

POST-CABINET PRESS CONFERENCE: MONDAY, 27 JULY 2020

PM: Kia ora koutou katoa. Good afternoon. This week the Government continues to focus on our COVID response and recovery. I'm in the House on Tuesday and Wednesday, and, also on Wednesday, I will join a morning tea held by Rural Women New Zealand to help thank the essential workers and volunteers that supported New Zealanders during the level 4 lockdown. On Thursday morning, I am speaking at a Wellington Chamber of Commerce event, also with a COVID-19 focus, before heading to Lower Hutt to meet with key COVID-19 community responders and to make an infrastructure announcement. On Friday, I am in Auckland at several events, including a Sir Edmund Hillary virtual reality project and a sod turning at a papakāinga housing development. Throughout the week I also have calls with international leaders to share updates on our COVID response and position for economic recovery. I will also hold meetings with our tourism leaders, farming leaders, and the Council of Trade Unions.

Ministers this week will be making important announcements around overhauling the RMA, regional infrastructure investments to create jobs and stimulate the economy, and health investments to help keep people safe and well. You may have seen that Minister O'Connor has shown support today for a new primary sector campaign to connect 10,000 New Zealanders to food and fibre jobs over the next four years, aptly named Opportunity Grows Here.

Today I am joined by the Minister of Education, Chris Hipkins, for an update on the Government's work to support our education sector. New Zealand's position on COVID when compared to the world is one that has put us in a good position, thanks to collective efforts, leading to one of the most open economies in the world and lots of freedom to move around the country. But it's a position that requires ongoing focus and management, particularly at our borders, and investment to support our industries which have been hit the hardest.

International education is our fifth-largest export earner and contributed nearly \$5 billion to our economy in 2018. Like many sectors that rely on international visitors, international education providers have suffered enormously due to the current travel restrictions. That's why today the Government is investing \$51.6 million from the COVID recovery fund to help protect jobs and stabilise the sector. You'll recall when we announced the tranche of funding we gave indications that we would be using the CRRF for investments in core services such as health and education where they were impacted from COVID.

New Zealand's international education sector has an opportunity to benefit from our strong health response, which means we're one of the few countries in the world where students can come to study and be safe from COVID. This can be, in the future, a significant strategic advantage. Today we set out our investment in the sector to cushion the blow and to set out a path for recovery to help the sector rebuild and get our international export sector back on track when we are able. This work sits within the Government's final plank of our five-point economic recovery plan to continue to position New Zealand globally as a place to trade with, to invest in, and eventually visit again. I'll now hand over to the Minister of Education, who will give you more details.

Hon Chris Hipkins: Thank you, Prime Minister. COVID-19 has meant that international education providers, especially providers like English-language schools, have suffered a sudden and dramatic loss of their revenue. We won't be able to save every single job in international education with the \$51.6 million that we are announcing today, but it will certainly help to cushion the blow. The Government has, as part of this work, developed a three-part strategic plan to rebuild the international education sector based on the three pillars of stabilising, strengthening, and transforming international education.

To stabilise our international education system, we're investing \$20 million for State and State-integrated schools for the remainder of this year to help them cope with the reduction in revenue; \$10 million for private training establishments, including English language

schools, to buffer the sharp decline in their revenue but also to maintain a good foundation level of PTE provision for when the sector is able to more fully reopen. Ten million dollars is being invested to develop new products and services to drive growth in the future—for example, by allowing students to study from their home countries before coming to New Zealand to complete their studies. We're setting aside funding so providers can continue to provide pastoral care for the international students that are still here in New Zealand, so that we can deliver English-language training to migrants, and so that we can release marketing campaigns to keep our brand visible overseas while travel restrictions are still in place.

The investment that we're announcing today builds on the work that the Government has already been doing to support providers and students, such as enabling PTEs to hibernate, establishing an international student hardship fund, and removing the requirement for providers to pay the export education levy both this year and next year. I know much of the recovery is dependent on when New Zealand will be able to reopen our borders to international students. As we've noted many times, the COVID-19 pandemic continues to rage overseas, and we'll be expecting providers to plan for no international students, no additional international students, for the rest of this year with a view to bringing in smaller cohorts than they may have previously expected next year. Thank you, Prime Minister.

