

## **POST-CABINET PRESS CONFERENCE: MONDAY, 12 AUGUST 2019**

**PM:** All right. Kia ora, everyone. Good afternoon. Starting with an overview of the coming week, this evening I'll be speaking at the closed Future of Work Tripartite Forum session here in Wellington. Tomorrow, I'll be in Rotorua, making an announcement with Minister Jones, followed by an announcement in Edgecumbe with Minister Jackson. Then, on Wednesday, I will travel to Tuvalu for the Pacific Island Forum, returning on Friday. Looking ahead to the weekend, I'm speaking at the centenary celebrations for Colin McCahon on Saturday evening and will then head along to the All Blacks' match against the Wallabies at Eden Park.

As you can see, I have Minister Jackson here with me this afternoon to share our Government's employment strategy, which I'll get to in a moment. But, before I do, I thought it would be useful to at least provide, or refresh around some of the context of the economic environment in which we are announcing this strategy. Our economy is in good shape with unemployment near record lows, at 3.9 percent; stable GDP growth, up 2.7 percent; low inflation of 1.7 percent; wages rising at the highest rate in a decade; and the Government books in surplus. Lower interest rates are an increasingly global phenomenon, and ultimately they are good news for mortgage holders and ultimately they also lower the cost of living. We are doing well in the face of headwinds, with our economy growing faster than Australia, the UK, the EU, and Canada, but we shouldn't be—and we aren't—complacent.

In the May Budget, we increased the operating allowance to \$3.8 billion per annum and allocated \$10 billion worth of capital spending, so we are already doing work to stimulate the economy. But for that to succeed, we need to ensure we deal with our skill shortage in industries critical to our economic growth, such as building and construction. We also have unemployment rates that are too high for Māori and Pasifika, and we have persistent unemployment amongst our young people that drop out of school or training. We need a joined-up approach across education and training, across the social welfare system, and active labour market strategies to work with people to get them into the right kind of jobs.

Now, you'll know the work we've done with our reform of vocational education to make sure that we're tackling the long-term challenges of skill shortages and the mismatch between training provided and the needs of employers, and you'll also know that our Ministry of Social Development response—which includes a significant investment in this last Wellbeing Budget of \$76 million—allows us to invest in 263 extra front-line staff to help support more people into meaningful work. Now, we add in the employment strategy to complement these efforts, with a focus on better and more inclusive employment outcomes for all New Zealanders. To succeed, it will need a cross-portfolio and cross-agency approach.

So the work will be overseen by Minister Jackson. It includes our labour market Ministers: Ministers Woods, Hipkins, Sepuloni, Lees-Galloway, and Martin.

I'll let the Minister discuss the details, but, broadly, there are five key objectives. The first: build a skilled workforce by ensuring the education, immigration, and welfare systems all pull in the same direction to unlock people's potential but also enable businesses to get the skills they need; secondly, support industries and regions to thrive by ensuring they are well served by the skills and training system; thirdly, support workplaces to modernise by encouraging them to make the most of an increasingly diverse workforce; next, support workers and businesses to be resilient and adaptable in the face of the changing nature of work—and that means also making sure that we're preparing ourselves with a good foundation of skills and then ensuring people go into lifelong learning—and, finally, supporting a more inclusive labour market. As I have said, this will take place alongside the changes this Government is making to education, training, and social welfare, and we anticipate they will make a real difference.

To make sure the strategy is delivering on expectations, Cabinet will receive regular reports: the first by the end of this year, and then on six-monthly basis. For now, I'm going to hand over to Minister Jackson.

**Hon Willie Jackson:** Thank you, Prime Minister. Yes, look, I'm really pleased that we've got this comprehensive and coordinated strategy right across the spectrum. So the general strategy, I think, is really good and it brings together a lot of our policies and our ideas. What I'm particularly pleased about, though, is that we have these strategies, or action plans that are inclusive. So we've got an inclusive strategy in terms of the groups of people, I suppose, that I've represented in the community for many, many years. So, as the Prime Minister said, the numbers are good, unemployment is good, GDP is good. We're looking good in all those areas. However, within those groups, we've got a number of people failing. We're talking about the elderly, we're talking about Māori, Pasifika, refugees, new migrants, those with disabilities, so we need specific and inclusive plans to complement what we're doing in a wider sense.

