

**POST-CABINET PRESS CONFERENCE: FRIDAY, 6 NOVEMBER
HANSARD TRANSCRIPT**

PM: Kia ora koutou katoa. Good afternoon. The new Cabinet was sworn in by the Governor-General this morning and met for the first time this afternoon. I can now confirm, then, that the formal Commission Opening of Parliament will occur on Wednesday, 25 November, where MPs will be sworn in and a Speaker elected. The official State Opening will be the next day, Thursday, 26 November, where the Speech from the Throne is delivered and the Address in Reply debate will begin. House sitting for normal business will start the following week, Tuesday, 1 December and will rise for the year on Wednesday, 9 December. Business will include the Address in Reply debate, maiden speeches, and legislation we need to progress prior to Christmas.

Yesterday, at my BusinessNZ speech, I set out the Government's priorities through to the end of the year. Broadly, these are our economic recovery and keeping New Zealanders safe from COVID-19. We want to give business certainty prior to the summer break, which is why we will be progressing changes to the small-business loan scheme to provide an interest-free line of support to our small businesses to assist them weather the economic impact from COVID. Cabinet will meet again on Monday and each Monday from now until the following week of the House rising—so the House will rise; Cabinet will meet for an additional meeting thereafter. We have a busy agenda through to the end of the year, more of which I will set out next week.

I'd also like to comment briefly on some of the final election results that we've seen come through this afternoon. It is fantastic to see Dr Emily Henderson take out Whangārei and join our 65-strong caucus. I also want to congratulate Willow-Jean Prime, who has won Northland, and Priyanca Radhakrishnan, who has taken out Maungakiekie. It is an extraordinarily big day for Priyanca, in particular, who this morning joined the executive and this afternoon has won her seat. And I'm enormously proud as well of our candidates in the North.

As I said on election night and many times since, we will be the Government for all New Zealanders, not least because we must make sure we represent all those who elected us, be they in city seats, rural seats, general seats, or Māori seats. Today I reminded Cabinet that the honour of serving comes with enormous responsibility. We take nothing for granted in leading the team of 5 million over the next three years. There are significant challenges for us to overcome together, but I am confident we have the team to do it, and it is great to be officially able to now crack on with it. I'm happy to take questions.

Media: Prime Minister, how does it feel to get 50 percent of the popular vote?

PM: I have to say receiving that news this afternoon I was incredibly humbled by that mandate. That is extraordinary to have that level of support from New Zealanders, and with that comes significant responsibility. It's our job now to get on with the plan and the work that they elected us to get on with.

Media: The cannabis referendum tightened significantly—48 percent of the country wanted you to legalise cannabis. Does that put it on your agenda to do something about at least decriminalising it?

PM: Yeah, look, when it comes to a referendum, a majority is a majority, and so it hasn't tipped the balance in terms of what we as a Government will do. We gave our commitment to New Zealanders: if it won the majority, we would progress legislation; if it didn't, we wouldn't.

Media: Do you regret staying silent?

PM: Look, you're asking me do I regret allowing people to make their own decision on this incredibly important issue—no. In my view, people did need to make their own personal choice on this, in the same way that I did.

Media: Can you understand how people may be frustrated, though? Because your support, your backing, could have tipped it over.

PM: And it may not have as well. You know, ultimately, New Zealanders have made up their own minds. They've expressed their own personal opinion, and that, ultimately, was something that I set out right from the very beginning. That was my intent for New Zealand to decide, and they have.

Media: The Māori Party now have two deputies in Parliament with the special votes counted. Will you look or consider doing any kind of deal or having any kind of talks with them?

PM: No. Look, any agreements that we would look to undertake, cooperation or otherwise, have already been formed. We're now focused with getting on with the business of Government. There will be areas and issues where we will look to work across the aisle, be it with the Opposition or other parties, in those specific subject areas. Look, that wouldn't be limited to any one party. If it's important enough to New Zealand, we will look to talk to other political parties.

Media: How would you sum up the mood of the first Cabinet meeting today, especially given it was all Labour MPs around the table?

PM: Well, look, in a way there are some things that never change with a Cabinet, and the magnitude, the gravity of the responsibility, that remains the same, and I sense that amongst all of those members of Parliament. They understand that they have an enormous responsibility, that it is a privileged position, but that we are there to govern through one of the biggest crises that New Zealand has faced, and we don't take that job lightly.