PM: Right. We're now happy to take questions.

Media: Minister, can I just ask who qualifies for this funding?

Hon Chris Hipkins: So the allocation to schools will be based on the revenue loss that they have experienced. So there will be a formula and we'll be working through schools to make sure that the allocation of that funding is fair, bearing in mind that for schools that have only a small number of international students, the transition cost is not likely to be large. But some schools do have a very large number of international students and they're likely to be the ones who have a bigger transition. For private training establishments, there'll be a process that we'll go through with private training establishments, setting out a criteria that includes, for example, those that will be strategically important to our recovery in making sure that they're maintaining that base level of provision there so that when we need it, we can draw on it.

Media: Won't that be giving some providers false hope, though, if they see this pot of money that they can't access?

Hon Chris Hipkins: Look, the criteria—I'm actually meeting with them at 7 o'clock tonight to lay out a bit more detail, more of the process for them, so that they'll know exactly what to expect. So I don't expect that by the end of today anybody will receive false hope.

Media: Why aren't universities and polytechs part of this?

Hon Chris Hipkins: The universities and polytechs, of course, sit on the Crown's balance sheet, so we're already providing support to the public institutions. Schools are a little different in that they're smaller in scale and have less ability to absorb that kind of shock within their balance sheet. Polytechs, as you'll know, there's a big reform programme going on at the moment in the polytech sector and we are putting extra funding into them, and the universities have very healthy balance sheets. No university is going to go broke in the short term because of the decline in international students. I know that it will put a strain on their finances, but they are well positioned to weather that.

Media: Why not put this money, some of this money, into efforts to actually allowing international students to come into the country?

PM: I'll start, just very briefly, and then hand over to the Minister. We do need to take into account the sheer scale of the international education sector. In 2018, I think, roughly, we were talking 117,000 students. When you factor in that since we started our quarantine system we've had a total of 31,000 returning New Zealanders come through it. So that gives you a sense of the scale. We are looking to the prospects for the sector in the future where we can manage them as part of quarantine, but that is not something that we can

safely do immediately. That is going to take some time and we will need to continue to work with the sector on that.

Hon Chris Hipkins: Yeah, look, we're absolutely working very closely with the sector at the moment. Of course, I know they want faster progress, but we have a difficult balancing act here around preserving New Zealand public safety and making sure that our quarantine and managed isolation arrangements are as robust as possible whilst also trying to set up new things that will help us to bring international students in.

Media: Is the election holding up any progress here? Are you worried about any risk or too much risk ahead of that?

PM: No.

Hon Chris Hipkins: No, not at all.

PM: The judgment, of course, needs to be exactly the same. The question here is: what does it take to make sure that we ensure the health and safety of New Zealanders, and that judgment, that equation, doesn't change regardless of what's happening in the political cycle.

Media: When will you be able to give the sector that certainty that you're talking about, because this won't even scratch the surface, will it?

Hon Chris Hipkins: So, look, I'm meeting with them tonight and obviously I know that there'll be a lot of discussion about the package that we announced today and about the pressure that they are under. There is no question that for international education, as there is for tourism, there are going to be some tough decisions that they are going to face in the immediate future, and we'll certainly work with them around that. With regard to the border, there are a whole lot of things that the Government is working its way through at the moment. We will move as quickly as we can to provide more certainty, but at the moment we're not in a position to put a specific date on when we might be to bring international students in.

Media: But to be clear, you do see a case for just international students coming in at some point, or a system where students can come in but maybe tourists can't, if they're staying for the long term?

Hon Chris Hipkins: Look, again, those are the sorts of things that Megan Woods and I are both working through, and we're yet to take recommendations to Cabinet around that. But prioritisation of people coming into the country is something that the Cabinet is very actively looking at.

Media: Would you be charging international students for quarantine if and when you allow them to come—

Hon Chris Hipkins: Absolutely, it would be a full cost recovery. We wouldn't be subsidising bringing international students back in.

Media: By next year, the health situation is likely to be probably not too much better—I'm not really too sure but it's still getting worse internationally, so by the beginning of next year, it still won't look great. So is the reason this is being put off until then purely for logistics and to get things sorted?

