

POST-CABINET PRESS CONFERENCE: MONDAY, 5 AUGUST 2019

PM: Good, everyone—good to see you all. This evening I will speak at the New Zealand Red Cross event here at Parliament for the 70th anniversary of the four Geneva conventions. On Tuesday I will meet with the NATO General-Secretary here in Wellington while the Deputy Prime Minister and Minister of Defence will be meeting the US Secretary of Defense in Auckland.

I am in the House on Tuesday and Wednesday, and it's my intention again later on Thursday for the first reading of the abortion bill.

On Thursday I am undertaking a visit to Rimutaka and Hutt South, and on Friday evening I will speak at the Indian Weekender Kiwi Indian Hall of Fame Awards in Auckland. I will be in Northland on Sunday for a water announcement with Minister Parker.

Look, this afternoon before we move into questions, I want to recap on some of the progress we as a Government are making on long-term challenges facing New Zealand and advancing our agenda as we have done over the past week.

Yesterday in particular we made this country's single largest capital investment into radiation treatment that we have seen, and we brought cancer care closer to home for hundreds of New Zealanders. We've done that by replacing half of this country's radiation machines—what's called linear accelerators—with the explicit intent that people in Northland, Hawke's Bay, and Taranaki will for the first time have access to linear accelerators closer to them, whereas currently now, as many of you will know, they are obliged to travel.

When we replace what are in some cases 16-year-old machines, people's treatment in many cases will be shorter and more precise. I heard first-hand yesterday some of the difference that that health investment will make for those who are undertaking cancer treatment. Of course, one in two who are diagnosed would benefit from radiation therapy, but currently only one in three are accessing it. This, however, is only one tranche, one part, of our wider cancer action plan, and our Government's interim cancer action plan will be released later this month, and that, of course, will see further investment into our currently underfunded health system where too many people are seeing inconsistent cancer care.

On housing—on Friday the Government overshot on public housing by exceeding our target of 1,600 new public houses by 578, bringing us to a total of 2,178. That means we're building four social houses a day, as our construction programme reaches a 20-year high. And these ones are, of course, built to modern standards. They're double-glazed, they're insulated, and they have affordable heating mechanisms like heat pumps. Another 2,000 are on their way or under contract.

Last week we also set up a dedicated watchdog to make sure the water we're all drinking is safe. Of course, what happened in Havelock North where thousands of people got sick is not something we expect to happen in a country like ours. For too long oversight of water has been split between a number of agencies and legislation, with responsibility fractured and ineffective. That will no longer be the case under our plans.

Vocational education in this country has also been an area that has been troubled for some time. We did inherit a sector that was in decline. A 40 percent decline in enrolments at our polytechs in particular, with a \$100 million bail-out runs counter to the skills shortage that we are facing.

As announced last week, we've overhauled vocational training to increase the number of people in trades training and to plug nationwide skills gaps. Our plan puts business at the centre of setting the skills they need so that the institute will develop courses that match national and local needs. These are significant advances we are making across health,

housing, community infrastructure, education, and jobs—all announced last week for anyone who missed it.

Right, I'm happy to take questions.

Media: Are you happy with the abortion law reform legislation?

PM: I'm happy with the fact that we are for the first time, having taken this issue further than it's been taken since the late 1970s. This now is an opportunity for individual members of Parliament to exercise their conscience on this issue and to have the opportunity to finally see abortion taken out of the Crimes Act. Now, I made a pledge during the election that I would bring this issue to Parliament, and we are doing that, and, as I say, this is the furthest this issue has gone since the 1970s, but now it is in the hands of individual members of Parliament.

Media: What about that 20-week cut-off period? Abortion law reform advocates would say that any abortion that takes place after that date would be due to significant medical reasons anyway. Why is that necessary?

PM: So if you look internationally, you'll see that a range of jurisdictions have grappled with that same issue as to where there is a statutory test applied, and there's variation internationally, as well. Twenty weeks is essentially one of the points of test in New Zealand's current legislation. But, ultimately, what I'd hope is that members of Parliament will give members of the public a chance to have their say on that issue by at least seeing this bill passed at first reading so that the public can then have their say.