So, today, in terms of that, we're going to be releasing the youth action plan, as our young people are one of the most at-risk groups for unemployment and under-employment. Every year, there are around 9,000 young people who've been out of education, training, or work for a long period—over six months—and many more experience multiple periods of inactivity, and so both groups have a higher risk of poor employment outcomes. So the action plan for youth will put our young people on to a stronger pipeline to rewarding careers with decent wages. So we need a strategy where they can get out of, I suppose, the situation they are in pretty quickly, and we have those set-ups in terms of Mana in Mahi, He Poutama Rangatahi, and skills programmes right now that they can get into that we've been involved with for the last year or so.

So we're just really pleased to be able to access this. We also have a disabled plan that is going to be made available by the Minister for Social Development later on, and we have other plans that will be set up over the next six months.

It's really important that we create this pipeline so that our young people can get out of the situation that they're in, and I'm really pleased that this Government has been able to come up with inclusive programmes, unlike previous Governments, who have forgotten these groups. As I said, the numbers are good, but within the numbers, people are failing and people are falling over.

So all the Ministers are contributing to this. We've got a cross-ministerial approach right across the spectrum, and we've got the agencies who are coming together in a coordinated approach, too. I'll be overseeing this, along with other Ministers, and we're looking forward to the work over the next few months.

**PM:** Those who are interested: of course, there will be an employment-related announcement that Minister Jackson and I will be making tomorrow, which links strongly with the announcements that we've made today.

Happy to take questions on this, and then we'll move on to other subjects.

**Media:** Can I just ask why you're only announcing the youth strategy today and not all of them together—why hold off on that?

**PM:** Some of that work still needs to be undertaken. A particular example: in the past, from what I've seen, there hasn't been a specific focus on groups like our refugees and what work we're putting—and support around that part of our community to find meaningful and decent work, and yet after, particularly, I have to say, the time I've spent working within the Muslim community, that's been really one of the strong sentiments—that, of course alongside all of the issues that were raised in the immediate aftermath, they've raised the issue of making sure that they're given the opportunity to contribute meaningfully to New Zealand, and employment is a huge part of that contribution and dignity for them.

So making sure that we've got work brokers, we've invested in over 200 front-line workers to work alongside those who are accessing benefits and support through MSD. We now want

to make sure that we're being very targeted to help specific communities that may have specific needs, and there is a bit more work to be done for specific groups like our refugee communities; like, for instance, older New Zealanders, and, again, making sure that we have a very specific plan around our disabled workforce, who are more likely to be unemployed, too.

**Media:** You mentioned the strength of the New Zealand economy in your opening remarks. Just going back to what the Reserve Bank was saying last week, they said two of the most fundamental underpins of the economy was the low interest rate and the other thing was the fiscal stimulus—how much the Government was spending—and it also called on the Government to do a little bit more in that department going forward. Has your Government got plans to continue lifting how much it spends so the economy can stay buoyant?

**PM:** Yeah, and as I outlined in my opening comments, of course, we already made the decision to lift that operating allowance for the last Budget up to \$3.8 billion. You also saw in the last Budget a significant investment put aside for capital investment, infrastructure development. Now, the issue that we have is making sure that those programmes of work actually roll out the door in a timely way and that we have the workforce and the capacity to deliver on them. So already a significant programme of work, but, again, we need to make sure that we're dealing with the skill shortages that may, in fact, hold up our ability to stimulate the economy, by ensuring that those infrastructure projects are running in a timely way and meeting our expectations.

**Media:** Will we see a similar type of investment in next year's Budget, or maybe potentially more than that \$3.8 billion that you outlined?

