# POST-CABINET PRESS CONFERENCE: Monday, 9 May 2022Hansard Transcript

**Hon Grant Robertson**: Kia ora. Ngā mihi nui ki a koutou katoa. And as it also New Zealand Sign Language Week, [*Signs* “*Hello, I’m Grant Robertson. I’m Deputy Prime Minister*”]*.* Kia ora, everybody, and if that was really, really terrible, it’s good to have a go. Today, I’m joined by education Minister Chris Hipkins to provide an update on the work we’re doing to accelerate our recovery by getting more Kiwis into jobs, and helping to keep them there.

Before we turn to that announcement, looking to the week ahead: on Wednesday the Prime Minister will deliver a speech virtually to a Business New Zealand audience about the upcoming Budget and related matters. While she will not be able to be in Auckland, Minister Faafoi and Minister Hipkins will be there. On Thursday morning, as is traditional, I will be doing a pre-Budget speech to the Wellington Chamber of Commerce. That morning, there will also be two special debates in Parliament: one on the carbon budgets, and one on the report of the select committee on the Natural and Built Environments Act. There will be other announcements and speeches during the week, but a highlight for all of you, I’m sure, will be that I’m attending an announcement about the 2023 FIFA Women’s World Cup in Auckland on Friday.

Turning to today’s announcement. Because we have one of the strongest economies in the world following the COVID-19 shock, with GDP up 5.6 percent from a year ago, unemployment at a record low, and record exports, we have been able to invest significantly in building much-needed infrastructure. But when you invest in capital, you also have to invest in labour. We knew early on in our COVID-19 response that we would need to take action to ensure we didn’t end up in the same situation that resulted after the global financial crisis. At that time, when the Government turned off business support, employers let people go—particularly those who were still training. It was short sighted, and it created labour shortages. It was subsequently filled by skyrocketing immigration numbers, and that had its own consequences for our infrastructure. We knew we had to be smarter this time, and with our borders closed, we chose to directly fund and support the training of our local workforce.

At the start of the pandemic—as well as rolling out the wage subsidy, which helped businesses retain their current workforce—we created a programme that funded employers to keep and take on new apprentices. The Apprenticeship Boost has to date supported more than 43,000 people to keep, or get, an apprenticeship. It funds employers per apprentice, providing a financial incentive for businesses to keep them on and put the time and effort needed into training them. It has been extremely successful. The number of apprenticeships has increased by 55 percent in two years. The plan is working. The apprenticeship boost is one of the many reasons unemployment has fallen to 3.2 percent—a record low. And in the past quarter, we’ve had more people come off the benefit and move into work than at any time since the Ministry of Social Development began keeping electronic records in 1996.

And that brings me to why Mr Hipkins is with us today, because through Budget 2022, we’re continuing to invest in our people in order to provide job security and a skilled workforce we need to participate in our recovery. Today, we are announcing an extension to the Apprenticeship Boost programme out to the end of next year. That means we’ll be supporting around 38,000 apprentices—24,000 of which are likely to be new apprentices, and 14,000 who will continue to benefit from the programme beyond August this year. We’re also adding 1,600 places to Mana in Mahi, an incredibly successful programme that already supports over 4,700 young Kiwis to move off a benefit and gain the skills and qualifications they need to fill gaps in the workforce. As part of the Budget, we’re also extending funding for Māori trades training. This is a bespoke programme run through the Ministry of Social Development in partnership with 17 Māori entities across Aotearoa that does work-focused training for rangatahi.

These are programmes that are making a difference to people’s lives and are ensuring that we aren’t making the same mistakes of the past, such as only relying on immigration to fill our skill gaps. In these tough times, ensuring New Zealanders have the support they need to get trained and find work while providing business with the skilled workers they need is a key thing that the Government can do to help drive our recovery. I’ll now pass over to Minister Hipkins to provide you with a bit more information.

**Hon Chris Hipkins**: Thank you, Deputy Prime Minister. It is very good today to be able to confirm that we’ll be extending the apprenticeship boost programme out to the end of next year—benefiting around 38,000 apprentices. We expect that to include around 24,000 new apprentices, and around 14,000 apprentices who’ll continue to be supported by the scheme. It also means that new employers will be able to sign up. There are currently around 17,000 employers registered and receiving that additional support. We’ve had a lot of positive feedback from businesses over the last two years as a result of this programme. We know that it’s allowed them to keep people on, and the people who they’ve invested their time and effort into, even when they’ve been at the toughest points of the global pandemic.

