

**POST-CABINET PRESS CONFERENCE: MONDAY, 18 MAY**

**PM:** Kia ora koutou katoa and good afternoon. Today, I'm joined by the education Minister, Chris Hipkins, as schoolchildren and early learners around the country return to their classrooms after weeks of a brand new experience of learning at home. But, first, I'll run through the week ahead.

Tomorrow, I travel to Rotorua with Minister Davis and Minister Mahuta, where we will meet with tourism and hospitality operators, the Mayor of Rotorua Lakes district council, and visit Te Puia cultural and tourism centre to hear about their COVID recovery plans. On Wednesday and Thursday, I am in Wellington. On Wednesday, I'll be speaking here again at 1.30 to set out further decision-making milestones for level 2 and for level 1. Also that day will come the release of what is probably best described as a digital diary app.

Many of you will have been out and about over the weekend and seen that there have been the development of different apps to be used to support contact tracing. Well, this version on Wednesday has been constructed through the Ministry of Health and is a nationally consistent app that New Zealanders and businesses can use to record where they've been and when. It is intended to aid and support physical contact tracing efforts, not to replace them, by any means. While there are other similar apps in this space, we wanted to give greater certainty about the use of the data that is collected, which this app happens to deliver. But I'll leave all the further details on that till Wednesday.

Over the weekend, we have further PGF and construction announcements that will fast-track the firing up of local economies.

Coming back to school and early learning, just over a week ago the Government announced a pay boost for up to 17,000 of our early childhood teachers, who are often paid less than teachers in the State sector. We increased those rates from a base of between \$45,500 and \$46,800, depending on the qualification, up to \$49,800 as part of an early learning package to lift the quality of early childhood teaching and put first the wellbeing of staff and of children.

Today, on the first day back to the classroom in several weeks, we add to that. We are reinstating a higher funding rate for early learning services that employ fully qualified and registered teachers. The 100 percent funding band for teacher-led early childhood education services was scrapped by the previous Government in 2010. We've brought it back in Budget 2020 in recognition that quality early childhood education will be an important part of our response and recovery from COVID-19. At a time when we may see lower demand, potentially, for early learning services, this funding will encourage centres to keep their fully trained teachers in work.

Minister Hipkins—I'll now hand over to him. He can give us more details on this announcement.

**Hon Chris Hipkins:** Well, kia ora, everybody. Can I first of all acknowledge all of the teachers, students, and other education staff around the country? Today's the first day back for many of them after what's been a very challenging eight weeks. I want to acknowledge the enormous amount of work that went into getting distance learning happening up and down the country, and relatively successfully at that.

I know you'll want the latest numbers. As at 10.30 a.m. this morning, we had 209,759 students reported via the daily attendance survey as attending school. That's an average attendance rate across the schools that completed the survey of 80 percent. For early learning services, we had 36,780 children reported as attending an early learning service. That averages out across the early learning services that completed the survey at 53 percent. As I'm sure that we will all imagine, it's been a very busy morning for schools and early learning services; so it's not surprising that the response rate at 10.30 was still quite low, with only around 860 schools and around 1,400 early learning services completing the survey, but I think it'd be

fair to say that that's still a reasonable sample size, and the overall trend numbers are likely to be similar across the rest of the system.

The numbers are very encouraging, and we're very pleased to see the vast majority of parents sending their kids back to school and confidence continuing to grow in that. We know that the educational community is going to play a very important role in helping to get the country back on its feet following the lockdown. So, as we respond to the challenges of COVID-19 and as we rebuild together, it's really important that we make sure that the education sector is properly funded.

Today's announcement to restore the 100 percent funding band for teacher-led early childhood services that are offering the highest quality of education by ensuring that all of their teachers are fully trained and registered will certainly help us to achieve that goal. It comes at a time when COVID-19 is likely to lower demand for early learning, as the Prime Minister has mentioned, and this funding will help them to keep hold of their qualified and registered staff. We did have a shortage of early childhood teachers going into the COVID-19 response, and we don't want to lose any registered teachers we have while we experience a dip in participation.

We do know that high-quality early childhood education has an enormous role to play in a child's development. Those kids who participate in quality early childhood education do better in schooling and they do better later in life. We've had a number of longitudinal studies in New Zealand that really highlight that, if we get it right in ECE, it has huge flow-on benefits. So today's investment builds on the money that we put into pay parity that the Prime Minister mentioned earlier last week, which was the first instalment. In 2018, about 400 early childhood services—so, around 13 percent of teacher-led early childhood services—employed 100 percent fully qualified and registered teachers. We expect, now that the top funding rate's been restored, that those numbers will continue to grow again. The new 100 percent funding rate will apply from 1 January next year, and eligible services will start to see that money flowing through in their November payments this year, as they gear up for the beginning of next year. And I'm very happy to take questions as well.

