabinet and I've pointed that out a few times before. We've had other pieces of work that's needed to come through first, including making sure we have the budget available to get the resources up to make sure we can accommodate 1,500. And so we've already done that, so that should be a very good indication about our direction of travel.

Media: Do you expect this to happen in the first term?

PM: Yes.

Media: Yeah, you expect it, but it's no longer a Government promise, is it?

PM: As I'm saying, everything has to go through Cabinet. We've remained committed to it. We've put the resource in to make it happen. But we, of course, always go through a process. But, yes, we campaigned on 1,500, we remain committed to 1,500, and we're resourcing for 1,500, but it does still need to go through Cabinet.

Media: Prime Minister, is it a good look for our Minister of Health to appoint a chairman of Pharmac who's a former Labour Minister—

PM: If that—

Media: —without interviewing anyone else and against Treasury advice?

PM: The advice was about a reappointment, as opposed to opposition to another alternate appointment. But if the person you are pointing out has also been the vice-chancellor of a university that has 3,000 staff and oversees a budget of millions of dollars, then I think that person was eminently qualified, regardless of whether they had a political career or not.

Media: Do board appointments go through wider Cabinet scrutiny with—

PM: Yes.

Media: So the whole Cabinet had seen the proposal?

PM: Yes. So it goes through the appointments and honours Cabinet committee, yes.

Media: Were there any other alternatives offered?

PM: That's a level of detail that I don't tend to get into around appointments, but I am happy to say that it did go through APH, as do all appointments at that level.

Media: A Myanmar court just sentenced two Reuters journalists to seven years in prison after they reported on a massacre of Rohingya men. This is seen by a lot of human rights groups as a violation of free speech. Does the New Zealand Government condemn this?

PM: I haven't looked into the detail of that report. We have certainly expressed our concerns around what has happened in Rohingya, both within forum where Myanmar has been represented, in the likes of ASEAN and so on, and will continue to do so. So regardless of whether or not there are issues with the reporting or actually the issue itself, we have certainly raised those concerns in the past.

Media: Just back to the board appointments, isn't it good practice for a Government to interview a wide range of candidates for an appointment, even if Mr Maharey was well qualified for the position?

PM: Again, Mr Maharey is well qualified for the position. I can't speak to the individual process that the Minister of Health has gone through for every individual appointment, but there was no question raised over his qualification to do the role. What I will also say is that the official's initial advice was simply around a reappointment. The current chair of Pharmac had already completed three terms as chair since 2009, so it's not unusual to refresh a chair after that amount of time has been served. Right, any other questions? OK. Thanks team.

Media: [*Inaudible*]

PM: You're usually much louder than that.

Media: I'm trying to, well, take your advice on board. The appointment of Christopher Luxon, the amount of criticism that you've had over that, including from Shane Jones—do you think it was a wise appointment?

PM: Look. I'll take just that last one. Alright, I am going to answer that one. So the question was relating to the business advisory council. Look, I think the criticism is premature—I would say unfair as well. We haven't completed the appointments for the business advisory council. We already have a representative body around small business, but I intend to also appoint individuals who will be able to bring a small-business voice to the table through my advisory council as well. So I do call that criticism premature. Right, thanks.

Media: Have you told Shane Jones that?

PM: Yes.

conclusion of press conference