Today’s investment through Budget 2022 of a further $230 million means the programme will extend to the end of next year, ensuring that we can get on with the job of building houses and upgrading infrastructure whilst training up the future workforce at the same time. Apprenticeship numbers have considerably increased since the start of the pandemic. As at the end of February this year, there were 56,000 apprentices funded by the Tertiary Education Commission, compared to 37,000 at the same time in 2020—an increase of 55 percent over two years.

We’re also succeeding in getting more women into the trades. Since the Apprenticeship Boost was introduced, there has been an 88 percent increase in the number of women doing apprenticeships. They are up to nearly 8,000 today.

The programme has also supported 7,325 Māori apprentices, which is around 17 percent of all of those receiving the Apprenticeship Boost, and 3,075 Pacific apprentices, which is around 7 percent. There’s still plenty more that we need to do around diversity in the trades, but we’ve been making some pretty solid progress.

In recognition of the significant growth in apprentices since 2020, and the very strong labour market that we have at the moment, we are making a change to the funding rates attached to the Apprenticeship Boost. In order to extend the initiative at a reasonable cost, the first-year subsidy rate will be lowered to $500 per month per apprentice, and that will start from 5 August 2022. And the second-year rate will remain the same at $500 per month per apprentice.

So I want to congratulate the record numbers of people starting in their apprenticeships, and thank employers for taking on apprentices and making sure that they are learning whilst they are also earning. It’s a testament to all of them that the programme has been so successful.

**Hon Grant Robertson**: Thanks, Minister Hipkins. I think what we’ll do is take questions for Minister Hipkins around the announcement first, and then he’ll depart and I’ll carry on.

**Media**: Minister, can you just explain how much that “per month per apprentice” funding will drop by?

**Hon Chris Hipkins**: So it was $1,000. We’re basically standardising the first- and second-year rate. So it was previously $1,000 in the first year and $500 in the second year—we’re now standardising that to $500 a month.

**Media**: And why do we need more apprentices?

**Hon Chris Hipkins**: There’s no question that skill shortages have been something that New Zealand suffered from for a long time, and building and construction has been right up there in terms of areas of skill shortage. That’s been one of the biggest areas of increase in apprenticeship numbers. But actually, you’ll find that in all of those areas where we have apprenticeships that are being subsidised, there have been areas of skill shortage. So it’s a very well-targeted investment in terms of being able to address those long-term skill shortages the country’s been suffering from.

**Media**: Minister, why have you decided to halve the subsidy in the first year, given the success with the last two years? Surely we need more apprentices.

**Hon Chris Hipkins**: Well, ultimately, we made the decision to extend the subsidy. So there wouldn’t have been a subsidy at all if we’d decided not to extend it. And we do have to recognise we’ve got a very strong labour market at the moment. We’ve seen very strong growth in apprenticeship numbers, and we’re confident that we’ll continue to sustain a very strong level of apprenticeship numbers and also growth as well, with the new rates that we’ve announced today.

**Media**: So how much have you saved by halving the first year?

**Hon Chris Hipkins**: Well, the overall numbers, I can give you the—as I indicated to you, I think the first-year apprentice numbers are around 24,000 and about 14,000 in their second year. So you can kind of work out that it, you know, does lower the cost to a level where we can sustain it for longer.

**Media**: So why not keep it going for ever, given the success of it?

**Hon Chris Hipkins**: Look, at the moment, we’re announcing through to the end of next year—you never say never.

**Media**: On the school absenteeism, there’s been high absenteeism and schools worried that they may lose a lot of their funding because of that. Whangārei Intermediate principal is calling on you to keep the status quo for that per-student funding into next year. Is that something you would consider?

**Hon Chris Hipkins**: Schools won’t lose funding for absenteeism. They don’t lose funding now; they never have. Schools are funded based on the number of students who are on their roll rather than whether or not those students show up, and we’re not proposing to change that. Where there are roll fluctuations from year to year, yes, school funding does change. Where there’s a significant change in school circumstances, then I’d encourage them to work with the Ministry of Education to make sure that they’re getting all the support that they can to smooth that out.

**Media**: But obviously when students do fall off rolls, then that would affect their funding. Is there any sort of wiggle room or any assurances that you can give schools that they won’t suddenly be working with a reduced budget because students have fallen off their radar?

**Hon Chris Hipkins**: I’m confident that increased absence is not resulting in decreased school funding, but I am concerned about increased absence, and so that’s why you saw the announcement that we made last weekend about getting kids back into school. And our message to parents is now is the time to get kids back into school as well. I am concerned that our attendance numbers are not where they need to be.