Media: Is there a test at all in the—

PM: Look, ultimately, the Law Commission brought three options forward. I think this option has the greatest chance of succeeding in Parliament, and I think that's really important, because one of the ultimate goals here has been to modernise this legislation. Yes, we need important protections in place, but ultimately this issue should not be in the Crime Act. That's been one of the ultimate goals of this bill. We've a chance since the 1970s to now change that in New Zealand, and I do hope that MPs give that consideration.

Media: The Law Commission option is 22 weeks, not 20 weeks. When was that decision made to shorten it, because the accompanying documentation—all of that's based on 22 weeks, basically.

PM: Yes, but you'll see that also the Law Commission produced a range of options. They suggested, as well, that 22 weeks was in the mix, as were a range of two other options alongside of that. Ultimately, though, as I've just said, it is about putting something to Parliament that has the strongest likelihood of potentially succeeding. That will be tested on Thursday.

Media: As the leader, do you have a feel for what the split will be in your caucus?

PM: Of course, I'm interested in the numbers overall, because this is a free vote. Every individual member of Parliament will vote based on their own conscience, and so Labour MPs are only part of the mix. My sense is that it will be close, but I hope one of the considerations MPs give is the chance for the public to have their say. That will only happen if it passes at this first vote. Ultimately, though, my commitment was to get a bill before the House. That's the furthest we've got since the 1970s, and I'm pleased we've got this far. The next stage, though, ultimately—that is going to come down to individual MPs.

Media: Are you concerned that while the public is having the debate that the debate could turn quite ugly?

PM: Oh, look, I certainly hope it doesn't, but I also understand that these are issues where people have deeply held personal beliefs, and that is why these are matters in Parliament that are not party political; they're matters of conscience. Individual MPs will vote according to their own belief system. Members of parties will vote sometimes in completely different ways, and that is probably why debates like this have not often been

held in Parliament, because it does require a bill, ultimately, to be drafted, and it usually is done by Governments, and when it's a conscience vote, that makes that more difficult to occur, process-wise. So what we've done is we've given Parliament the chance to vote according to their conscience and their personal beliefs, and now we'll see where that takes us.

Media: Are you going to Ihumātao?

PM: Ah, look, I haven't ruled that out. I don't have any immediate plans, particularly because my focus is on making sure that the Government plays a role in encouraging dialogue. So you'll see, of course, that last Friday, we were a part of discussions to try and encourage dialogue between particularly mana whenua and those who are currently at Ihumātao, to try and find resolutions. So that's the role we as the Crown are playing for now, and that's a role we'll continue to play for now.

Media: Police were seen armed with weapons, with guns, at Ihumātao on the weekend. Was that necessary?

PM: Look, I've asked some questions around that. So the first important point to make is, of course, decisions by the police around their presence at any event ultimately is operational, and rightly so. Government cannot and should not instruct police as to how they deal with operational issues. I have heard the issue of the police being armed. I've been advised that there hasn't been a decision around routine arming; that someone was seen moving a weapon but that there wasn't routine arming. So, look, that's just what I've been advised. I haven't verified that any further, but, ultimately, these are decisions for the police themselves and ones that you wouldn't want politicians instructing the police on how to deal with public events or issues of that nature. It's not for us to tell them what to do.

Media: Is a resolution any closer?

PM: Dialogue is ongoing. Obviously everyone will have seen that with the king coming on to Ihumātao on the weekend—that we now have that we now have that direct involvement with the king and Tainui, playing a role in trying to broker conversation, and I expect that that will continue over the coming days.

Media: How concerned are you that Chinese Government officials have been trying to suppress free speech and academic freedom in universities in New Zealand?