**Media:** Do you think that staff members in early learning who are not registered teachers are going to lose their jobs?

**Hon Chris Hipkins:** There's no compulsion around this. This is an incentive, and I think what we're likely to see—what we saw previously, when this rate was in place previously, centres worked really hard with their staff to get them qualified so that they would get the higher rate. A lot of services have got some long-serving staff that they want to keep hold of; so I imagine that they'll be working with them to make sure their qualifications are up to date.

**Media:** But do you accept that some centres are likely to downscale and/or close, especially if we see a downturn in the economy, where people can no longer afford perhaps to send their children?

**Hon Chris Hipkins:** I think we are likely to see some changing participation patterns. So, for example, if you've got three- and four-year-olds, some families may choose to drop back to just using the 20 free hours, whereas at the moment, or prior to COVID-19, they may have been topping those hours up. So there's going to be some shifts in participation patterns. We'll work very closely with the early childhood sector to try and smooth any transitions that are required. We particularly don't want to lose services in areas where there is already underrepresentation and where participation is already quite low—so, some of our lower socio-economic areas—so we're going to be playing a very active role in that and making sure that services don't fall over as they adjust to new participation trends as things settle down.

**Media:** Prime Minister, just on kids going back to school today, I gather it comes down to an individual school as to whether parents can go past the school gate and into classrooms. I'm not sure across the country, but I think in the Wellington-Wairarapa region, most schools are saying to stay at the gate, and very few are letting them into classrooms. Given I guess

the stress and nervousness around sending kids back already, do you think that's a bit of a barrier for parents in terms of sending their kids back, knowing that they can't take them into the classroom?

**Hon Chris Hipkins:** No. I mean, I was in this position myself this morning. I have a 3½-year-old, who I dropped off at his day care, and we had to stop at the gate, and we did a handover at the gate, and that was very well managed. So I think, really, teachers do know how to manage these situations. I know that, for some of those kids, if they've been at home for eight weeks, it is going to be a bit of a change for them going back to school, particularly younger kids going back to school or back to early learning, and I do have enormous faith in the professionalism of our teachers—that they're going to give those kids lots of love, lots of cuddles if they need them, and really help to support them through that transition.

**Media:** You were talking about that survey—and, granted, that maybe not everyone has filled it out yet, but are you concerned that—talking about 80 percent of students going back to school. That's still a big chunk of kids who aren't learning in a school environment.

**Hon Chris Hipkins:** Look, we've always expected that it's going to take a few days for numbers to build up again. Some schools are actually proactively managing a transition where they're saying, "Well, we want these year levels back on this date and these year levels back maybe tomorrow," so that they're staggering their start times. But I expect that we will see participation continue to grow over the coming week. My message to schools has been: be tolerant of the parent community whilst they rebuild their confidence in re-engaging with the outside world. Eight weeks to be locked down at home is a long time, and it is a bit of a culture shock to come back out again. So we're going to need to support families as they go through that process.

**Media:** How much leniency are you giving parents? How long will kids be allowed to stay away from school?

**Hon Chris Hipkins:** Look, our message is: it's safe to send kids back to school, we want kids back at school, we want them to be able to catch up with any learning that they've lost during the lockdown period. And, actually, it is a huge undertaking for teachers to be trying to support in-classroom learning and distance learning at the same time. So the more we can have kids back in school, the easier it's going to be for everyone and the better it's going to be for the kids.

**Media:** Prime Minister, can I ask about China? We're supporting a review looking into where COVID-19 originated. Do you think that that will have a damaging effect on our relationship with China?

**PM:** I think, actually, to be clear, what we're supporting is an independent look at what we can learn from this global pandemic, and that includes from different countries' responses as it entered within their borders as well. So that's something that's being sought by a large number of countries, including EU members, because I think it's natural that, after such a significant event, we would want to take a look at what we should all have learnt from this experience.

**Media:** Do you think that will damage our relationship with China?

**PM:** No. I mean, I've been through the statement again today, and, actually, the suggestion is that there will be widespread and, potentially, unanimous support for an independent inquiry, because this is one that does not seek to lay blame; it seeks to learn from an experience that I think every citizen around the world would know we would need to learn from.