**Media**: And just switching to COVID while we have you, Michael Baker has suggested a fourth dose of vaccine for those most at risk. Are you considering this, and how far off would it be?

**Hon Chris Hipkins**: Yes, we are, and as I indicated last week, I think, when asked that, we have been getting advice on that. We’ve got some logistical issues to work through around the authorisation process for fourth doses. We’re working our way through that. But I think it is likely that we will have to more to say about that in the next week or two.

**Media**: And are you concerned about the two new variants—or the new variant, rather?

**Hon Chris Hipkins**: All new variants are something that we monitor very closely. At the moment the greatest variant activity is still within the Omicron family, and so we haven’t seen anything yet to suggest that our current public health measures aren’t sufficient to deal with any new variants that we’re seeing so far. But, of course, it’s a rapidly changing situation and we monitor international developments on variants very, very closely.

**Hon Grant Robertson**: There’s some information emerging from South Africa, where the BA.5 obviously originated, that actually it isn’t particularly more transmissible and it didn’t lead to any greater excess mortality than earlier versions of the Omicron variant. But, as the Minister says, we monitor it closely.

**Media**: How quickly can we pivot if we need to in terms of our response and our plan?

**Hon Chris Hipkins**: Our whole response all the way along has pivoted quickly when we’ve needed to. But we still have public health measures in place at the moment, and one of the reasons that we have public health measures in place at the moment is because there is still a global pandemic raging around the world, and things like mask use and the various other measures that we have in place are making a difference.

**Media**: Minister, what’s the Government going to do about the escalating number of ram raids that have been occurring?

**Hon Grant Robertson**: I’m just going to check before we come to that, Jason, whether there are any other questions from Minister Hipkins, and then we’ll pick that up.

**Media**: Last question on that topic but it’s for you. Does that count?

**Hon Grant Robertson**: Yeah, we can go there.

**Media**: So halving the subsidy, is this a sign, Minister Robertson, that you are tightening the belt? Is this a sign of more to come?

**Hon Grant Robertson**: Well, it’s a sign of making sure that we’re targeting our spending to where we can have the biggest impact and, to take Minister Hipkins’ point, we’re extending the subsidy. Within that we’re making use of $230 million to make sure that we have apprentices looked after. The feedback that we’ve had from the employers is that they will welcome this, they’ll continue to use it. It’s been a very important part of making sure that people have not only completed their apprenticeships but that employers have the workforce they need. So it is about providing targeted support to extend a successful programme.

**Media**: So you haven’t had any indications from smaller employers that that would hurt them in the sense that they would say, “We’re not going to go there”?

**Hon Chris Hipkins**: No, we’ve had really good support from employers, and in fact the feedback that we had through informal conversations with employers is they just want to see the scheme continue.

**Media**: So just on the 190,000 who went through the scheme, do you have any idea of how many have actually stayed on as tradespeople, and what the drop-out rates were and that sort of thing?

**Hon Chris Hipkins**: Well, that number that you’re mentioning covers both the Apprenticeship Boost and also the extra support we’ve provided for trades training off the job as well, so the fees-free component of that too. We’ve had really high retention rates. I had the number this morning—I’ll get it to you anyway—but the retention rates have been incredibly high. Bearing in mind that these are the first- and the second- year apprentices, and so we haven’t seen a drop-off rate at the end of the second year, for example, once the subsidy no longer applies. Generally, the feedback from employers is it’s those first two years that are the most critical because that’s the time when those new apprentices require the most support. As they get through their apprenticeship more, there’s more things they can do on their own. They’re much more productive and therefore, you know, potentially less of a drain on the business. And so that’s why we targeted those first two years. All right, thanks.

**Media**: I’ve got one as well, sorry, while you’re there. Public sector wages are running up 2.7 percent this last year, lagging the private sector wages. When the next public pay claims come through, can public sector workers expect to have their wages lifted in line with the cost pressures they’ve seen in the last year?

**Hon Chris Hipkins**: Well, I’m not going to bargain with the public sector workforce here, but what I would say is that, yes, there was a shift in that last year, and that’s off the back of about three years where public sector wage growth was running ahead of the private sector wage growth. So if you look at it over a 15-year-or-so horizon, the rates of growth in the public and private sector are comparable.