**PM:** Well, we're certainly mindful of the role that we have to play in stimulating the economy. We're absolutely aware of that, and of course we've tried to get ahead of that with the decisions that we made in the 2019 Budget. Again, you know, \$1.7 billion to fix hospitals, and of course we've got the Dunedin project in there; we went for a 10-year project around education infrastructure, so there's \$1.2 billion of capital investment in schools; the \$1 billion into KiwiRail. Of course, you could include the Auckland City Rail Link—that's an additional \$400 million—the transitional housing supply in the Budget—that was over \$200 million—and then PGF capital funding—again, that's over \$800 million, as well. So, significant investment in infrastructure—that was a key theme in the last Budget. What we're particularly mindful of is making sure that we're delivering on even the investments we've made now.

**Media:** Do you have any ambition to—or appetite, I guess, to maybe pass some of that capital into the social welfare system, where the constraints aren't so strong?

**PM:** Do you mean in terms of—

**Media:** Benefits.

**PM:** Ah, OK. So, I mean, obviously, in part we have done that. So when we first came into office—and we're still rolling out the full Families Package, keep in mind. So that was phased over a period of time, so that's the increase in paid parental leave but also the Best Start payment—year ones—then rolled into payment for children once they reach age two and three. So that programme continues to expand over our term in office, and then when you add to that, of course, the indexation, those are all areas where you'll see the discretionary spending of those on the lowest incomes increasing under this Government, and we all know if you give those who are on the tightest income a little bit of extra money in their back pocket, including things like the winter energy payment, they are more likely to spend it. So we've seen that being featured in some of the messaging that's come out of Treasury and the governor around the stimulus being provided by the Government, but that doesn't mean we're not constantly looking at what else we could be doing.

**Media:** Could that package be kind of maxed next year, or was that the big package for social spending in this term?

**PM:** Well, just keep in mind one of our priorities. One of our priorities, of course, is addressing issues like child poverty, and so as long as we've set ourselves goals around

lifting children out of poverty, then we'll keep being mindful of what we're doing for those who are on the most constrained incomes in New Zealand.

**Media:** Prime Minister, if you're being so stimulatory, why are you running a Budget surplus of almost \$7 billion, and why did the Treasury reduce its capital forecast track by over \$3 billion in the Budget?

**PM:** Of course, you're making some assumptions about whether or not that will indeed hold, or whether or not that will reverse out, and so—

**Media:** It's the Budget forecast.

**PM:** Again, though, I don't want to make any assumptions here, though, around some of the extra forecasting that's come in the intervening period. However—and we've always made it very, very clear that in our mind, it's about making sure that we put ourselves in a sound financial position. That means keeping our debt low, keeping a surplus to ensure that in case we run up against issues like *M. bovis*, like natural disasters, that we're in a good position to deal with anything that we may not foresee, whilst at the same time increasing our spending, as we have—and we did, as you'll already remember from our fiscal plan, push out our debt track further than what the last Government would have so that we could invest in housing, so that we could invest in critical infrastructure. It's all about getting that balance right, and that's what we've continually tried to strike in the decisions that we've made.

**Media:** So why is it more important to go for a 20 percent net debt target, or a range of 15 to 25 percent, than solving the housing affordability and climate change issues that we've got over the next decade or so?

**PM:** Again, you're making an assumption that we're not. Richard?

**Media:** Yeah, are you saying that—

**PM:** Oh, I'll do something—what I might do is just check whether or not—

**Hon Willie Jackson:** No, no—

**PM:** Of course, the general economic commentary is relevant to our employment strategy, but anything specific on employment while Minister Jones is here?

**Hon Willie Jackson:** No, it's Jackson—Jackson. I think I look a little bit different!

**PM:** Oh, sorry, what did I just say?

**Hon Willie Jackson:** Jones.

**PM:** Oh, excuse me, Minister—definitely different. Just in the front here.

**Media:** In terms of pragmatic steps—like, for example, today you've announced the youth one—what will this strategy actually change? Like, what are the immediate steps you're taking to achieve these goals?

