

## POST-CABINET PRESS CONFERENCE: TUESDAY, 28 APRIL 2020

**PM:** Kia ora koutou katoa, good afternoon. Welcome everyone to day one of alert level 3. I want to begin by stressing that at alert level 3 we are not out of the woods. As I have said before, it is a recovery room, of sorts, to assess if the incredible work that New Zealanders have done at level 4 to break the virus's chain of transmission and prevent further community outbreak has worked. As Siouxsie Wiles said today, "There may still be some smouldering ashes out there. And they have the potential to become a wildfire again if we give them the chance. It can take from two to 10 days for people who are exposed to the COVID-19 coronavirus to come down with symptoms. That means we wouldn't smell the smoke for a few weeks. And that could put us back where we started before the lockdown." So with more people going back to work today, we need to be even more vigilant at level 3 to prevent any inadvertent spreading of the virus. We must continue to stay home where possible, including for work and education. Please stay regional and limit non-essential travel, and even though you can expand your bubble, keep it as small as possible, and exclusive. And finally, if you're sick, stay home and contact your GP or Healthline and get tested. It may feel like a minor symptom to you, but it could be a significant issue for all of us.

What level 3 does represent, however, is the move towards getting our economy moving again, to getting more New Zealanders back to work, and to opening more of our businesses. Businesses restarting at level 3 will see around 400,000 more New Zealanders back at work, taking the total to around 1 million Kiwis working. At level 3, around 75 percent of the economy is operating, with key sectors like building and construction, forestry, manufacturing, and contactless retail starting back up. Importantly, major infrastructure projects start up again today. Over a thousand road and rail construction workers are back working on major projects like Transmission Gully and the CRL in Auckland. However, we also know that the lockdown has displaced many workers, and there is real need for jobs in our community. The Government—we will do all we can to ensure we fight the economic impacts of the virus in the same way we did the health threat, with unity, with fast support, by looking after one another. I'm joined here today by Minister for Social Development, Carmel Sepuloni, who will have more to say on further measures we have put in place to support workers and businesses, including an online job platform to keep workers and companies connected, extra employment centres, and agreement with industry on providing rapid micro-credentials for people needing to retrain. I'll hand over to Minister Sepuloni.

**Hon Carmel Sepuloni:** Thank you and good afternoon everyone. Over the last few weeks, we have paid out \$10.46 billion worth of wage subsidies to keep 1,694,281 New Zealanders in work and connected to their employers. It's been a huge task to implement, but also a satisfying one. The feedback from employers and employees has been overwhelmingly positive but we still have work to do. As a Government, we need to continue to be responsive to the evolving situation in response to the impacts of COVID-19. We know that a big part of keeping people connected is about keeping New Zealand working. Even before lockdown, our Government had developed and launched our employment strategy in August of last year—and I acknowledge our Minister of Employment, Willie Jackson, for his leadership on that important work—and part of our welfare overhaul was seeing MSD ramping up employment-related focus.

Last year we boosted MSD's work-focused case managers by 263 and invested significantly in programmes that support both employment and upskilling and training, like Mana in Mahi. Before New Zealanders went into alert level 4, the Government worked quickly to stand up rapid-response teams from MSD across the country to work in regions immediately affected, regions like Tai Rāwhiti. These teams have been helping to connect people out of work up with employers in some of our most hard-hit sectors. Under alert level

4, MSD continued to place people into work over the phone, including supporting the redeployment of people to essential services. This work has made a difference for many New Zealanders, and we're still poised to respond in earnest.