**Media**: Are you concerned about stoking the—you know, when you lift public sector wages, that’s obviously been quite a large workforce; are you worried about stoking the wage component of overall inflation? Are we seeing a whole wage price—

**Hon Chris Hipkins**: Look, people do need to think about this more than just in one-year cycle. As the Minister of Finance, I’m sure, will give you chapter and verse, we have to actually think beyond that when we’re thinking about things like wages and bargaining, and the Government absolutely will be. Now, I’m not saying that that doesn’t mean there’s not going to be a lot of pressure on the other side; we fully expect there will be.

**Media**: Minister, just back on that ram raid question?

**Hon Grant Robertson**: Yeah, Jason, look, as the Prime Minister indicated, I think, this morning, and Minister Williams yesterday, we are working on a package to support particularly small businesses around the issues that have arisen recently with ram raids. The approach we’re looking at doing would be similar to what we did with fog cannons, where the Government can carry a part of the cost—potentially quite a large part of the cost—of installation of those. We’re finalising the details of that. There are a number of matters to get right around this. There are actually local authority rules around the placement of things like bollards, and we have to work those through as well. Whether there are alternatives to bollards where you can’t use bollards because of that, or some other reason. But that is our intention: to provide that kind of support, similar to what we did with fog cannons.

**Media**: Can you give a time frame first and then a ballpark figure of what exactly—or how much we can be expecting, and if that’s coming from the Budget allocations—from the—

**Hon Grant Robertson**: So in terms of the first part of the question, I would expect to have something to say about that within the next week or two. Meetings and discussions have been going on, and obviously that was why the Minister’s talked about it yesterday and why the Prime Minister talked about it this morning. In terms of the cost, you’ll need to wait till then, but there are a number of sources of potential funding.

**Media**: Will you be keeping half-priced public transport fares in the Budget next week?

**Hon Grant Robertson**: Well, I’m not going to announce the Budget today, but what we did say at the time that we put out that policy was that it was a temporary policy to support people through this period with the inflation spike. We continue to review that and review the impact on people, but it was never designed as a permanent policy. It was done in line with the inflation increase.

**Media**: You also said at the time you announced that that it would tide you over to the end of the current fiscal year and the beginning of the next fiscal year, at which point the Budget—which takes into account the recommendations of the emissions reduction plan—which recommends reducing public transport fares will take effect.

**Hon Grant Robertson**: Yeah, and, as I say, I’ll announce the Budget next week, but I just want to be clear that the decision was one that was taken on a temporary basis. We said we would look at the ongoing global situation and we do continue to review it.

**Media**: Minister, when was your last Cabinet meeting to just finalise Budget decisions, and was it any later than usual?

**Hon Grant Robertson**: Ah, it was about the same time again.

**Media**: And when was that?

**Hon Grant Robertson**: That’s usually in April.

**Media**: So do you feel like you’ve had time to address cost of living, inflation, which has really come up as issue in the last six months, given the Budget process usually starts around November—

**Hon Grant Robertson**: Yeah, look, we’ve become incredibly flexible with the way we put Budgets together, through the course of the last two years. You’ll recall that the Budget we did in 2020, we, effectively, rewrote over a few days not long before we delivered it. So we do have the ability to be able to be flexible from the process, which, actually, starts in about August of the previous year and works its way all the way through until we finalise the package in April, and then we do a lot of work to produce what you get next week. So we’ve had some time to think about what we’re doing, and I think the package that we’re going to put out is a careful balance to make sure that we do give security and stability to New Zealanders, but all those details are out next week.

**Media**: Are you prepared to travel to the US in the case that the Prime Minister is unable to because of a COVID infection?

**Hon Grant Robertson**: Just say that again, Henry.

**Media**: Are you prepared to travel to the US in the case that the Prime Minister—

**Hon Grant Robertson**: Oh, look, that’s not something we’ve considered at all, and the Prime Minister fully expects to be able to travel to the US.

**Media**: Sticking with the US, can I just ask: the Supreme Court is considering overturning *Roe v Wade*. Can I just get your reaction to that? And, also, are you satisfied with where abortion laws are in New Zealand at the moment?

**Hon Grant Robertson**: Well, on the latter point, obviously, we made changes to abortion laws last term, and I think that was a terrific advance to be able to move that to be more of a health issue and less of an issue within the justice system, or the justice Acts. So, yes, I am satisfied with where we are. Obviously, we have advisory groups that continue to give us advice on what we may or may not need to do. On the first point, it’s always—we try to avoid commenting on other countries and other countries’ political situations. In this case, all I can state is that is a personal view: I strongly back a woman’s right to choose, and I think that around the world we’re seeing a reaction to this—and particularly in the United States, and particularly from women—that I can completely understand, and, obviously, in New Zealand, I’m pleased with where we are. For the women in America today, I can see why they’d be very, very concerned.