PM: Bringing this issue back generally, to an issue generally of foreign interference, I won't speak to any specific examples, because I haven't had any in recent times placed in front of me. I have heard accusations raised in the past by the likes of, for instance, Professor Anne-Marie Brady. But more generally around issues of interference, of course, we have not taken a country-specific approach, because we should be live to this issue generally, and that should include in our electoral system, ensuring academic freedoms just across the board. That's an area where we, of course, keep an ongoing brief on whether or not our legislative framework's fit for purpose.

A good example would be around electoral reform. Minister Little specifically wrote to the justice and electoral committee and said please keep this issue under advisement; look into this issue specifically for the 2017 election and advise the Government of steps we may need to take. So it's something that we, of course, keep a watching brief over, as you would expect.

Media: Is it appropriate for the Chinese consulate to pressure AUT to not hold a Tiananmen Square commemoration on its campus?

PM: Look, again, issues of academic freedom we would expect to be upheld by institutions. Of course, for us, as a general principle, academic freedom is very important and my expectation would be that individual institutions continue to uphold that and make decisions without interference from foreign entities or from Government.

Media: The alleged shooter in El Paso, Texas cited Christchurch as an inspiration. He's not the first mass shooter to do so. Are you concerned that the Christchurch attacks are becoming a symbol for violent white nationalists?

PM: I think New Zealand would have only one memory that they would wish there to be around 15 March and that would be the absolute resolution of the entire country against acts of hatred, against acts of violence, and against acts of terrorism. We would also probably wish for it only to be remembered for the unity that New Zealand displayed alongside the Muslim community. We would wish for it to be remembered for nothing else.

Media: Is there anything that can be done to stop these white nationalist attacks, in your view?

PM: Of course, this is a global challenge and, of course, we can do what we can to defeat acts of hatred and violence and racism in our own domestic areas, and that's our responsibility, but, I think, as an international community, we have to also be united against acts of hatred violence and terrorism.

Media: Will you be reaching out to folks in El Paso, either the authorities or other folks there?

PM: We've absolutely already expressed our sincere condolences and I convey that in person again. New Zealand would wish to be remembered for nothing other than the compassion that was displayed to those who were victims who were affected on 15 March and for our absolute unity against violence, hatred, and racism.

Media: Both the El Paso gunman and the Christchurch shooter posted anti-immigrant views on 8chan.

PM: Yes.

Media: Does there need to be stricter monitoring of online forums like that?

PM: Yes, and there's been some discussion for some time around forums like 8chan, and I haven't seen to date solutions to deal with what is a global issue. Of course, we're doing what we can around the spread of hatred and violence, and particularly terrorist and violent extremist activity online, through the Christchurch Call, and that's work that we will continue. But I think it is clear that 8chan is a particular issue.

Media: The founder of 8chan has asked for it to be closed down. What do you think about that?

PM: Obviously there's some realisation of the way that platform is now being used.

Media: Actions around BNZ and the practices that have been going on there from Australia—have they strengthened calls in your opinion for a full royal commission of inquiry into banking in New Zealand? Now ANZ and BNZ; most New Zealanders back with one of those two banks.

PM: I think it's a further example of why the work that's being done at the moment is so important. So as you'll already know, we have phase two of the Reserve Bank Act review under way, and that's looking at whether or not the right tools are available to the Reserve Bank to deal with conduct issues, particularly with directors and senior executives. There's already been work, particularly as you'll recall, around the way that insurance products have been used in New Zealand. This question, though, of whether or not a royal commission would add anything, for me it's not clear that it would give us anything more than what we are already doing. So there's absolutely an acknowledgment work needs to be done, and the point is we're already doing it.

Media: The probe last year from the RBNZ and the FMA might have been incomplete, given what we've now heard in the months after that—that there actually were issues in those banks that they looked at, that weren't picked up in that particular probe.

PM: Some of the issues were historic. Again, I think it would be, therefore, too premature to say that some of the subsequent work that's been done somehow was ineffective. Of course, we're still under way, particularly with tranche two of the Reserve Bank Act reform. So I think we need to allow that work to be completed before we rush to judgment on that.