Hon Chris Hipkins: Look, it largely is logistics. We, of course, will be looking at how we can bring in low-risk cohorts of international students first, and how we can then minimise the risks when they're here—what can we do in their home countries to reduce risk, what can we do in the process of bringing them here to reduce risk, and then, of course, we're going to have very robust arrangements in place around managed isolation when they first arrive, and testing, to make sure that we're not, you know, creating the risk that international students will bring COVID into the country.

Media: You talked to the Prime Minister about the 117,000 students that come in annually. Do we have a capacity problem? Is that kind of key to not being able to—

PM: Oh no, I think keeping in mind, actually, the large number of people that we have—over 31,000 that we've had to date—come through our facilities. That's a significant rate when you think about the number that, for instance, has come through, say, New South Wales. So I think we are keeping pace in terms of the scale of our operation. Really, that was an acknowledgment that there's a very large number of individuals who are international students or had been in the past who have sought to study in New Zealand—that whenever you start doing something at scale, risk comes with that, and we're just not willing to jeopardise our health response by scaling up to something that we just can't do well. We have to constantly make sure we balance all of these decisions and that our primary focus is the health and safety of New Zealanders, and that's how we guard our economy.

Media: So we're not letting in international students because you don't think we could—

PM: No, no, again—117,000 students is a large number when you take into account that when we're just factoring in at the moment the number of citizens and the number of permanent residents we have coming in—that's equated to about 31,000. That's still a large number to have successfully moved through quarantine. We don't want to sacrifice, though, our response at the border by scaling up to an initiative that (a) means that we have other people who can't come in first but (b) means that we might have quality control issues as we go.

Media: Minister Woods said that there'd be a decision made on charging returnees before the end of the month, to the last Cabinet of the month. Was it discussed today and was a decision made?

PM: Of course there are still Cabinet committees. As soon as we have a decision, we will be sharing it with you.

Media: Was it discussed today?

PM: As soon as we have a decision, we will be sharing it with you, but do keep in mind, we have a number of Cabinet committees still operating as well.

Media: All Kiwis overseas right now who might be trying to plan trips home right now or work out if they can come home who are waiting for a decision about whether they need to come home immediately to avoid a charge, or might have to save up another \$3,000—don't you have some sympathy for that?

PM: Ah, ha—look, again, our focus is on making sure that when those individuals come home, they can do so safely, that we can look after them, and we can make sure that COVID doesn't enter our community. So that's our primary focus. When it comes to a charging regime, we've always indicated that it is something that would require legislative footing, so it's not something that's just simply going to happen at a quick pace—it needs to be done right—and, secondly, there's a number of factors we need to weigh up. Keeping in mind, though, that this isn't about charging for the sake of managing the number of people who come in. We've used alternative means to do that. Charging is really about making sure it's equitable.

Media: Would you be able to do that within a sitting block if you do come to a decision—

PM: Sorry?

Media: Will you be able to do that legislative work within the sitting block if you come to a decision—

PM: I think you'd want to make sure that you move fairly promptly on it once a decision is made.

Media: Will you then have to plan for the influx of people coming in?

PM: Again, you'll have seen that we're already managing the flow, and that's something that needs to happen regardless, because we need to, again, maintain the quality of our quarantine, and that means making sure you've a manageable and planned

number of people coming at any time. That's something we've already had to address, so we've worked directly with the airlines on that.

Media: So have you done modelling on what would happen if you changed the rules and said, "Look, in a week and a half, we're going to change the law."—

PM: No, so just keeping in mind, we have already put in place measures that help us manage flow. And so those, of course, continue to be important because, no, what you wouldn't want to see is a sudden spike, when we need to make sure that we have a plan around the number we can expect at any given time.

That was an issue we had some weeks ago. Of course, you will remember that we were getting passenger manifests quite close to the time when planes were departing. That wasn't an easy way to operate, either for those operating the facilities or when it came to bringing more facilities on stream. So we've got on top of that by working with the airlines directly.

Media: So you're scaling up ahead of that announcement?

PM: No, we generally have been scaling up just to manage the demand, but at the same time we've also been working with airlines to make sure that we didn't have large bubbles of people coming through. We've had to spread the flow, and that's simply to maintain the quality of what's happening at our quarantine facilities.