**Media**: Are you pleased to hear National are giving its support to the Climate Commission’s budget that Minister Shaw released this morning?

**Hon Grant Robertson**: I am. I will be even more pleased when it comes time for the release of the emissions reduction plans next week to see whether or not National back those. Because, unfortunately, they have a history from when they were in Government of making claims about the kinds of reductions they’d like to see in emissions, but then not backing it with action. Now is the time for them to back the emissions reduction plans—back the actual actions that will start to see us move the dial on climate. So, obviously, we’ll give them time to have a look at those plans, but if it’s just another hollow acceptance of a target without an action, then that’s not good enough.

**Media**: So you’re putting it back on them to not play politics over climate?

**Hon Grant Robertson**: Well, our view is that the Climate Commission’s work was independent. They set the budgets. We, by and large, endorse those budgets. We now, as a country, have to take action to get ourselves to the goals of the zero carbon Act and the goals of the carbon budgets. That will come through our emissions reduction plans. The challenge I’m putting down to the National Party is: back your words with actions, unlike what you did when you were in Government.

**Media**: Nicola Willis gave a speech today as finance spokesperson and criticised the Government’s wasteful spending. Are you confident you’re getting value for every dollar you spend?

**Hon Grant Robertson**: I’m confident that we work very hard to make sure we get value for money for New Zealanders, as I’m also confident that we have had external validation of the way that we’ve been running the economy. We’ve had two ratings agencies give us triple A credit ratings. We’ve had the IMF and the OECD congratulate New Zealand on not only our health performance through COVID, but also our economic performance through COVID. We will continually—as we do every year—push to make sure we are getting the best value for taxpayers, but I’m not going to accept criticisms of the Government’s economic performance that aren’t founded on fact.

**Media**: What do you make of ACT’s alternative Budget, including cutting around 14,000 Public Service workers?

**Hon Grant Robertson**: Well, I think it’s equal parts naive and dangerous. I don’t think it’s what New Zealanders need. But, in the end, David Seymour can produce a Budget like that because there’s no chance of him ever being able to actually implement it. The more important question here is: what does Christopher Luxon take from what David Seymour has said? Because if the National Party were to end up in Government, it would be with ACT. And so Christopher Luxon has to answer the question of whether he’s going to lift the age of the pension, whether he’s going to cut the winter energy payment, whether he’s going to freeze the minimum wage, whether he’s going to abolish a range of Government programmes and agencies that support some of the most vulnerable in our community. So that’s really where my interest in Mr Seymour’s announcement lies.

**Media**: Do you agree that you need to show restrained spending next week?

**Hon Grant Robertson**: I think we’ve got to get a careful balance, and part of that is making sure that we spend in a targeted way, that we make sure that we are addressing the issues that New Zealanders need us to address, and we’ve got a track record of that. We have actually kept debt lower than almost all of the countries that we would compare ourselves to. We’ve done that while also keeping unemployment down, and by making sure that we have had good, solid economic growth. So it’s about a balance, it’s about targeting our spending, and it’s about looking both to the near term—which is very important—but also to the longer term. I think one of the mistakes that has been made in New Zealand over many years is that we tend to focus just on the short term, and don’t invest enough in long-term programmes, and I’ve already signalled that the two areas for this Budget that we’re focused on are the revamping of the health system and climate change. Both of those are about making sure we’ve got security for New Zealanders over coming decades.

**Media**: The Reserve Bank said last week that they thought that our house prices were anywhere between 5 to 20 percent above their sustainable levels. Can you agree with that assessment, and would a 20 percent fall be a problem for the Government?

**Hon Grant Robertson**: As you know, because you’ve asked me the question many times before, I tend not to put percentages on it. The job we’ve given the Reserve Bank is to think about house prices as they’re setting their financial and monetary policies, and so they’ve given you that range. In terms of what happens with house prices—whether they fall or not—again, I haven’t commented on when they’ve gone up in terms of what I would like and what I would do in terms of whether they decrease. What we’ve wanted is a housing market where more people can buy their first home, and where it is a much fairer and more sustainable market. We’ll see where we get to over the next couple of years; our job is to set the policy settings. What I would note—that some of the drops that are being forecast, by certainly bank economists at the moment, would only take us back to 2020 or 2019 levels.