Media: How does casting aside the Māori Party fit with your promise to be a Government for all New Zealanders?

PM: Well, of course, being a Government for all New Zealand means working through on—as much as we can—a consensus basis with others, but I don't think New Zealand expects us, with the mandate that we have, to build formal alliances with a multitude of parties. Our job is to work with what we've been given, to cooperate where it makes sense to, to build consensus where it's important, but, ultimately, to get on with the job.

Media: But do you believe that that party has something to offer you in terms of the Māori voice?

PM: And look, I've said: where there are issues where we believe it's important to work with others in Parliament, we will do that, and that may be the case, as there was in the last Parliament. We did that on climate change issues; we did that on child poverty issues—it will be case by case.

Media: Prime Minister, you're sitting for just two [*Inaudible*] parliamentary weeks this year. Does that show your legislative agenda is a bit light on?

PM: No. In fact, it's not two; it crosses over into three. So we begin with the formal part—the ceremonial side. We then crack into normal business from there. In fact, no, not at all. You will see that, in that time, we will progress quite a bit of business. And, as you can see, it's not just Parliament that allows us to continue with business; Cabinet does as well, and we'll be continuing on with Cabinet meetings as well beyond the House rising.

Media: In terms of governing for all New Zealanders, you do have 48.4 percent of New Zealanders who did vote for legalised cannabis. I mean, what do you offer that—

PM: And the majority who didn't, and so we have to be mindful of that too.

Media: But you've promised to govern for all of those New Zealanders, including the 48.4 percent who did.

PM: Yes. So you're suggesting that we should now ignore the outcome of the referendum?

Media: No, but there is an appetite amongst an enormous section of the population for something. And obviously the referendum did fail, but it doesn't mean—

PM: Yeah, and look, I've spoken to a little bit on this before. I think one of the issues that really came through in some of the debate was an anxiousness around a purely justice-based approach—that even keeping, as we will do now in New Zealand, the possession of cannabis as an offence; even then the suggestion has been from many that, actually, should we take more of a health-based approach there? Now, we have made, already, changes to the Misuse of Drugs Act that give direction to the police that, unless it's in the public interest to do so, the preference is there that people in possession be referred into health services. That's only just happened. I think our job now is to drill into how that is working in practice; that it's meeting Parliament's expectation and public expectation.

Media: And if it isn't meeting that expectation, would you go further?

PM: I think then it would be a matter of working through with the police why is it that we're seeing a difference in what we intended, because it is very explicit: a health-based approach unless there is a public interest otherwise. And perhaps that public interest is what will need to be well understood. The final thing I'd say is medicinal cannabis is another area where I have heard concern over whether or not—despite that law changing—access has improved. And I think that's something that, as a Parliament, we need to be careful of and look into, and I intend to.

Media: What is your expectation of how that law change will be applied? Only about one in 10 of those people that police encounter with drug possession as the most serious charge are being referred to health services at the moment.

PM: Yeah, so we saw recent data—keeping in mind it is only a recent change—has suggested roughly 500 individuals have been referred. And my assumption—and certainly it's been shared with me—is that the most likely outcome we're seeing is that when there are other offences, that a possession offence is being added. So if there's a range of offences—it may be for firearms or for burglary or so on—that possession is then being added in that mix. That's the kind of data I want to drill into. Is it that, when it's singly a possession charge there, that's when we're seeing the referral to health—when it's not, we're not. Let's understand what's happening there and why those decisions are being made by police.

Media: That 1:10 ratio, though, is for encounters with people where drug possession is the most serious charge they face.

PM: Yeah, and, again, the intention of Parliament in passing that change was for a health-based approach. And so, as I say, it's only very recent, but I have flagged—and as did Andrew Little before the portfolio changed—that it's our intent to look, as any good Government should do, at whether or not the intent of that change is being reflected in practice.

Media: And on the face of it, though, that intent's not—

PM: Yeah, and that's why we've said we do wish to look into that.

Media: Prime Minister, in the United States, although votes are still being counted, the President has demanded that officials stop counting votes and suggested votes for his opponents are illegal votes. Is that concerning to you?