Media: Somewhat related to this but, as a foreigner asking a question about the New Zealand electoral system, I'm a bit nervous about this one, but I understand that if you're an overseas-based Kiwi you can vote in the election but you have to have set foot in New Zealand—

PM: Within the last three years.

Media: Yeah. But, at the moment, it's actually very challenging to get home. So it's possible that the current arrangements are disenfranchising some Kiwis from voting, isn't it?

PM: I don't think I'd accept that. I don't know how many New Zealanders specifically make the effort to touch their feet on New Zealand soil in order to maintain their ability to vote. Look, if they do do that, I'm very heartened by that level of commitment to the New Zealand electoral cycle, but I'm not sure that that—I think it's probably more the fact that New Zealanders do frequently come back and maintain that connection and therefore maintain the ability to vote.

Media: Do you think, if there was a fix to it, though, you would be interested in it? Is there something you can do?

PM: I don't think it would be particularly easy. You would have to determine and demonstrate intent to return. I don't think that's something that we could create an easy legislative fix for. For anyone who's caught up in those circumstances, of course, I'm saddened by it. I want people to feel like they maintain that connection, but, of course, voting is only one way to demonstrate your connection to New Zealand.

Media: Prime Minister, just a question from another foreigner, who enrolled to vote last week—just on an unrelated matter—

PM: None of you should feel obliged to give any kind of credentials before asking your questions? This is a welcome environment.

Media: I'm grateful to New Zealand for the opportunity. Behrouz Boochani was last week granted refugee status. The Opposition leader today, Judith Collins, described it as a very interesting situation that needs a bit more blowtorch to it. What do you say to suggestions of political interference?

PM: Well, just simply that they're wrong, and I think it does a disservice to our Public Service to imply that there's been any role for anyone other than those who have an official role, and it is kept entirely separate from politicians. And that is as it should be.

Media: Just on that, what do you make of New Zealand First tweeting over the weekend that this is why they need the Minister of Immigration portfolio?

PM: Well, that, again, would be—asserts that the Minister of Immigration has a role in a decision like this. You can understand why it is so important that any decision around refugee status or asylum seekers—that we keep that separate from politicians, because often people will be seeking that status off the back of prior political advocacy or connection. So that is something that we keep very distinct in the New Zealand system, and that has certainly been the case here.

Media: What do you make of the, I guess, rhetoric behind this statement that New Zealand First made?

PM: That it's election year.

Media: Why did the release about migrant exploitation measures come through Peters' office? Is there—

PM: Sorry, "Why did—"? You'd have to give me a little bit more context there, if you can.

Media: It was a couple of measures around migrant exploitation and the new type of visa. And it seems to have come from Mr Peters' office, plus—

PM: How do you mean "from Mr Peters' office"?

Media: Well, it's headlined from Deputy Prime Minister Winston Peters.

PM: OK. Look, I'd need a little bit more detail, if I may. It is fair to say that the Deputy Prime Minister has been involved with work on repatriation of RSE workers. So there is some relevance there for his portfolio. A lot of advocacy has had to go into supporting RSE workers to be able to return to their home country—where they have wanted to—where there's been a reluctance to allow them. So there has been a role for the Ministry of Foreign Affairs. I know there was a recent case, of course, where there was reluctance to return because of a concern that a migrant exploitation case wouldn't be heard or considered appropriately. So I could see how those two issues could combine.

Media: Just on managed isolation and charging for it, are you looking for agreement from your fellow coalition partners because there's legislation change required so—

PM: That's a given. We look for that on everything that we do.

Media: Or are you looking for support from across the aisle?

PM: No. Look, that hasn't been the case or necessary on, you know, the vast majority of the things that we've done. No, no. It's simply a matter finalising all the policy detail and work on these questions and making some final decisions, and after we've done that we'll be making announcements.

Media: Have you or Chris Hipkins had any update on the South Korean case that's tested positive?

PM: Yes. I'll leave that to Minister Hipkins.

Hon Chris Hipkins: Yes. So we have asked for a second test to be undertaken, so we've relayed that request. There has been at least one other incident in the past that I'm aware of where somebody returning to another country had tested positive and then on second test were proved to be a negative test. We have got our contact tracing system kicking into gear, though. We will contact trace everybody who was on the domestic flight that the person concerned took between Auckland and Christchurch. We'll do all of the relevant contact tracing at the border, and we're working with South Korea to obtain the information that we need to do other contact tracing in New Zealand simply as a precaution.