**Media**: The Reserve Bank also said it would be in a position to start imposing debt-to-income multiple restrictions next year, possibly before the election. What’s your view at the moment on whether that’s needed or how it might affect first-home buyers? Because, as I understand it, the first quarter there’s been a big drop in the share of homes bought by first-home buyers.

**Hon Grant Robertson**: Yeah, look, obviously when we agreed that the debt-to-income ratios could be in the tool kit of the Reserve Bank, we said that that had to be done with as little impact as possible on first-home buyers. So the design of the debt-to-income ratios, how and when they are implemented, needs to take that into account.

**Media**: Minister, why don’t you want to put numbers around house prices or housing affordability? Because we have targets around all sorts of things, and it isn’t actually the Reserve Bank’s job specifically to target prices or affordability. So why won’t you comment on that?

**Hon Grant Robertson**: Because there are many things that drive house prices; not all of them are in the Government’s control. What we’ve committed to is making sure that we will have a policy framework that we believe will lead to more affordable houses, that will mean more first-home buyers can buy. So we focus on making sure that we get the settings right. Speculating on individual percentages at any given moment, when there are so many forces and factors that apply to that, I don’t think is that helpful. What I have said is that I want them to be more sustainable than they are, and we’ve taken policy action to go towards that.

**Media**: A part of the Government targets CPI and none of that’s in the Government control.

**Hon Grant Robertson**: Well, CPI is targeted by the Reserve Bank—

**Media**: Which is a part of—

**Hon Grant Robertson**: —on our behalf, yes, and that is their job and they do do that, and you’re able to see the tool that they use to make that happen.

**Media**: Just on this issue of numbers, though, I mean there are a number of areas where there are a number of factors that influence an outcome, so houses prices are no different to that. Would it not make sense to provide a range of what is affordable, what is sustainable, so we can tweak all the different things to reach that goal?

**Hon Grant Robertson**: Well, as Bernard’s already pointed out, the Reserve Bank have given a range that they believe where sustainable house prices, or where house prices, need to get to to be sustainable. You can draw on that. From the point of view of the Government, our focus is making sure that we have the settings, the policy settings, in place that make it a more affordable market, that make it easier for first-home buyers, and that’s where our focus remains.

**Media**: Just on climate and the National Party, you were talking about the independence of the Climate Change Commission, is it your view that if National doesn’t back the ERP, their climate policy or climate views aren’t evidence based, essentially?

**Hon Grant Robertson**: Look, I think it’s the track record of the National Party here that worries me. So it was all very well to go to Paris and say “This is what we think New Zealand’s commitment should be”, but then to not take action on that I think means that their commitment was hollow. Now they have an opportunity where it’s not about us per se; we’ve had the Climate Change Commission’s report, we’ve got a set of emissions reductions plans which are to meet those carbon budgets. This is now their opportunity to back those actions, or, if they’ve got other actions that can achieve the same thing, by all means put those in front of the public. But I do think it needs to be based on facts and evidence, and I do think there is an opportunity here for the National Party to climb into the 21st century and get on board with climate change issues.

**Media**: Minister, what, if any, aid or military support will the Government provide to Ukraine this week?

**Hon Grant Robertson**: I don’t think there are any announcements planned for this week. Obviously, we made significant announcements around the support that we’re giving to the Ukraine both in terms of the people on the ground that we have supporting the logistics, the intelligence, and the money that we’ve provided via the United Kingdom, plus the humanitarian support. Cabinet continues to keep that under watch, but I’m not aware of any announcements this week.

**Media**: Because the United Kingdom has pledged £1.8 billion and United States Congress is considering a US$33 billion package of assistance.

**Hon Grant Robertson**: Absolutely, and it’s on the minds of all Governments. And, as I said, we continue to consider what further support we can provide.

**Media**: Just back on the emissions budget, so Cabinet’s adopted broadly, sort of what the Climate Change Commission recommended. So is it likely that you will adopt, pretty much, the draft plan?

**Hon Grant Robertson**: Look, a lot of work has gone into the emissions reduction plans, and what the Climate Commission put forward to us was essentially a challenge for us to go away and look at transport, or energy, or industrial heat, or building construction, and say, “What will you do? What are the specific things that you will do?” And so we’ve taken our time to build on what we’ve been given. And, in the end, those plans have to be able to reach those carbon budgets, and so I think you’ll see on Monday the comprehensive nature of what we’ve put together.

**Media**: How would you rate New Zealand’s climate action to date? Are you proud of what New Zealand has done in the climate action space this far?