**Media:** Do you feel that Australia has been overly aggressive with some countries?

**PM:** Look, it's, ultimately, not for me to determine the position or stance of any other country beyond New Zealand. That's the relationship that I have a role to play in, and that's the one I'm squarely focused on. And my view is that the statement as it stands, and which is supported by a large number of other countries, seeks to answer the right questions, which

is: how do we prevent this from happening again, and what do we learn as a global community?

**Media:** Does New Zealand have any confidence in—kind of belief in—the intelligence briefing which has come out of the US—

**PM:** Sorry, the?

**Media:** The intelligence briefing from the US around a lab in Wuhan supposedly being, possibly, the originator of the virus. Or is that a view that New Zealand just rejects?

**PM:** Again, as you'll well know, I don't comment on intelligence briefings. But one thing I would point to is how connected the science community globally has been through COVID-19. This is, obviously, around the world we've had labs who have had access to, obviously, their own learnings, access to their own testing, and so that scientific community has been very well linked up in the research that they've been able to undertake. So, you know, I'd look to some of that as much as I would any speculation around intelligence reporting.

**Media:** Why is Ashley Bloomfield leading New Zealand's delegation to the WHO rather than David Clark?

**PM:** Well, David Clark is making a statement on behalf of New Zealand, and he's doing that, I believe, this evening. I don't think there's anything unusual around the way that we've structured our engagement in this WHO. What is unusual is the fact that it's being held in a virtual manner, as you'd expect with the current environment that we're in.

**Media:** Is Bloomfield getting any advice from MFAT on his role there?

**PM:** Well, we all work together, as you'd expect. Obviously, when it comes to proposed resolutions and the negotiation of text, then we have a role for the Ministry of Foreign Affairs and Trade, and, from a health perspective, they have a role in making sure that our statements reflect the work that we've done as a health response on the ground. So it's a team effort.

**Media:** Prime Minister, a question on the app. Is that going to be released on Wednesday or just more information released?

**PM:** It'll be released on Wednesday.

**Media:** OK, and that's going to function differently to the Australian app, which is—

**PM:** Yes, so let's just be very, very clear: this is around, really, what I would describe as a digital diary, helping users, when they're out and about, keep a log of their own movements, for instance between cafes and restaurants. That's obviously something that those businesses are doing themselves, but this is a way that people can do it that keeps the data for themselves rather than adding it into any more broader repository that might be held by a business.

**Media:** Just on that, just to allay people's concerns, calling it a digital diary—

**PM:** For you.

**Media:** For yourself. So it is kept on your phone?

**PM:** Yes. It is for you, it is on you device, and it is your data and your information. And I think that's just really responding to some of the concerns that I've heard or seen. Some people don't want to fill in a paper-based form that will sit in a public place. Some people have concerns about using apps that are provided by a business, because they're concerned maybe it's going to be used for customer loyalty or so on, and that won't always be the case, but this is an option that means someone can hold their own data for themselves and feel assured about that.

**Media:** How many people will need to sign up for that to be effective?

**PM:** No, it doesn't—and that's one of the things that's really important here. This is simply a way of you recording where you've been. It doesn't require anyone else to be

involved at a particular scale to make it work for you. It's just in case, in the future, if you find yourself with COVID-19, you've got an easy reference to tell where you've been over a period of time.

**Media:** So is the Government no longer pursuing the idea of looking at Bluetooth—

**PM:** No, no, that's not the case. This is just simply a tool that aids contact tracing in a way, you will have seen, businesses are taking part in this as well. This is a tool, though, where someone can be assured that it's their data staying with them.

**Media:** But I think that question, though, was have you given up on the previous app—

**PM:** No, no, and my answer to that is no, but this is obviously around the use of QR codes and your own digital diary.

**Media:** When we've asked you previously about the Australian-style contract-tracing app, you've said it might be coming soon, and, obviously, it's been months—or at least a month.

**PM:** It hasn't been months. I know it feels like a long time.

**Media:** A month—it's certainly been a month.

**PM:** Let me speak to that again on Wednesday. But, just to clear, what we'll be doing then is not the Bluetooth application.

**Media:** National MP Simeon Brown has published a Facebook post suggesting the way the regulations and legislation around level 2 have been drafted—that they don't cover religious services. So he's suggesting that somehow there is an ability to have 100 people there. Are you aware of that argument in terms of the regulations and whether or not that has any validity?

**PM:** You'll, obviously, forgive me for relying on Crown Law rather than Facebook posts; and Crown Law consider that religious services fall under the definition of "gatherings", and they, of course, are the ones involved in the drafting of the orders. And so, obviously, that's where I look to for my advice.