PM: Oh, look, I was asked about this yesterday, and, of course, very mindful it is—you know, no one in New Zealand would expect any other leader in any other country to really be seen to be interfering or commentating on anyone else's electoral process or democracy. But what I did say, and what I absolutely stand by, is, of course, as a country, as a people, we

have faith in the American institutions, we have faith in their democracy, and, of course, their democracy is still under way. They are still counting votes. Here in New Zealand, of course, it's three weeks later and we've only just had our final count; so we're well used to it taking a bit of time to work through those final outcomes.

Media: Gerry Brownlee isn't seeking to stay on as deputy leader of the National Party. Who do you think you might see up against Grant Robertson?

PM: Oh, I'm not going to get into that speculation. That's obviously news that I only just heard earlier this afternoon. But that is ultimately a matter for the National Party. Decisions around their leadership changes, and their leadership changes in their caucus—all matters for them.

Media: Given that you do have faith in the American democracy, just following up on Mark's question, isn't it also fair, then, as a leader to kind of send Donald Trump a message, to send a message to the United States, that yes, the President is subverting that democracy?

PM: No, I actually think probably New Zealanders wouldn't necessarily take too kindly for other leaders commentating on our electoral processes, outcomes, and so I won't do the same on this occasion. However, as I've already said, as New Zealanders I think we have faith in their democratic institutions, and those institutions, of course, require votes to be counted, which is still under way in the United States.

Media: Prime Minister, just on that, if Biden does win the presidency, do you see advantages for New Zealand maybe in the US coming back into the Trans-Pacific Partnership or, you know, getting a trade deal going?

PM: Look, certainly in previous elections we saw positioning on one side of the CPTPP debate by those candidates at that time. So I wouldn't want to make any assumptions there. And we build, of course, in every case, a relationship regardless of who the final candidate is that takes the office of President. It is fair to say that, obviously, when we've had Donald Trump in the role, we've worked very hard on that relationship. We've had bilaterals that have made a difference. If it were to be Vice-President Biden, of course, there's already an existing knowledge and appreciation, understanding, of New Zealand through previous visits as well. So, regardless, we will work hard on that relationship, and I'm certain either way it will be a positive one.

Media: Prime Minister, what do you make of the USA withdrawing from the Paris Agreement?

PM: Well, that's been long signalled. You know, and, of course, as signatories you would expect that we would hold a strong belief that the most important thing would be widespread membership and engagement with that agreement. So it would be disappointing for anyone to leave, because it is reliant on participation globally.

Media: Prime Minister, in your speech yesterday, why did you not acknowledge that house price growth—that is now in double digits annually—is part of Labour's economic recovery plan?

PM: In the line of questions, I acknowledged that, of course—actually, it was earlier that morning in a line of questions—I acknowledged that housing, as we did in the campaign, continues to be a considerable issue for New Zealand, as it is for a number of nations presently; that we do need to make sure we're continuing to do all we can to overcome the affordability issues that many New Zealanders face, first-home buyers particularly, as they try and overcome the requirement to meet those deposits that are growing increasingly in size, that are required to get into the market. So, whilst we saw some signs from CoreLogic around an increasing number of first-home buyers in the market, we're not satisfied. We know there's more to do there.

Media: The Reserve Bank has taken off those LVR restrictions. Would you like to see them put back on?

PM: Well, look, we are looking at the levers that we have, and the levers that we have have increasingly been some of those products, and one of the products, like, for instance, those loans, Welcome Home Loans and so on, that have over time changed criteria to enable more New Zealanders to access them—what I am very mindful of is increasingly we're seeing a market where those who are able to purchase and those who are not are determined by whether or not they have parents who can support them. No one in New Zealand wants to see a housing market where homeownership is determined by the prior generation being wealthy enough to support the next generation, and yet that is the reality. I'm looking for ways to overcome that.

Media: Just on the managed isolation voucher system, there are people who've booked flights months before that voucher system was introduced and since have missed out on vouchers. Do you think people who'd already booked flights to return home before 3 November should have automatically got those vouchers?

PM: So we were running the voucher system prior to it becoming compulsory on that date; so that was happening prior. Warning was put out in advance that it was compulsory from the 3rd but that we were also running it prior to that date as well. So, without getting into some of the detail around how it was operationalised for someone who had pre-purchased a flight, I would expect, of course, that they would be forewarned around those requirements. Something that's been raised with me is if they were booking indirectly—so they weren't directly booking with an airline—that has proven problematic; if they were using third parties to book, for instance. However, the general point here is that we have long signalled the need for people to have a place within MIQ. That's been part of our public communication for some time, because we need to make sure that we can manage the flow of New Zealanders and the high demand we have before Christmas.