**Hon Grant Robertson**: I’m pleased that New Zealand has taken on board the climate commission; made sure that we’ve seen that up—the zero carbon Act. We’ve definitely got more to do, so I’m pleased that we’ve been able to start making progress in terms of these building blocks, but we can never be satisfied with where we are today. We do need to do more. We need to make sure that not only are we meeting the goals that we’ve set ourselves within the zero carbon Act, but we’re doing that in such a way that New Zealanders are able to look forward for their children and their grandchildren to a planet that is still here, that is still able to be lived on properly, and to make sure that we can find, within that, opportunities for New Zealand. And I think what you’ll hear about on Monday, when we do the emissions reduction plans, is not just the environmental challenge that we’re all aware of, but also the opportunities that exist for New Zealand to be able to create higher-wage jobs, to be able to innovate within a low-emissions economy. So I think there’s much more to do. I’m pleased we’ve made the start we’ve made, but no one pretends the job’s anywhere near done.

**Media**: [*Inaudible*] cut period, are you going—

**Hon Grant Robertson**: Sorry, I missed the beginning of that.

**Media**: The Government is halfway through its period of cutting PED and RUC, and petrol prices have returned to close to where they were when you made that announcement. Are you going to extend it when the three-month term comes up?

**Hon Grant Robertson**: I think what you said highlights the volatility of the situation, because obviously the prices went down slightly and then have gone back up again. What we’ve said is we’ll continue to keep that under review.

**Media**: When will the review be—when will you discuss what your—

**Hon Grant Robertson**: When we announce it.

**Media**: On inflation, is it your view that the Government needs to do what it can to reduce aggregate demand into the economy, or is that not your—

**Hon Grant Robertson**: Look, I think it is challenging at the moment, where we obviously have had demand that is not met by supply. I think it’s been important that the Government has supported New Zealanders through COVID. We’ve kept people in work, we’ve made sure that there are good jobs and there is support for industries to keep going. If you just take an example like construction, where there’s massive demand and that is pushing up against supply chain constraints. Normally, in normal times, that would be fine and we would have as much GIB board as we need, as many building products come in as we need. The problem with that would be, if the Government were to step back from our public housing build, we would be doing a disservice to current generations and future generations of New Zealanders. So we have to strike a balance here. We have to make sure that we’re targeting our support, investing in the areas that are needed. But that level of demand is certainly a factor, but normally it would be met by supply. And unfortunately, certainly in the short term, we can’t do that.

**Media**: Just want to follow on that, we seem to be around maximum sustainable employment. You’d probably widely agree with that. Why are you still pumping money into policies like Jobs for Nature and other job creations? That would make sense in a high-unemployment situation, but that’s not the situation we’re in. And have you considered cutting them?

**Hon Grant Robertson**: We’re not pumping further money into those. Those are programmes that have already been set up and are being worked through and are coming to fruition. I say again what I’ve said here before: I stood on this podium and had a Treasury report that told me we were going to have 10 percent unemployment. We’ve worked hard, alongside New Zealanders, to make sure that unemployment is at 3.2 percent. We can still continue—as Minister Hipkins was announcing today—to support people to get more skills and to make sure that we had the best result for New Zealanders here. But we also have to start thinking about inward immigration, expanding the labour supply as well.

**Media**: So given the fact [*Inaudible*], could you reduce that spending going forwards? Most of these policies aren’t—

**Hon Grant Robertson**: We continually look at all of the policies and whether or not the investments are needed. But if you’re looking at Jobs for Nature, those are programmes that have been well under way and I’m not going to cut them in the middle of them.

**Media**: Just going back to the health reforms, Chris Luxon’s been quite clear about the fact that he doesn’t see a need for a Māori Health Authority separate from, say, a directorate within the Ministry of Health system. There’s going to be a lot of expectations around how much money you’re going to put into that in the Budget.

But also that leads to how much, sort of, achievement or results you’re going to see early on as well, because it will take time, as we know, with a new system like that. Do you feel a little bit under pressure, with an election 18 months away? Are you going to be able to deliver results with a Māori Health Authority in time to convince people that it was worth it?

**Hon Grant Robertson**: Before I come to that, I admire your faith in what the National Party’s position is on the Māori Health Authority, because I’ve heard a number of different positions including that they’ll keep it if it’s working, that they’ll get rid of it, or, as you say, they’ll use some existing mechanism inside the Ministry of Health. So I’m not at all clear on what the National Party’s position is.