PM: I think other relevant information relevant to this particular case—as the Minister has said, we have had a false positive before. We're also aware that the individual in

question did, before returning to New Zealand, spend several months in the United States until mid-March. Of course, we have had cases where people have had COVID in the past and are still showing signs of that some time thereafter. So there is a number of other possible explanations here, but a precautionary approach is being taken.

Media: Do you have confidence that you would be able to detect community transmission with the continuing low level of testing?

Hon Chris Hipkins: Testing has started to increase over the last week, and I'm leaning very heavily on that, because it's not at the level that I want to see it at; I want to see it more at the minimum 4,000 tests a day. I do acknowledge that it goes down in the weekends, and it has ever since we started doing COVID testing, but during the week—we've made it very clear—we expect to see testing around the community more at that 4,000 a day level. I do get a geographical spread of all of the test results so that I can see where we might need to really ramp up our focus, and I get also an ethnic breakdown as well, so if there are particular communities that we're not sampling enough of, we can up those numbers. So I'm working very closely with Health to make sure that our community sampling is sufficient to give us that degree of confidence.

Media: Only 280 people were tested in the community yesterday, though. It's so significantly below that 4,000 number—

PM: I'm going to jump in. It's just not wise to use Sundays—or even, indeed, Saturdays—as a guide for testing. It never has been. That's why we've always used the seven-day rolling. Clearly you're hearing from us that we would like to see that testing higher, and the Minister is working actively to lift those rates, but, unfortunately, for some reason, New Zealanders aren't seeking testing on weekends. But we still do want to see those numbers lift.

Media: The Māori Party are saying that some of your policies and announcements, including clean energy, are almost identical to theirs. Would you consider a coalition with them, should they get in?

PM: I, unfortunately, can't comment too directly because I haven't necessarily seen all of the policies which they are claiming have some similarity. What I have said is, obviously, I've demonstrated in this term of office those parties that we have been able to work with. But the rest for me all feels like a hypothetical. We are campaigning hard on the behalf of the Labour Party, and that includes in those seats where the Māori Party contests. We will be campaigning for Labour.

Media: Just on coalition arrangements, over the weekend former National MP Jami-Lee Ross announced a merger with the Public Party, who have some questionable views around COVID-19 and your own Government as well. Do you think it's wise for those sort of views to be catapulted in the mainstream or discussed openly?

PM: Look, I think any suggestion that New Zealanders should not take COVID-19 seriously, any suggestion that people should be wary of life-saving vaccinations, any suggestion that COVID somehow is part of a conspiracy, yes, I push hard against very strongly, and I'd like to think that by and large you'll hear that out of the democracy here in Parliament as well.

Media: So what would be your message to some people that are, assumingly, tagging on to this movement?

PM: That we are an evidence-based Government—that all of the decisions we've made have been based on research, science, and evidence, and all of the decisions have been made in the best interests of looking after the health and wellbeing of New Zealanders. We live in an internet age and a social media age where conspiracy theories, which have always existed, flow more easily and freely, but, again, I just again encourage people to feel assured that we use a very strong evidence base in everything we do.

Media: Minister, has there been an update on the Michael Heron leak inquiry?

Hon Chris Hipkins: You may recall that when I launched the inquiry, or asked the SSC to launch the inquiry, we set a time frame of reporting back by the end of the month, and you'll be aware that there's only a few days left to go. So I imagine that we'll be talking about this again before the end of the week.

Media: Prime Minister, just back to South Korea, how disappointing is it that the Government won't play ball in terms of the charges of the Korean diplomat who's alleged to have indecently assaulted a Kiwi?

PM: I don't feel that this issue has been concluded. Obviously, it's still very active from the New Zealand Police's perspective, and because of that you'll continue to see New Zealand advocating for the ongoing engagement of the Korean Government in this case.

Media: But what can you do? I mean, it effectively has concluded. It's stalled. He's in the Philippines. He won't come here. The police can't bring him here. What can be done?

PM: Extradition matters ultimately are decisions for the Police. But we can, as a Government, continue to advocate for our law to be upheld, regardless of who it is that we're talking about. New Zealand takes a very principled view on these issues. Regardless of whether you're a diplomat or a New Zealand citizen, the law is the law and we will continue to advocate for justice to be done.