**Hon Willie Jackson:** Well, I think what we're seeing is we're seeing things happening right now. So this confirms a lot of the work that we're doing in terms of young people, in terms of Mana in Mahi, in terms of what we're doing in terms of the skills area, and we're ramping it up and making things a priority, particularly for the groups that I talked about, because those groups have been somewhat forgotten, not by us—we've been talking about them—but we want some of that work ramped up because we're seeing some success—particularly in the Mana in Mahi, where tomorrow we're opening up the second phase of Mana in Mahi.

So we're seeing real things happen in the different areas, and we needed a strategy because the reality is, you know, there's bits and pieces here, there, and everywhere, and we wanted a strategy where we could go to and say, "Right, that's the policy in terms of employment with regards to immigration." We've got to bring the different strategies together—immigration, social welfare, our industrial strategy—so that we've got one point to pick off. So that's what this is about—a coordinated and comprehensive strategy going right across the spectrum

that all Ministers can refer to. And we're already doing the work in the ROVE area, in the social development area, and in the industrial area—particularly with young people: Mana in Mahi, He Poutama Rangatahi. So I think what it does is it confirms what we're doing, and we'll be able to prioritise things, and, hopefully, get more things come Budget time.

**PM:** Yeah. I mean, obviously, I totally agree. With the youth employment strategy, you see that real consolidation of different activity going on across different portfolios, but in bringing it back altogether, we can also see where there might be a few gaps. So we know, for instance, that we're doing some good work for those young people in State care, and we're doing good work on their transition from State care and supporting them into employment and training, but, actually, still a bit of a gap and a bit more work to do around those more generally who are exiting school, and so that's where we know we need to do a bit more work on that career training support and advice. We know we're doing great work on improving things like access to driver licensing, but how can we make sure that we improve access to that across a wider range of young people—not just those in State care or on youth payment? So in bringing together these different strands, it helps us identify where we need to put a bit more pressure into the system to generate some of the really positive outcomes we're already seeing for some of the programmes we have put out there.

**Media:** You said migrant communities are raising employment issues with you. What are they telling you are the main challenges in them getting employment?

**PM:** Yeah, actually, one of the messages I have picked up is actually just some of that front-line support that you'd usually see through MSD. So just making sure that there's identification of the skills that they have and a bit more effort put into supporting them into job placements where they've got those existing skill sets. So just that front-line support, really.

**Hon Willie Jackson:** Childcare and that—a lot of them have problems in terms of childcare. A lot of them have problems in terms of—you know, we've learnt a lot of things over the last year, particularly through Mana in Mahi: you know, access in terms of some of them trying to get to the job. We've got the driver licence problem. So there are these different barriers that present in terms of young people, and we've been able to tweak things, and we'll be doing that with Mana in Mahi in terms of the second phase.

**PM:** Migrant communities will often be very individual though, and that's where that individual case management's really important. We've seen those numbers decline. So we want our Work and Income offices to have available front-line workers that can really work and support an individual person's individual needs. In a tight labour market, some of those issues will be much more specific and a bit harder, and that's why those front-line workers are really important.

**Media:** With respect to driver licencing, what are you able to do to help those small communities like Wairoa, for example, where you can't—there's no testing officer?

**PM:** Yeah. Well, we've already put in place funding for driver-licensing lessons for a young person. They can get a specific number of lessons paid for, their licence itself paid for, if they're on a youth payment or if they're a young person in State care, and so that's wherever they are in the country. It would be mean finding their nearest contractor in order to offer that service. In terms of the testing stations, you raise a good point. I'd need to look at, individually, what would be made available in places like Wairoa, but those are some of the barriers we're trying to overcome: access and cost—cost being a really big one.

**Hon Willie Jackson:** Wairoa is a priority with us, too. We had them here recently. So part of the whole PGF strategy, and that's—part of what we're looking at is some of the barriers that some of those young people are facing.

**PM:** And if you don't have a car—which is why, actually, just something really practical like funding lessons is really important.

**Media:** Are the lessons funded?

**PM:** Yes, for young people who are on a youth payment, or who are in State care. That's something we announced earlier this year.