As a result of the impacts of COVID-19, unemployment will rise before it improves. We need to continue to act quickly to keep New Zealand working. That's why we're announcing today a suite of Keep New Zealand Working employment service initiatives to support those who may be out of work or at risk of losing their job. These will be delivered through MSD so that we can effectively engage with more New Zealanders in this unprecedented time. The Keep New Zealand Working online job platform is now live. It connects job seekers—any job seeker—directly to the employer, making it quicker and easier for people to find work. It also provides training courses for those looking to upskill. You can access it via the Work and Income site. We will also have 35 new employment centres across the country. Through these employment centres, MSD staff will work with employers and job seekers under level 3 over the phone and online to match up employment opportunities. This will expand to face-to-face engagements with clients and employers and providers under level 2. We are implementing other services, which will fast track those people that need to reengage quickly with the job market and a specific service for those directly impacted by COVID-19 who are not on main benefit. These initiatives are key to supporting New Zealanders during a time when rising unemployment due to COVID-19 is a global phenomenon. We're already seeing dramatic increases in unemployment in countries around the world like Australia and the UK, and New Zealand has not escaped this reality.

Finally, I'd like to say we administered the wage subsidy for 1.6 million workers successfully over four weeks of lockdown by working hard and being adaptable. We will deliver our employment efforts with the same dedication and resilience to keep New Zealand working.

**PM:** All right, thank you, Minister. We're happy to take questions.

**Media:** Prime Minister, do you stand by your statement yesterday that we've won the battle when it comes to contact tracing?

**PM:** You'll remember, of course, the Director-General pointed to his view that we have reached a gold standard, but I continue to place the caveat on that that when it comes to contact tracing, we've managed to do that in an environment with a low number of cases and whilst we've been in lockdown. The key for us will be, as we ease those restrictions, maintaining that level, but also, for that, I call upon all New Zealanders to help us. If you have symptoms, get a test, because the clock starts running and counting down as soon as you feel sick.

**Media:** And so you maintain that we've won the battle against community transmission?

**PM:** On community—but it is an ongoing battle. There is not one point in time that this mission ends now. Yes, we have done that in lockdown. The goal now is to keep up that work. So we're now in the next phase of the battle, and we are not done—I don't think anyone will dispute that I have said that continuously, and you have all benefited from hearing that ad nauseam.

**Media:** Is there a magic number of cases that you would keep us in level 3? What's the number of cases that would count as that wildfire that you talk about?

**PM:** Yeah, you'll recall that, actually, I pointed to a scenario in Taiwan, for instance, where they've managed to get down to very low numbers of cases—sometimes zero—but in recent days they've had the return of a navy ship that has brought their case load up. So it very much depends on the circumstances. But, again, I also rely on the advice and information by our epidemiologists and by the Director-General as to whether or not we're in the position to move to a lower alert level.

**Media:** We heard from small businesses at the select committee this morning saying that they're really struggling and, with only a handful of cases, why are we still in all these

restrictions under level 3? Especially with people like MPs and Ministers coming back to work, can you justify to them why they can't?

**PM:** Yes. And look, with caution. And this is where I really cannot emphasise enough: no one wants a second wave in New Zealand, and we must guard against that. So we are moving cautiously down through the alert levels so that we don't have to go backwards. That would be terrible for New Zealanders' health, but also the economy. So it is about moving with certainty in the hope that we don't go backwards.

The next point I would make, in terms of why is it that some workplaces are going back and others are not. We have placed special requirements at alert level around things like retail or where you have high degrees of contact with large numbers of people. In this room right now, we know everyone who is in this room. And in workplaces, we are able to manage, then, who people are having contact with—much harder in hospitality, in retail, where you have larger numbers coming together and often in close contact.

**Media:** In terms of timing, will you give people warning?

**PM:** Yes.

**Media:** I know 11 May is when you will decide, but how much warning will you give people?

**PM:** Well, look, as a general guide, I've never come down here—and have no intention of coming down here—and dramatically lifting alert levels in one announcement, without their being a time line for the way that that will be implemented. Of course, you will have seen to date that, often, we've given a period of notice—whether it's been 48 hours, or others. That's always been so people can plan and prepare, and so that we can do it in a really confident and controlled manner. And I think, by-and-large, that's been an accepted approach.

**Media:** Could the Government have done a better job in communicating what elimination is? Because yesterday Dr Ashley Bloomfield said that we can achieve the goal of elimination—obviously what he was referring to is achieving the goal of elimination, or the goals of elimination—under level 4. Can you understand why people are very confused?