Media: The payment for Iranian oil in 2017—that should have been picked up in that inquiry, shouldn't it?

PM: Again, I think allowing tranche two to play out, allowing that work to be completed first, is important. The question I would have is whether or not we would get any different outcomes by engaging in what would be a much longer term royal commission than what we're already generating.

Media: Are you confident the banking system is robust at the moment. Are you confident that it's safe and robust and that the culture of those banks is good enough to acquit us well in a crisis?

PM: Clearly we've had concerns and that's why we're undertaking the work we are. It's also the reason that we're looking at the deposit scheme. So that's an acknowledgment that whilst our banking system is sound, improvements most certainly could and should be made.

Media: And the Reserve Bank has enough funding to properly monitor these huge corporations?

PM: If that is an issue, it's not something that's been raised directly with me.

Media: Do you think the Chinese consulate has interfered in New Zealand affairs by publicly putting out a statement praising those people who beat up protesters who were at the support of the Hong Kong protest at Auckland University?

PM: Look, I haven't seen that statement directly myself so I'd feel ill-equipped to make a statement on that at this time.

Media: What's top of your agenda tomorrow when you meet with the NATO Secretary-General?

PM: Particularly, the deployment in Afghanistan. You'll recall that we recently made announcements around our intention to change the nature of that deployment. When I met with the Secretary-General in January in Brussels, one of the things that we discussed was the role that New Zealand could play around peace and security. Particularly, NATO had an interest in the involvement of women in peace and reconstruction, and that's something that I'll be looking to discuss again with the Secretary-General tomorrow.

Media: Prime Minister, Simon Bridges caused a bit of a stir last week by calling you a part-time Prime Minister. How do you feel about that?

PM: You're talking 20 hours, 30 hours? Look, to be honest, I haven't given it much thought. I just put it under the heading of politics.

Media: Do you think you're working hard enough?

PM: Yes, I do.

Media: Do you have any thoughts on Australia, about the US approaching them, in terms of what's happening with Iran and in the Gulf? Have we had any approaches from the US?

PM: We've had what I would call general approaches, nothing specific, so it would be premature, I think, to classify it as a specific request from New Zealand at this point of time. But they've been generally seeking support from partners. You will have seen, of course, that we've been very clear in our position around the activity, the escalation, condemnation of the activity in the strait. But, again, too premature to say that we've had a specific request at this time.

Media: What would be the response if there was a formal request?

PM: Oh, I don't want to get into a hypothetical at this stage. We take requests like that as they come.

Media: To Barry's question, when Simon Bridges called you a part-time Prime Minister, Grant Robertson said that was sexist. Did you think it was sexist?

PM: Again, I didn't spend too much time thinking about either the original statement or indeed the response.

Media: Given the massive DHB budget blow-outs, has this Government underfunded health?

PM: No, you will have seen, of course, that we've made significant both operational investments and capital investment, and even, for instance, the announcements yesterday around linear accelerators are an example of our acknowledgement that the expectation that DHBs fund out of their general funding really significant capital investments has put strain on them. So linear accelerators, the original first cut of those that have been deployed—that's \$25 million.

Now, the previous Government allowed DHBs to fund that themselves, and that's why machines that should be replaced, say, roughly every 10 years have not been. Some are as old as 16 years, so by taking on the onus of funding those centrally, we're taking pressure off DHBs. It is fair to say, though, that they have sweated assets for a long time. They have been in what I would call a state of decline, and the projections around their shortfalls have been hidden for a number of years before we took office.

We are now in a position of trying to get some recovery in the health sector, and that is going to take some time to turn that around. Our focus in the meantime is making sure that we rebuild their infrastructure, and that, actually, patients—New Zealanders—who walk through the doors of their public health services don't feel the effects of that, so keeping those services maintained while we try and fix what is a very broken system.

Media: Do you think that the Government should be providing more fiscal policy help for the Reserve Bank, which it now seems is likely to cut interest rates this week, and we've had very weak consumer and business confidence in the last 10 days or so?