**Media:** Do you think it's appropriate, then, for a member of Parliament to be publishing such information or assertions to—

**PM:** My hope would be that, actually, we recognise that we all have the same goal here. I would hope that no member of Parliament wants to see us in a position where we have a second wave of COVID. All of us also, I would hope, want to be in a position where religious services are able to take place again safely as soon as possible. I believe that should be our joint mission. So my hope is that we will be in a position sooner rather than later to see people being able to come together safely to practise their faith. And I hope, with the director-general's recommendation, if we continue on the path we are, we should see that sooner rather than later.

**Media:** Prime Minister, I just have a question about lending to businesses. I note that the scheme that the IRD's running has had a lot of uptake—a lot of small businesses have taken out loans, \$500 million has been paid, but not many businesses—

**PM:** I can give you another update if you'd like.

**Media:** Oh, yeah.

**PM:** Yep. The latest numbers: we've had 38,778 applications as of the morning of 18 May, and the average amount applied for \$17,624.

**Media:** Right—so, decent uptake. But the uptake of the business finance guarantee scheme that banks are giving out hasn't been that great. Does this indicate that, actually, there's more for the Government to do for other businesses—perhaps medium-sized businesses—that aren't getting loans under the business finance guarantee scheme, because so many small businesses are taking up the IRD scheme?

**PM:** Yeah, I don't know whether I'd want to jump, necessarily, to that conclusion straight off the bat. Keeping in mind that, regardless of scale, the Government scheme is available—it just caps out at 50 FTE in terms of the quantum and \$100,000. So, if what you're asking is "Does that mean that people aren't able to access larger loans via the Government-backed scheme via the banks?", I'd probably want to see some data or analysis around that. One thing we did see a gap in, though, was those smaller businesses where security might be an issue, where it might be smaller loans, and where there might be concerns over the repayments and the requirements around repayments, and we've sought to fill that gap. But I don't think I'd write off that it hasn't been useful generally for medium-sized businesses as well.

**Media:** Are you considering—just a follow up on that—further support for medium-sized businesses? Because smaller ones can go to the IRD, larger ones might be able to go to their shareholders, but medium-sized might be kind of falling in between a bit, though.

**PM:** Yeah, so, in terms of medium-sized, I would take as a whole the package. So we've had the wage subsidy, we do have both loan schemes available, both through banks and IRD, and also there's the significant tax changes that I would have thought would be enabling some of those medium-sized enterprises to access cash flow through the carry-back of loss, in particular. So, taken as a whole, I think that does support a number of those needs, and we haven't finished the work on commercial leases, obviously, too.

**Media:** Prime Minister, a question from a colleague: is that arts and culture relief package coming this week?

**PM:** I haven't given a firm date on it, but we have acknowledged that there will be an arts package and it won't be too far away.

**Media:** Just on the commercial leases, where are you at with that? Because it's been sort of a while now saying we want to do something.

**PM:** Yeah, and, as I've indicated, that is something that we have been working on as colleagues. I've also acknowledged some of the complexity that exists between making sure that we get that balance of fairness right between the tenant and the commercial landholder. But, again, we'll be making announcements when we've worked through some of those issues.

**Media:** Can you put a time frame on that?

**PM:** Not at this stage, but we know that it is time-sensitive.

**Media:** What about talks with Scott Morrison, either yourself or at a Foreign Affairs level? Has there been any update over the last three or four days about a potential trans-Tasman bubble?

**PM:** Look, no, but nor do I expect there to be any update at this particular stage. What we are anticipating now is that our officials and our teams are working respectively on getting our own houses in order at the border, ready to go for a time when both sides of the Tasman feel comfortable that we're ready to see that travel resume between Australia and New Zealand.

**Media:** Are you worried about that new spike in Australia that's come up in the last couple of days?

**PM:** I think, ultimately, neither Australia nor New Zealand wants to be responsible for cases in either country. I think we take our responsibility quite seriously there. So we will want to be in a position where we feel really comfortable that opening the border between ourselves won't open up any risk between us.

**Media:** On Clearview AI—that's been the facial-tracking big-data trial that the police used, should it—the commissioner was kind of clear that obviously it should have gone to the Privacy Commissioner before the trial happened. I'm presuming you share that view.

**PM:** Yes.

**Media:** But do you think the app should ever have been trialled at all?

**PM:** Again, it's something that I would have liked to have had sight on, and the Privacy Commissioner definitely have sight on.

**Media:** Would you have said no, if they asked?

**PM:** I would have wanted to have seen it first, before making any judgment, but it is something that I think is significant for New Zealanders; so, yes, it is something I would have liked line of sight on.