**PM:** You will have heard—and this something, just, a simple matter of the fact that we are all now entering into the world of epidemiologists. And they know well what each of these terms mean in a health sense, but of course in an everyday sense they mean often something different.

You'll have heard me continually say elimination does not mean zero cases. It will mean an ongoing campaign and zero tolerance for cases. We will have to keep stamping COVID out until there is a vaccine. We are not done, but you can see that we have managed, successfully, under lockdown, to end community transmission. We need to keep doing that as we go.

**Media:** Last week Phil Twyford told attendees at a conference that any move by councils to trim rates will impact the Government's ability, or willingness, to invest in partnerships in infrastructure. Is that the Government's policy?

**PM:** Look, what we do know is that, in the same way that there will be an impact on revenue on Government, there will likewise be with council. But actually, what we need to ensure is that we have a joined-up approach for acknowledging that there is actually, now, more than ever, the need to invest in infrastructure for the stimulus that will be providing; whilst also having an eye to the day-to-day impact of costs, in all forms, to households when many people are suffering the economic impacts of COVID. So those are the two competing interests that central government and local government will need to work on together. I'm confident we can.

**Media:** Schools and ECEs open tomorrow—what proportion are ready to open? How many children are they expecting? And have some teachers already been asked to help out other schools because of demand?

**PM:** I haven't had that report from the Ministry of Education, but certainly what I am getting—the initial feedback I've had—is that the numbers that are returning are very low. Again, I want to wait for the official word from the Ministry of Education, but initial signs are that we're expecting a very, very small number to return to schools. That's as it should be. We are still asking people to stay home and work from home and learn from home if they can. And I think you will see tomorrow that that will show up in the low number of people back in ECEs and in schools.

**Media:** Prime Minister, Māori around the country have been putting rāhui on rivers in a continued effort to keep communities safe, for example, there's a rāhui on the Waikato and Waipā rivers. The local iwi of Waitahanui near Taupō have put a rāhui on their river and it's stopping licenced anglers from fishing there. Those anglers are upset, they say they have every right to fish at level 3—who's in the right here?

**PM:** Well, we have not removed people's rights at level 3 around accessing shore-based fishing, and so that has been the decision that we've made within the alert level framework. Look, what we have continued to do is, when local iwi have had concerns in their own areas, we've often been able to that through. So there I would ask iwi to work alongside DOC, those administering the licencing, and police, to make sure that we're not impeding what are legal access rights, and that we have given permission for.

**Media:** So in this case, local DOC have shown some support from the iwi perspective, so if those things are put in place, you're happy for iwi to intervene in that way?

**PM:** Again, we have made a decision nationally, and it is my job to make sure consistency there. We've said that we haven't wanted access to DOC land for hunters, but there will be some crossover where accessing some of these areas will require DOC land access—so some complexity that I'd be keen for us to work through with iwi, and with DOC.

**Media:** Prime Minister, we heard from small business owners this morning on the committee that in terms of make or break for their survival it's going to come down to those commercial rents. Some are not doing anything to help; some who are deferring are still expecting a full payment in coming weeks. What more, if anything, can actually be done to help them?

**PM:** Yeah, and this is where we really did look into what we were able to provide here, and there are limitations on how far we could go, as Government, when it came to commercial leases. But what I would, again, point out is in the best interests of not just the New Zealand economy or, indeed, small business, but those commercial landlords, in this particular environment, not coming to an arrangement that's workable for you and your tenant, you may find yourself with a vacant property at a time that will be very, very difficult to lease. So here we just are encouraging that dialogue.

**Media:** It is clear, though, that that message is not getting through. I mean the Chamber of Commerce wouldn't have been saying this morning that it hasn't worked if it had. So that's not getting through. So, what—

**PM:** And in the same hearing we had another commercial landlord who very much disputed that it wasn't happening. Again, I will keep continually reminding people, first and foremost, make sure you make the most of the tax provisions that we've put up to help with cash flow issues. Make sure you use the wage subsidy. Talk to your bank and talk to your landlord. In the meantime, as a Government, we will keep looking and assessing what we can do to keep those businesses operating and keep people employed.