**Media:** But the expansion to more people—is that funded, or is that an aspiration?

**PM:** Yeah. Currently, we have elements that are funded—so if you're in prison, in certain parts of the country, we've contracted, through the PGF, with the Howard League, in order to support that. We funded it, as I say, for youth payment and those children in State care. TPK has project as well—

**Hon Willie Jackson:** We have got a TPK project, yeah.

**PM:** —but it isn't across the board for all young people in schools currently, but we have targeted specific groups.

**Media:** Prime Minister, in light of Fonterra today announcing—

**PM:** OK, if we're—are we off the employment strategy one, yep?

**Media:** How do you see this affecting migration or, you know, skilled migrants coming into the country, or migrant workers coming into the country?

**PM:** Overall, of course, we've all had a focus in our employment and immigration policy, an aspiration, that we try and focus on putting New Zealanders who have the skills into the jobs that are available domestically; if those skills aren't available, that we make sure that we are training those domestic workforces, but, at the same time, businesses are able to access offshore if they need skills to fill those jobs. That's where we've been focused on. Our view is we haven't always done a great job at matching domestically, and that hasn't always been built well into our immigration policy, and then we haven't made sure there's an expectation that where the labour market has failed domestically, that we have that training expectation. So those are all things that the Ministers are working on.

**Media:** Have you done any specific modelling around that? I know before the election, you were looking at cutting around about 30,000 from doing this type of work.

**PM:** We never had a—that was the modelling around the likely outcome of some of our policies around that labour market testing, and the policies around our education changes. You'll have seen at the moment immigration numbers looking around the 50,000 mark, but we made an expectation around modelling at that time of the likely impact, and, of course, you know, some of that will play out over time.

**Media:** Given the effect that migration—sorry, given the effect that migration places—

**PM:** OK, shall we—last one on this.

**Media:** Given the effect that migration has on the economy and on the labour market, would it not be good to have a strategy that includes some numbers as well as, you know, looking at the types of migrants, to provide some certainty?

**PM:** But we've never been of the view that an economic policy should simply have a carte blanche expectation that increases in immigration should be used as a way to drive growth. Instead, our view has been that we need to make sure businesses are able to access the skills that they need, and that will include addressing skill shortages by accessing offshore labour. However, as we've constantly said, we don't think an economic growth strategy should be based purely on population growth and on selling houses. OK—

**Hon Willie Jackson:** Kia ora.

**PM:** Great. Thanks, Minister Jackson.

**Media:** Does this Government have any appetite to allow prisoners to vote before the next election?

**PM:** So we've now had, obviously, reports from the Supreme Court and we've had the finding from the Waitangi Tribunal, and, of course, at the time that the law was changed, there was a Bill of Rights report as well that found against the member's bill. Labour voted against

it at the time; we maintain the absolute same position. The Minister of Justice has said, you know, obviously, we need to respond. So he's going to do that work, because, ultimately, there's now an accumulation of reports saying that the law was wrong, the law change shouldn't have happened, and so now work needs to be undertaken to see how we address that.

**Media:** Does Cabinet agree on that, though? Have you checked with any of your Ministers—

**PM:** It hasn't been brought to Cabinet, so I don't want to pre-empt the position of other members of Cabinet. Obviously, as a party, we had a position. I believe the Minister of Justice has outlined how that is somewhat different than what's come back from the Waitangi Tribunal. Of course, the law change that was made, I believe, in 2010 was to strip away the rights of those with sentences of three years or less, so that's where the law had existed for some time. That was where the Labour policy had a view that that should never have changed and that it should be reinstated. I can't speak for all members of Government around that yet. Obviously, that's yet to be tested.

**Media:** So you wouldn't go as far as the Waitangi Tribunal have asked—you would go back to the three-year threshold?

**PM:** We've never had that policy, and so—the policy of allowing those with three years or less had grounding. It was to ensure that those, actually, who would go back into New Zealand society over the course of an electoral term would be able to vote on the Government that they would live in their communities under, so there was a sound policy reason for it. I believe it was also based, I think, on, if not a royal commission, a significant piece of work around where thresholds for voting rights should sit, and so that's the policy position we've always maintained.