Media: So you don't think that the system should be that people who had booked flights earlier should be receiving those vouchers?

PM: Of course, we have no way of knowing who has booked a flight and when they have booked it; that is a relationship directly between an individual and an airline, and sometimes even involves a third party booking system. That is why we flagged in advance the need for people who would be entering New Zealand from that date to have a voucher. We did as much as we could to communicate that out, but it is very hard for us to know precisely who has booked, and, in some cases, they have been coming in on charter flights, which makes it even more difficult.

Media: What about people who booked, though, before the MIQ scheme even existed in its current design—you know, in the first half of 2020? MBIE didn't start its publicity campaign around the voucher scheme until 25 September.

PM: So you're talking about someone who, for instance, might have booked in, say, February for those dates?

Media: March, April, May possibly.

PM: And, of course, there we are relying as much as we can on the support of airlines to communicate in those cases. I have seen cases, though, where someone has used Expedia or a third party booking system, which has complicated things. Ultimately we have had to put in a system that can give some assurance, of course, to travelling New Zealanders that, when they arrive in New Zealand, they have a place in managed isolation. And, in the same way that you can't be guaranteed when you go online that you're going to be able to find an available flight, you can't be guaranteed necessarily with short notice that you will be able to find a place in MIQ. What it does for you, though, is, when you go on to the website, you can provisionally book a space. It will be held for you until you then get a matching flight. So we recognise the most important thing—and sometimes difficult things—will be that isolation spot. We reserve it for you. You've then got a period of time to find a flight that will accompany it. That enables us to plan. We have over 6,000 people coming through in any given period of time. It's per capita higher than the likes of Australia. It's much more rigorous

than most countries. It does require New Zealanders offshore to plan ahead, and we will need to acknowledge, just in the same way you won't always get a flight before Christmas, you won't always get a managed isolation spot then either.

Media: Prime Minister, you mentioned a couple of things that the Government is looking at in terms of supporting small businesses—so, further measures—and you listed four different things, including introducing a small-business growth fund, repurposing the small-business cash flow loan scheme, microfinance company, or expanding the Venture Investment Fund.

PM: Correct.

Media: Is there a particular one of those options that you're leaning more towards?

PM: Not necessarily, although I think the learnings from one of them is, you know, the ongoing repurposing of the small-business loan scheme. We will have learnt a lot by the profile of businesses that have accessed that scheme, just as we're likely to learn a lot about the basis on which they'll access it in the future, because we will be changing the criteria—keeping in mind, though, that extra work is coming from the small-business advisory team. So that council put forward these recommendations. They worked on this pre-COVID. Now I think it's our job to learn the lessons of COVID and say, "Actually, we're leaning now more towards a loan scheme.", or is it something completely different that is going to see those ongoing needs?

Media: Do you have a time line for when we might find out a bit more?

PM: The first tranche is the extension of the interest-free period and the loan period. Second tranche is the criteria—expanding that for the small-business loan scheme. Then we move on to, at the same time, we're moving on to that exploratory work around other alternatives. I am very mindful that there are some models for us to look at, such as the UK. They have a range of different options there that I think is worthy of us considering.

Media: During the CNN coverage of the US election, there's an ad of you that comes up as a promo shot of you saying, "I don't understand America at all." And it's out of context—

PM: It is out of context. Thank you for recognising that. I was talking about gun reform.

Media: Yes, you were. But I just wonder, actually, what your thoughts are more generally as you watched the beautiful chaos of all these results coming in.

PM: Ultimately, every country's democracy is different. Some will look to our MMP system—the fact that we were able to quite legitimately swear in a Government today, on the same day that we received the final vote count, and they may consider that a curiosity. We each have our own systems, but, as I said yesterday, my view is that, regardless of where we are in the world, the most important thing is that we have good, strong, stable democracies, and they flourish when people support and believe in their democracy and their institutions, when political parties believe and support their democracies and institutions, and, as much as where possible, we acknowledge differences of opinion but we try to work beyond that partisanship that ultimately can be quite destabilising. Thanks, everyone.

conclusion of press conference