**Media:** Even at level 2, with hard borders, tourism businesses, or those exposed to international tourism, are not going to be able to trade.

**PM:** Yeah.

**Media:** Is there are a case for a special deal there? Is that an area you're looking at specifically?

**PM:** We've always said we want to keep monitoring the impact on different sectors, and I'd say tourism would be a very obvious one. Those who work in the space of large events, let's not forget they were amongst the first to be affected and the last who are likely to be able to operate again. So there are specific areas where we are working on what additional support, redeployment, or initiatives from Government can support the ongoing employment of those people who have previously been in that sector. I'll just take a couple more.

**Media:** Will the wage subsidy be extended out from 12 weeks for those sectors that are really hard hit and aren't going to back to normal in the next five weeks?

**PM:** And that's where potentially you start looking at more specific and specially designed initiatives that will address the needs of what are a very particular set of businesses. Keeping in mind that the wage subsidy: here we are after five weeks in, with a 12-week subsidy still in place. And so for us it's actually looking at whether or not there are more specific initiatives that should be designed.

**Media:** You've said previously that you can't freeze commercial rents; there's no legislative mechanism for you to do that. But now that the House is sitting again, have you considered any sort of emergency legislation?

**PM:** No, because it was not over the availability of the House but the provisions under the legislation, which did not provide us the same provisions under the Residential Tenancies Act.

**Media:** Sure, but you're not looking at any legislative change to enable that?

**PM:** You'll remember what we are looking at, and, of course, this requires the House, is arrears and the ability to terminate. So where we had the ability to make changes, we are.

**Media:** A lot of the small businesses are asking for direct cash grants for cash payments from the Government for rent relief specifically. Would you consider those or interest-free loans?

**PM:** Again, what we've said all the way through is we are continuing to look at the impact COVID-19 is having, particularly on our small businesses, to see what more the Government can do to assist. Not everyone is going to make it, but we do want to make sure that those businesses that are vulnerable but viable are supported as best we can.

**Media:** But they're saying it's an immediate need, so how quickly can they expect something from you, because they're making decisions about their business?

**PM:** You'll see that in every decision we've made. We've always moved as quickly as we can, but the wage subsidy has been a very big part of trying to meet some of those immediate cash flow. Costs in the vast majority have gone to small businesses in particular.

**Media:** Should migrants be put on a benefit in the COVID-19 world, and are divisions in Cabinet over a migrant benefit the reason that the Government is not yet implementing this?

**Hon Carmel Sepuloni:** I think you would have seen last week that Cabinet made the decision to invest another \$30 million into the CDEM efforts, and that is to support not only with food but for accommodation, where people are experiencing hardship. So I just need to point out that that support, through CDEM, is not just available to New Zealanders or permanent residents or New Zealand citizens; it's available to anyone that's here in the country.

**PM:** The point is the provision of support is already there, Bernard, so we made sure that because some of this in need is immediate—in the likes of Queenstown in particular—

the fastest way that we could get that support in terms of accommodation, immediate food needs, and so on, was through that support on the ground through the emergency management team that we have down there. So that is, essentially, what Work and Income would otherwise do is being directly delivered through that form.

**Media:** But the Minister was asked will migrants who are stuck here have access to the benefit in a similar way that others—

**PM:** And I've just explained that this is similar to what the benefit would provide in terms of support.

**Media:** Can I just ask a question on behalf of a viewer, they want to know about cemeteries and whether they'll be open under level 3, because they haven't been able to go and farewell their loved one under level 4 who died just before the lockdown.

**PM:** Yes. Obviously there had been burials, and those are now able to take place with up to 10 people as part of funeral arrangements. In terms of wider openings, that's actually something I would need to check at a council level. Thanks, everyone.

### **conclusion of press conference**