In terms of the second part of your question, it will take time, and I think everybody in the health system understands the magnitude of the change. We’re determined that people will be able to see a difference in the services that they receive and we’re going to make sure that there is support available, particularly for Māori providers who are going to be working with the Māori Health Authority to be able to start delivering programmes.

We are needing to design this as we go and deliver as we go, and one of the reasons we’ve structured the health budget the way we have, by doing a two-year budget this time and then, once we have the New Zealand health plan, three-year budgets from then on, is to enable us to do as much work as we can now, see as much change as we can now. But I don’t want to underestimate the significance of the reforms here, and particularly the creation of a Māori Health Authority to deal with generational inequity in our health system.

So, yes, we will be asking people to be a little patient, but there should also be some good changes and good service provision changes that people will see.

**Media**: ‘Cos there’s certainly been indications, even from Andrew Little, that, you know, it could be four or five years before you start to see fundamental change. We all know the slow wheels of bureaucracy, and while it’s optimistic and ambitious to do something big, you must know the restraints and, I guess, the potential breaks that can go on with these sorts of things. How much change are you really expecting to see in the next year?

**Hon Grant Robertson**: Look, as I say, it will be somewhat of a slow burn and everybody in the health system understands that. But the Government has within its wherewithal to both make the change but also continue to invest in programmes and use some of the shifts to be able to demonstrate the benefits people will see. And you even saw that in the announcement that Minister Little made last week about planned care. We’re actually using the Health New Zealand approach to be able to break that logjam.

So I think we can make progress while we are fully developing the system. But, again, just to repeat what I just said, I think people understand: when it’s the health system and it’s this big, it will take time to see the full impact of all of those changes.

**Media**: Minister, in Australia the two major candidates have clashed over foreign policy. If there is a change of Government there this month, which looks very likely, how do you think that will affect Australia’s foreign policy, particularly towards China and the Solomon’s and similar issues that concern New Zealand?

**Hon Grant Robertson**: As I said before, we tend not to comment too much on other people’s elections or policies. What I would say is New Zealand, no matter who’s in Government in Australia, will continue to work closely with Australia and our region. We have done that for many years and we will continue to do that. When it comes to the relationship that Australia has with other countries, that’s the bit I’m not going to comment on. From New Zealand’s perspective, we’ll continue to work with them and continue to advance the interests of the Pacific region.

**Media**: Just further to Henry’s questions around inflation, how nimble do you think fiscal policy needs to be in response to a macroeconomic environment? For example, with COVID we saw it be very nimble. Do you see a return to, sort of, more normal times where it’s not as nimble, or do you think COVID has sort of shifted things a bit?

**Hon Grant Robertson**: I think it’s really important that we provide as much certainty and stability as we can, and that’s certainly what you’ve seen from us in the past and you will continue to see from us. But we do respond when we need to. We did that most recently with the fuel excise duty cuts and the halving of the public transport costs. So fiscal policy can be nimble and move, and when the time is right, that’s exactly what we’ll do. But, as I signalled in the speech last week, I do think the stage we’re now at with COVID particularly means that we can start, for example, bringing in things like the fiscal rules back so that we’ve got a bit more certainty and clarity. As you’re well aware, I’m keen on multi-year funding because that is another way that we can do that. So, yep, there’ll always be examples of the importance of nimbleness, but I also think New Zealanders need a Government that is providing them that stability and security.

**Media**: Have you been getting any reports or advice on the impact the half-price public transport has had on demand?

**Hon Grant Robertson**: I’ve seen media reports on that and I think Minister Wood would be the person to go to to see any more detailed reports than what you’ve seen. But, certainly, anecdotally, we have seen a significant increase in demand. And, obviously, one of the things we are trying to do as part of the Climate Emergency Response Fund is make sure that we can support New Zealanders to be able to make mode shifts. Again, some of that takes time. We’ve got to make sure that we get the infrastructure right, make sure that we get all of the building blocks of this.

**Media**: So you think you might want to expand out for more than three months, yeah?

**Hon Grant Robertson**: As I say, those announcements are for another day.

**Media**: Have you enjoyed the half-price public transport yourself?

**Hon Grant Robertson**: I have not, no. Unfortunately, nowadays, public transport is not something I’m able to take, largely for security reasons.

**Media**: And just for clarity’s sake, will there be clarity for New Zealanders who have been enjoying the half-price public transport fares, on Monday or Thursday next week?

**Hon Grant Robertson**: Good try, Amelia. Making sure I put my mask on appropriately.

**conclusion of press conference**