**Media:** Have you made that expectation clear to the police?

**PM:** Yes. Not directly, but I believe they have been informed of my view on that.

**Media:** And you don't think that impugns on their operational freedom? This is a policy thing for you?

**PM:** No, no. I think that ultimately, though, this is the kind of issue that wider New Zealand will take an interest in; we do too, and it's just the kind of thing that I do think that we should have debates together around. These are significant issues, and just in the same way that the Privacy Commissioner should have been brought in.

**Media:** Statistics New Zealand have just put out the latest number for our population at five million. You've obviously been talking a bit lately about our team of five million, but what do you—

**PM:** I was obviously rounding up!

**Media:** What do you make of the news that we are now, officially, five million? Is that something to celebrate?

**PM:** 5,002,100. Look, it is a milestone for us as a nation, and we have gotten there a little more quickly than in the past. I think, at the moment, we're probably acclimatised to the five million because that's how we've been referring to ourselves for a little wee while now.

**Media:** In terms of that number, though, climbing to that quicker than anticipated, do you see that as a positive or is that something we need to be a bit cautious of?

**PM:** Look, I think all New Zealanders would be of a view that, yes, as a nation we are going to grow, but all of us, I think, would be of a mind to make sure that, as we grow, we look after our land, we look after our environment, we look after our people, and so that's something that I think we're all conscious of as we grow as a nation.

**Media:** Prime Minister, last week you changed the rules around funerals after a bit of a political backlash and public backlash. There's now a political push to increase the number of people that can go to church services or places of worship. So I just wonder: your best argument why it is a church of 200 people can't seat at least half of those rather than being capped at 10?

**PM:** Yeah, and as the director-general has said, where we have gatherings, we have risk. And so what we've managed to do with funerals and tangihanga is work through a specific way to work with funeral directors on each individual event to try and manage that risk. What we want to do, when it comes to wider church services, is actually get ourselves to a place sooner rather than later where we see that number increase, and I remain hopeful that, if we all keep on the track that we are, that we continue to see those zero case days, we will see an increase in the number of mass gathering numbers that we'll have for New Zealanders as well.

**Media:** Does the arrangement you've made with funeral homes give a bit of a template for, potentially, churches to run similar ways?

**PM:** The scale—the scale—and also the cumulative risk is significant, and what would probably be much, much quicker is simply we get ourselves as a nation to a place where we

start increasing those mass gathering numbers. And we are on track to do that. The director-general will be reviewing those numbers in time for next Monday.

**Media:** And do you appreciate, if we get more zero days, these positions or caps just become so unpopular, because people don't understand why these caps have to be in place?

**PM:** I have huge faith in New Zealanders, that they'll be looking abroad as well, and no one wants to see any resurgence here, and so that's why we are continuing to move. We're continuing to open up, but we're doing so in a way that doesn't risk losing everything we've gained. But I share the same desire to continue to see that opening up for things like our religious services too.

**Media:** Have you had a briefing on the Auckland water shortage?

**PM:** Yes, I have.

**Media:** And is there any role that the Government can play?

**PM:** There's a support role. The Minister for the Environment and our Minister for Local Government are aware of the work that's being done by Watercare and Auckland Council, and they're supportive of them, of course, finding ways to relieve some of the pressure that exists now. So, really, they're aware of the issues and have been working alongside them where they have a role to play.

**Media:** What are the options?

**PM:** Improving access to water beyond the existing reservoirs where we haven't seen enough rainfall. I'll leave that to Auckland Council to speak in more detail on. All right, last question.

**Media:** Have you had an update the *Ruby Princess* and the Crown Law advice?

**PM:** Yes. So, just to follow up, you'll recall that I did ask for advice on whether or not there was a case to be answered by the *Ruby Princess*. I can tell you that Customs is currently undertaking an investigation into the *Ruby Princess* cruise ship following its visit here, which, as you'll recall, took place between 11 and 15 March. What they're seeking to do through that investigation is to establish whether any offences have been committed, because, of course, the visit is governed under the Customs and Excise Act. Other than that, I can't say anything more. It's really a matter for Customs to continue that investigation.

**Media:** Is there a time line on that investigation—when it might be over?

**PM:** No, no.

**Media:** Could I just ask one quick question about that app?

**PM:** Last one.

**Media:** Has that been designed by a Government department or was it a private company?

**PM:** The Ministry of Health, I believe, contracted with developers to design it. But we'll be providing more detail on Wednesday. OK, thank you, everyone.

**conclusion of press conference**