**Media:** One of the—

**Media:** Just going—

**PM:** Yep—oh, sorry. I will come back to you, Richard.

**Media:** Some of the commentary around it this morning was saying that if you don't act on this, then you are just self-perpetuating the problem around human rights. Do you agree with that in principle, though, that it is—I mean, you talked about it very strongly in Opposition.

**PM:** Yeah, and our view then was the law should never have changed. Now, we've, again, seen both the Supreme Court come back and say it needs to be reversed; we've seen the Waitangi Tribunal take its position. So we need to respond, and we absolutely accept that. I anticipate the Minister of Justice will work on something to bring to Cabinet, but I can't pre-empt, in the diverse Government that we are, what the different positions of individual parties will be.

**Media:** So, do you mean New Zealand First when you're talking about that, because the Greens—

**PM:** I try not to speak for any parties in Parliament. I can make, and even I—I can make an assumption based on the statements I've seen today about the Opposition, but, ultimately, this was a member's bill, remember, rather than a Government bill, and in my mind it should never have happened—particularly, given at the time, it didn't pass its Bill of Rights vet—but here we are. Now that we've had these responses, you know, it is incumbent on us to respond, but it will be ultimately up to different members of Cabinet as to what the final outcome will be.

**Media:** Do you have a time line around when it's going to go before Cabinet?

**PM:** No, I don't, and look, you know, I will be honest: we do have a full work programme and agenda. But, having said that, we absolutely acknowledge we need to respond to this. We can't leave this issue hanging, particularly given the significance of the reports that have come into Government.

**Media:** Do you view the removal of the franchise as still commensurate for people who are on sentences of over three years—you don't think removal of liberty is enough of a punishment for this purpose?

**PM:** You know, look, I actually think if you ask any New Zealander on the street whether or not they think people, when committing a crime, think about the loss of their ability to vote in an election—I don't think that's what crosses their minds. But, again, this is not the first time his debate has been had. It's been had over a number of decades, and there has been a view that the balance is about right when we allow people to vote in a cycle where they are going to be out of prison. And so this is about saying "If you're serving a term of three years or less, you're actually"—more than likely—"going to be out of prison over the time that that Government of the day is elected.", and that tries to strike the right balance. So that's ultimately where this debate sits.

**Media:** Why [*Inaudible*] sentences of three or more years, though, because—to quote you back to yourself—you said that Parliament has a responsibility to respect fundamental rights for all. Does that not include all New Zealanders?

**PM:** But we also accept, of course, that prison does strip away a person's freedoms for a period of time. I don't think there's anyone who would deny that that is one of the roles as part of paying that price to society that does exist. So the question, really, here is: does that mean that while you're carrying out a sentence you should lose all of your ability to vote over that period, or is there actually a time that if you are going to be free, that you should be able to access a voting right? People have spent a long period of time debating this issue at great length, landed on the place that if it's three years or less, a vote is about the right balance to be struck, and I think that that had stood the test of time until a member's bill in 2010. All that the reports we are getting back now proves, I think, that that was the right place for us to have landed.

**Media:** Was there any discussion at the weekend, at the Labour Party council meeting, about the claims of bullying, etc., about the staffer?

**PM:** Yes, there was.

**Media:** Was there any more communication between the party and the parliamentary wing about what's going on?

**PM:** With the parliamentary wing, yes. My expectation is that the New Zealand council will communicate some of the decisions that came from—that flowed from that New Zealand council meeting. I believe that they will first want to communicate with complainants—as you would expect—and some time thereafter, I believe they may then say something more broadly on both the process around the current complaint but just the process around complaints, generally. For my part, I shared a very clear expectation that we do need to make sure that our processes are robust and that there will be occasion when, given the nature of our organisation, it won't be possible, nor desirable, for some complaints to be dealt with entirely in-house—where having neutral parties able to help the party navigate complaints will be appropriate—and that the party should look to build that in to part of their complaints processes in the future.

**Media:** But, as the Prime Minister and as the leader of the Labour Party, did you seek more information from the party itself or the president about the nature of the complaints about the identity of the complainant, because it's a political story that you are having to ask the questions on?