PM: Well, I'm not going to make any determinations over what the Reserve Bank might do before they do it, but if you're implying that we should be putting more stimulus into the economy through central government spending, I'd say we're already doing that. When you look at—

Media: I mean to the Treasury's fiscal impulse, which shows you're actually detracting from economic growth in this—

PM: Again, there's a number of caveats around those calculations, as you well know, and, of course, they don't necessarily take into account secondary stimulus effect either. But when you look at, for instance, our spend in the last Budget, relative to 2018 going from \$2.4 to \$3.8 billion—a significant portion of that, of course, going into investment that goes into individuals' back pockets, particularly around those who are on social welfare, which we can anticipate going back into the economy.

If you also look at the increase in people's pay—nurses, teachers—and the knock-on effect of that, but at the same time we've also invested in infrastructure. Now, there are certain limits to how quickly that infrastructure investment and the benefits of that investment will be felt. We know we have constraints in our workforce, and so while we are pushing into education, health, and other forms of infrastructure, there's only so quickly that we can build it, and that is one of the capacity constraints that we have, and so I think we're pushing, probably, as realistically hard as we can.

Media: So why is unemployment 4.2 percent and expected to rise tomorrow, above the target your own Government set?

PM: Yeah, and I've seen some of the—well, of course that's over a forecast period, and we've had an expectation that that would move around. I've seen the speculation that it might sit somewhere around 4.3, maybe 4.4; we don't know. But, of course, that is still a relatively tight labour market, and some would interpret it as very close to full employment. We know, however, and these are questions I ask of MSD—those areas that are most likely to feel the effects first, when you see some softening in the economy, are often those who fall off into unemployment the quickest, and that's likely to be what we've been seeing in recent times, particularly around benefit figures.

Media: Just quickly back on 8chan, would you like to see 8chan shut down?

PM: Look, those aren't decisions for me. What I want to make sure, though, is that we do what we can to create a regulatory environment where we do not see violent extremism and violence and terrorism circulated online. We do have a sense of responsibility to try and create that framework. But New Zealand can't do that alone. These are international platforms, and that's why we have been trying to work globally on some of these issues.

Media: Do you see any benefit in the site?

PM: I've certainly seen the way it's been misused. No one would agree what happened on 15 March should have circulated in the way that it was, and that was one of the platforms where that happened.

Media: But would you encourage Spark, Vodafone, and 2degrees to repeat the thing that they did on 15 March, which is to block 8chan—to do it permanently; not just for a day or two?

PM: Of course, the issue for them is the regulatory framework—the basis on which they can do that. At that time, my recollection, of course, was that that was their way of dealing with a decision that had been made about objectionable material. So some of those issues we know that we need to make sure that our domestic framework is up to date and can move at a pace that's dealing with an online environment, not just a published environment. And so that's work we're undertaking. But I think it demonstrates that we do have a bit more work to do to make sure that our framework's modern and fit for purpose.

Media: With the Christchurch Call, have you had any more countries or big corporates sign up since Paris, and if not, how do you keep the momentum around that?

PM: Yes, interest has been ongoing, but rather than just have individual countries sign up on an ad hoc basis, we'll be looking to do announcements around additional signatories when we gather together again in September. All right, I'll just take one more question.

Media: The briefing that outlined the latest deficits for the month of April, I think, was unread for potentially two months in David Clark's office. Is that good enough?

PM: Oh, look, I wouldn't want to speak to that without asking that question directly of the Minister himself.

Media: Does it always take that amount of time and is that good enough?

PM: I wouldn't want to make that speculation until I have the chance ask the Minister himself.

Media: Just on the shootings in the United States, is it irresponsible to claim that the shooters did what they did because of mental health issues?

PM: Look, the way that individuals respond to crises are matters for them. I can only speak to New Zealand's experience, but when people have their own domestic experience that's for them; not for us to comment on. OK, thanks everyone.

conclusion of press conference