Media: Are Police actually looking at extradition?

PM: Ultimately, that is a question and a matter for them, regardless.

Media: Are you disappointed in the response, though?

PM: As I've already said, I don't believe this has concluded.

Media: Is there any update on the trans-Tasman bubble work that's happening, and how is the situation that's unfolding in Victoria impacting the progress of that?

PM: Obviously—obviously—it will slow things down, because, as we've always said, we have to be assured that any opening of a border between New Zealand and Australia would be safe. Obviously, that is not the case now. We've also said that some of our broad criteria does include the period of time of which a country has proven to be free of community transmission. So definitely it has slowed things down. The work between officials continues, but I don't expect to see any opening in the immediate future at all.

Media: What's the [*Inaudible*] under the Cook Islands' average?

PM: Well, that work's actually under way, so as I said, I'd spoken to Prime Minister Puna, said that Cabinet has mandated officials to do that work, and that's being done. And so they are engaging directly with their counterparts in Realm countries, so, particularly, Niue, and the Cook Islands. Again, it's not one way, though. So it is up to those countries. Obviously, Cook Islands have expressed that they're very keen. Niue, I think, have some of their own considerations around when it might be likely for them.

Media: Why is it Air New Zealand has already been briefed on this and actually are ready—

PM: Sorry, what was that?

Media: I understand Air New Zealand have already been briefed on this and are actually ready to release flight schedules tonight but there's some kind of delay that's keeping it from happening.

PM: When you say ready to release schedules, that doesn't mean ready to start. Equally, it is not just about Air New Zealand. It's about what happens within the airports as well, and, in fact, that's one of the most important considerations. As I've already said in this forum before, if you pass through an airport presently, there is every chance that you could come in contact with transiting passengers who have come in from high-risk countries. So there's quite a bit of work that needs to be done to guarantee absolute separation of those

passengers—both going out, departing to Realm countries, and coming in. And that is critical. We've got to get that right.

Media: So is it fair to say that's the airport staff that's holding stuff up right now—

PM: I don't think it's a fair statement to say things are being held up. It's a fair statement to say we're being rigorous and making sure that we get all of the details right. This needs to include intricate planning. Remember that this would mean quarantine-free travel. We don't take that lightly. Particularly we're engaging with countries who have particular vulnerabilities. We do not want to be responsible for anything going wrong.

Media: Prime Minister, happy birthday for yesterday.

PM: Thank you. Why do I feel like that's going to be followed up by something else? Why could you just—an unqualified "happy birthday"? Thank you. Any other questions.

Media: Did you receive any noteworthy gifts or messages. I'm interested in how the Prime Minister celebrates her 40th birthday.

PM: Oh, well, like everyone else, actually. A bit of cake and a bit of quiet time. That's actually not true—not like everyone else; I don't think anyone else probably reads Cabinet papers on their birthday, but I did.

Media: How was your briefcase cake, the one you put on Instagram?

Pm: It was fantastic. Heavy on the fondant, as you can imagine. Any last questions? I'll take two more.

Media: You said you were going to be talking to other leaders this week. Which ones in particular?

PM: I will be speaking with the Prime Minister of Japan and I will be speaking with the President of Korea. Last question.

Media: Just on the migrant workers announcement today, it includes creating a new visa that will support migrants to leave exploitative situations. Why are these changes so significant for that community?

PM: We, of course, want to make sure that no one is penalised for either raising when there are exploitative conditions or for the fact that they may have conditions that relate to a specific employer, and I think it's only fair that we have the ability for people not to be penalised for that. OK, thanks, everyone.

Media: Just—can I ask one more question? With international students—

PM: Oh, I'm going to let you away with it one last time.

Media: Thank you. The commitment to have smaller cohorts next year, is that from the first semester or trimester of next year?

Hon Chris Hipkins: We haven't put any specific time frames on that at this point.

Media: It could be at the end of next year?

Hon Chris Hipkins: Again, that would just be pure speculation at the moment. We're moving as quickly as we can.

Media: Minister is—

PM: OK. Oh, no, that's just cheeky. Thank you.

conclusion of press conference