**PM:** Yes, but even then, whether or not I would divulge details that would then allow someone's personal information to be in the public domain, I don't think is something that you would expect me to do. I think you would expect me to constantly check and seek reassurances that the process has been robust and ask questions, and I have and will continue to do so. Where I've perceived that there's been failings, I've shared that, and, as I say, I did share an expectation that in the future the nature of our organisation means that I absolutely believe there will be a need for, in some cases, there to be a third party—a neutral



party—able to investigate complaints that all parties can have faith in, to make sure that we do not see a situation like this in the future.

**Media:** So would that be established by the council—an independent body—so that these complainants—

**PM:** Yes.

**Media:** —and others have somewhere separate, because that was, obviously, one of the criticisms?

**PM:** Yes, that's my expectation. Now, that won't necessarily—there will need to be a threshold for that, obviously, because the nature of complaints that a political party can receive can be many and varied, but there will absolutely be cases where I think that will be necessary.

**Media:** [*Inaudible*] you did seek the identity of the complainant from the council?

**PM:** No, the statement I made was that I wouldn't expect—even if I did know—that I would be divulging any information about the privacy of individuals. But I do not know the identity of complainants. I have had reassurances, though, about whether they are employed within Parliament.

**Media:** Can we go back to your comments about the Budget deficit. Are you saying that you are getting forecasts which indicate that the deficit will lead to the forecast—the deficit forecast—

**PM:** No. I did not—

**Media:** —[*Inaudible*] lower.

**PM:** No, I did not say that, and that was not my implication.

**Media:** So you said, though, that there had been new forecasts since the Budget, so—

**PM:** No. No, I misunderstood your statement, Bernard. That wasn't what I was implying, either.

**Media:** Is there a point at which the global economy, or worsening situations, would bring the Budget responsibility rules into—

**PM:** Sorry, what was the first part of your question?

**Media:** Is there a point at which the international economy and sort of the warning signs—if they start to impact New Zealand's economy, would the Budget responsibility rules come into play before the next election? Would that be a threshold for them to be—

**PM:** No.

**Media:** —revisited?

**PM:** No, and we haven't set any expectation that would likely be the case. We've obviously made statements about what will happen to the Budget responsibility rules after this term of this Parliament, and that's a period we'd move into a range, which has already been referenced today.

All right. We're already five minutes over, so I'll just take final questions, from—yep.

**Media:** In light of Fonterra today announcing that it's about to rack up a massive loss in the financial year just been, how concerned are you about our farmers' debt levels?

**PM:** Oh, obviously, you know, concerned enough about their relationships sometimes with their banks, so we've put in place a mediation process. But, of course, what we're talking about here today with what's happened with Fonterra is something separate entirely, again. This is—obviously, they're making a commercial decision off the back of investments they've made internationally, and I don't think that necessarily plays into anything more broadly than just decisions that they have made as a board.

**Media:** You don't think that the health of such a big company affects, basically, the health of the individual farmers—

**PM:** Yes.

**Media:** —of whom there are so many, and they're such a big part of the economy?

**PM:** Absolutely, but you asked the question specifically about their individual debt. Obviously, you know, I can only rely on what I hear from individual farmers, of course, but the degree to whether or not they build dividend into their thinking and planning I think probably will vary farmer to farmer. But I imagine that given some of the statements and sentiments having come out of Fonterra—I don't know how many of them would have banked on that dividend.

**Media:** How do you feel about the Chinese Government's—

**PM:** All right, last question.

**Media:** —statement that it is beyond reproach when it comes to its activities and actions on New Zealand university campuses?

**PM:** Ah, look, as I said at the time when you asked some questions around this area—look, we take, obviously, our own view on the right for individuals to engage in protest, particularly within our academic institutions. That's supported by the Education Act—the independence that our universities have. And so we'll continue to reiterate that, to highlight that, and I think New Zealand, as a whole, would be unapologetic about the fact that that's part our psyche, our culture, and who we are. Chinese representatives within New Zealand may take their own view, but it won't change our position.

OK? Thanks everyone.

**conclusion of press conference**